



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 1:00 P.M., Monday, March 25, 2013. **The meeting will be held at the Iowa Insurance Division located at 330 Maple Street, Des Moines, Iowa.**

The tentative agenda for the meeting is as follows:

1:00 p.m. Call to Order

1. Approval of Prior Board Minutes
2. Closed Session Discussion of Pending and Imminent Litigation (To adjourn by 1:30 p.m.)
3. Public Comment Period
4. Board Issues
 - A. Legislative Issue Discussion
 - B. 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 February 27, 2013 Board Meeting
10. Other Issues as Presented
11. Correspondence and Attachments

1	Approval of Prior Board Minutes
2	Closed Session
3	Public Comment Period
4	Board Issues
5	Approval of Program Billings
6	Monthly Activity Report and Financials Reviewed
7	Attorney General's Report
8	Claim Payment Approval
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Approval of Prior Board Minutes



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MINUTES IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND PROGRAM

February 27, 2013

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

Doug Beech called the Iowa UST Board meeting to order at 1:31 P.M. A quorum was present, with the following Board members present:

Karen Andeweg
Patricia Beck (by telephone)
Joseph Barry
Jake Friedrichsen (for Michael Fitzgerald)
N. Kurt Mumm (by telephone)

Also present were:

David Steward, Attorney General's Office (by telephone)
Scott Scheidel, Administrator
James Gastineau, Administrator's Office
Elaine Douskey, Iowa Department of Natural Resources

APPROVAL OF PRIOR BOARD MINUTES

Mr. Beech inquired if the members had reviewed the minutes and if there were any items for discussion. Mr. Gastineau noted a correction was needed for one word in the notes for Item D (DNR Update) which has in the third paragraph the incorrect word "unmanned"; the correct word is "unstaffed". With the corrections noted, Mr. Friedrichsen motioned to approve the minutes of the January 25, 2013 meeting with changes noted, and Mr. Barry seconded the motion. By a vote of 6-0, the minutes were approved.

CLOSED SESSION

Mr. Beech noted there were no matters dealing with litigation for discussion in closed session

pursuant to Iowa Code Chapter 21.

PUBLIC COMMENT

No public comment was presented.

BOARD ISSUES

A. 2013 Legislative Session

Mr. Scheidel noted the current legislative session is continuing and that presently no matters concerning the Board have been noted. Mr. Scheidel mentioned there have been some news articles regarding a proposed gasoline tax and should that become a topic in the legislature it may be of importance to the Board as all road use taxes, such as the EPC may be reviewed. Mr. Scheidel noted he would continue to watch, listen and report any issues to the Board as they become known during the session.

B. LPT Agreements

Mr. Scheidel noted the Board packet included a similar memo to that presented in the prior month with the exceptions that language has been added to require the Board be apprised of any new sites being considered for a transfer that aren't included in the original list as included in the packet. Mr. Scheidel noted that changes to the agreements include a non-binding arbitration clause and language that once a transfer occurs that the agreement language in effect at the time shall remain in effect until the site is closed. He also noted that a wording change was requested by Ms. Carlson to make it clear that both assessment and corrective action would be covered under the NFA re-opener process should such be needed in the future. Mr. Scheidel noted that the change clarifies the intent of the NFA re-opener process. Mr. Friedrichsen asked if the changes were acceptable to Ms. Carlson and PMC of Iowa Board, and Mr. Scheidel noted that in discussing the issue, that all issues had been resolved.

Following Mr. Scheidel's comments, Mr. Beech asked if there was any further discussion. Ms. Douskey noted that the Department has 3 concerns; the first relates to Mr. Gipp's comment in February that if any sites not included in the initial transfer are considered for future transfer that information for that site be brought to the Board for discussion prior to a transfer. The second issue was a request that cost estimates provided by consultants include a timeframe, and lastly, that more information be provided on the risk factor value that is noted in the proposed Master Agreement. Mr. Scheidel noted that Mr. Gipp's request was now included in the proposed agreement before the Board, and also noted as consultants develop their estimate they include a time interval as that will affect overall costs. In regards to the risk factor, Mr. Scheidel indicated that the risk value could be likened to the confidence level of the consultant completing the cost estimate in that it represents the risk that the actual costs incurred will vary from the estimated costs used to calculate an agreeable transfer amount. For example, if future rules were imminent, the consultant might include that into his or her estimate or a risk value factor may be included in

the overall calculation. Mr. Scheidel noted for the proposed transfer, a risk premium of 5% was indicated, but also noted in the original LPT, that the risk premium was set at 10% to account for the unknowns or what-ifs that may surface over time. Ms. Douskey thanked Mr. Scheidel for his response.

Following discussion, Mr. Beech asked if anyone would like to make a motion on the proposed agreements, with the changes noted in the wording and policy to bring future sites to the Board. Mr. Friedrichsen motioned to approve as amended and Ms. Andeweg seconded the motion. The matter was approved on a vote of 6-0.

C. DNR Update

Ms. Douskey provided information on the handout given to the Board members titled "Assessment of Corrective Action Conferences, 2004-2012" and noted that the memo would also be available on the DNR website for other interested parties. Ms. Douskey explained that the corrective action meeting process began after a business improvement event and was designed with the intent to bring affected parties together to discuss options and to agree on an approach to move the site into corrective action to reduce risks at the site. She also noted as the program began, corrective action meetings were often held one or two times per day, while in the recent years, the number of meeting has diminished to one or two per week, or approximately 60 per year. It was also noted that corrective actions selected in the meetings have included tasks such as Tier 3 evaluations, excavations, installation or modification of remedial systems, and modifying or removal of receptors such as relocation of water lines and closure of water wells.

Ms. Douskey noted when the process began, there were 1,185 high risk sites and today there is less than half that number. She also noted that since the process began, there have been 1,131 meeting held involving 602 sites and of those, 202 sites have been reclassified to no action required and 42 sites have been reclassified low risk.

For statistics, Ms. Douskey noted that the Department is currently tracking 1,059 open LUST sites. Of these, 547 are high risk, 260 are low risk, 67 are no action required with free product, and 185 are not yet classified. It was also noted that for the Federal fiscal year, 49 sites have been closed.

Ms. Douskey made note that in the RBCA process, the new water line evaluation which has been in place for almost two years has proven to be tricky and noted that there is a fear that the task for completing the evaluation has been given to newer or less experienced staff. Mr. Scheidel inquired as to what aspects were creating problems however Ms. Douskey was unable to answer that question. Mr. Darren Binning of Seneca Environmental noted his opinion that since there was no clear guidance available on how to perform the task that getting to an acceptable answer was not as clear as other pathway evaluations. Ms. Douskey concurred and noted that the RBCA model is a concern as it hasn't been updated to include the new evaluation, and as a result surrogate target levels must be used to complete the evaluation. Mr. Binning also noted that with the lack of guidance and lack of a model, and having to address each entities concerns, whether it be the DNR, the funding entities, or other GWPs, that attempting to determine what constitutes a good evaluation has been difficult from a consultant's standpoint as well.

Ms. Douskey noted that the DNR has arranged for a new RBCA course and exam to be held in May 2013. She noted that the RBCA course was not held in 2012 and indicated that the training will be updated to include the new water line rules and pathway evaluation process.

Lastly, Ms. Douskey provided information on a success story which had occurred in the recent weeks. She explained that on a recent Wednesday, the DNR Field Office staff and the local fire department had responded to an incident involving odors coming from a sewer and a sheen on a creek in the town of Corning, Iowa. In investigating the matter, fuel was noted to be seeping into the sewer near a parking lot for a church, and a person at the church was able to find records that the parking lot had been purchased in 1966 from the American Oil Company with the indications that several underground storage tanks were still in place. She noted that working with the Administrator's office and utilizing the State Lead Closure Contractor, that Seneca was able to mobilize to the site and remove 4 underground storage tanks, several with holes evident and some still containing product, the following Monday. She noted more work would need to be done, but that the emergency situation had been abated and wanted to thank all who had been involved in the process.

Mr. Scheidel reported that Ms. Douskey was working on a list of NAR sites without NFA certificates as had been discussed in the prior month. He also indicated that the Board may wish to use the Closure Contractors to target the low risk sites and suggested corrective action meetings be considered as a way to move those sites to closure, whether from a targeted excavation or a defined finite monitoring plan. Mr. Beech indicated his firm would be interested in such an approach as annual monitoring on a long term measure is not desired. Ms. Douskey also concurred noting that utilizing the closure contractors would be a welcomed approach on sites owned by innocent landowners who may have selected not to monitor and for which the Department cannot force action. Following an inquiry on the number of NAR sites with free product, Ms. Douskey also noted that that group of 67 sites would also be a good target group for the closure contractors to focus work on.

PROGRAM BILLINGS

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

1. Aon Risk Services \$101,024.00
Consulting Services for March 2013 -- \$62,024.00
Claims Processing Services for March 2013 -- \$39,000.00

2. Iowa Attorney General's Office \$3,916.61
Legal Services provided for Underground Storage Tank Program
January FY2013 Billing

3. Iowa Department of Revenue..... \$1,508.88
Environmental Protection Charge Collection
4th Quarter Billing, October – December 2013

On a motion by Ms. Andeweg and a second by Mr. Friedrichsen all billings were approved by a vote of 6-0.

MONTHLY ACTIVITY REPORT

Mr. Scheidel noted that the January 2013 activity report was included in the packet, and noted the trend continues downward for remedial, ILO, and global claims. He noted that invoices for a couple of large excavations contributed to the expenditure noted for the month. Mr. Scheidel referenced the financial reports noting no concerns with the balances of each fund. No questions were presented regarding the financials or activity reports.

ATTORNEY GENERAL'S REPORT

Mr. Steward stated there was nothing to report.

CLAIM PAYMENT AUTHORITY

Mr. Gastineau presented the following claim authority requests:

1. Site Registration 8610182 – Winston's Service Center, Atlantic (2nd Board Report)

Mr. Gastineau presented information noting that the site is high risk for the soil leaching to protected groundwater pathway for a protected groundwater source, and low risk for potential vapor pathways. Free Product has also been persistent in the area of the former tank basis. An ordinance has been accepted which will clear the soil leaching pathway when documented and an excavation was completed in November 2012 which appears to have successfully removed the soil contamination. Mr. Gastineau noted that following post-excavation monitoring and free product inspections, the site may be reclassified to a no action required status.

Mr. Gastineau noted the reserve for the site was \$225,000, with prior Board authority having been granted in January 2009 for costs up to \$130,000. It was noted that costs to date have been \$133,615.12 and projected costs, which include partial payment of the recent excavation, were \$90,000 to \$125,000. Mr. Gastineau requested total authority be extended to \$240,000.

Ms. Andeweg inquired on anticipated timetable for monitoring and Mr. Gastineau indicated one year of monitoring was anticipated. Mr. Friedrichsen motioned to approve the request and Mr. Barry seconded the motion. The measure passed on a vote of 6-0.

2. Site Registration 8600690 – Andy's Mini Mart, Riceville (2nd Board Report)

Mr. Gastineau presented information noting that the site is classified low risk for the protected groundwater pathway and vapor pathways, and that free product has also been present at the site.

He noted that under Department rules, water lines must be removed from the area of the product regardless of the pipe material, and as a result further investigation is proposed for the site to determine if the water line adjacent to the site is within the defined area of free product. If confirmed to be within the area, the water line would need to be replaced. Mr. Gastineau noted continued monitoring for the low risk conditions is also planned and noted that the requested funding would include all necessary site activities, other than the water line replacement.

Mr. Gastineau noted the reserve for the site was \$145,000, with prior Board authority having been granted in January 2007 for costs up to \$125,000. It was noted that costs to date have been \$135,893.47 and projected costs were \$20,000 to \$50,000+. Mr. Gastineau requested total authority be extended to \$165,000.

Mr. Friedrichsen inquired if the site would be brought back for further funding, and Mr. Gastineau noted that if the water line is determined to be in the area of free product that replacement would be needed and in that case, additional funding would likely be needed. Mr. Friedrichsen motioned to approve the request, and Mr. Barry seconded the motion. The measure passed on a vote of 6-0.

3. Site Registration 8607330 – Dillavou Oil, Waverly (3rd Board Report)

Mr. Gastineau presented information noting that the site is high risk for the groundwater ingestion pathway, vapor pathways, water line pathways, and the protected groundwater source pathway. He noted that free product has been present and that several corrective action measures including an excavation, use of a vapor extraction system, and use of a ISOC system have been completed, primarily to address the free product plume however have also successfully reduced groundwater contaminant levels. Elevated soil contaminant levels remain and further corrective action is likely necessary.

Mr. Gastineau noted the reserve for the site was \$400,000, with prior Board authority having been most recently granted in May 2005 for costs up to \$305,000. It was noted that costs to date have been \$317,995.36 and projected costs were \$60,000 to \$125,000+. Mr. Gastineau requested total authority be extended to \$400,000.

Following brief discussion, Mr. Friedrichsen motioned to approve the request, and Ms. Andeweg seconded the motion. The measure passed on a vote of 6-0.

CONTRACTS ENTERED INTO SINCE THE January 25, 2013 BOARD MEETING

Mr. Scheidel reported no contracts had been entered into since the last meeting.

OTHER ISSUES

Mr. Scheidel reported that next Board meeting was March 22, 2013. Mr. Beech indicated he would not be available however asked if the meeting could be moved to the following week. Mr. Scheidel indicated the Board members would be solicited for their availability and a meeting

date established as soon as possible thereafter.

Mr. Beech asked if there was any further business. Hearing none, Mr. Barry moved to adjourn, and Mr. Friedrichsen seconded the motion. By a vote of 6-0, the Board adjourned at 2:08 p.m.

Respectfully Submitted,

A handwritten signature in black ink, reading "Scott M. Scheidel". The signature is written in a cursive style with a prominent initial "S".

Scott M. Scheidel
Administrator

Closed Session

Discussion of Pending and Imminent Litigation

Public Comment

Board Issues

A. Legislative Update



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Φ Φ Φ *MEMO* Φ Φ Φ

TO: **UST Board**

FROM: Scott Scheidel

DATE: March 13, 2013

RE: 2013 Legislative Session

The 2013 Legislative Session continues to move along. While there are not any bills that have a direct material impact on the Board at this time, the possibility of amendment or leadership bills still exists. As the discussions of Gasoline Tax options progress, the possibility of impacting the Environmental Protection Charge exists so we will continue to monitor that progress.

We will continue to monitor bills and committees and report any issues that may affect the Board.

B. DNR Update

Approval of Program Billings



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MEMORANDUM

TO: UST Board Members
FROM: Scott Scheidel
DATE: March 18, 2013
SUBJECT: Summary of Bills for Payment

NOTICE

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

1. Aon Risk Services \$101,024.00
 Consulting Services for – April 2013 - \$62,024.00
 Claims Processing Services for – April 2013 - \$39,000.00

2. Iowa Attorney General's Office\$3,917.93
 Services provided for UST Fund February FY2013

Iowa Comprehensive Petroleum

Invoice No. 9500000104327

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 # OD04043
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	Feb-15-2013	US DOLLAR	Scott Scheidel

Named Insured	Service Term	Trans. Eff. Date	Description	Amount
Iowa Comprehensive Petroleum	Jan-01-2013 - Jan-01-2014	Apr-01-2013	Renewal - Service Fee	
Comments Installment 4 of 12			Service Fee	62,024.00
			Consulting Expense	39,000.00
TOTAL INVOICE AMOUNT DUE				101,024.00

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	9500000104327	Feb-15-2013	US DOLLAR	101,024.00

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: 03/01/13

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: February FY2013

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

Document Number	Account Coding					Description	Amount
	Fund	Agency	Org	Sub Org	Rev Source		
112AG030113042	0001	112	2301		0302		\$ 3,917.93

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

**Iowa Attorney General's Office
Invoiced Services**

Billing Period:	February 2013
Billing Total:	\$3,917.93
DSS @ 22%	\$1,363.63
RCH @10%	\$420.70
CLJ @12%	\$412.26
Payroll: 1/31/2013	\$2,196.59
DSS @ 22%	\$1,133.24
RCH @10%	\$309.64
CLJ @12%	\$278.46
Payroll: 2/14/2013	\$1,721.34
DSS @ 22%	
RCH @10%	
CLJ @12%	
Payroll:	
Imputed Income Reimbursement	\$0.00
	\$3,917.93

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 sites 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.

Monthly Activity Report and Financials Reviewed

A. February Activity Report

Iowa UST Fund
Monthly Activities Report

Feb-13

Claims	Open Claims January Ending	Monthly Net Changes	Open Claims February Ending	Open & Closed Totals since Inception
RETROACTIVE				
number	37	0	37	444
reserve	\$1,621,213.17	\$381,847.50	\$2,003,060.67	\$2,003,060.67
paid	\$6,560,648.49	\$16,152.50	\$6,576,800.99	\$16,626,557.03
	\$8,181,861.66	\$398,000.00	\$8,579,861.66	\$18,629,617.70
REMEDIAL				
number	506	(4)	502	4,450
reserve	\$23,486,998.91	(\$103,859.71)	\$23,383,139.20	\$23,383,139.20
paid	\$78,931,564.74	\$145,419.02	\$79,076,983.76	\$202,567,726.79
total	\$102,418,563.65	\$41,559.31	\$102,460,122.96	\$225,950,865.99
INNOCENT LANDOWNER				
number	158	1	159	1,110
reserve	\$6,509,930.68	(\$20,790.50)	\$6,489,140.18	\$6,489,140.18
paid	\$11,848,314.08	\$41,695.50	\$11,890,009.58	\$26,996,759.68
total	\$18,358,244.76	\$20,905.00	\$18,379,149.76	\$33,485,899.86
GLOBAL OPT-IN				
number	129	0	129	1,298
reserve	\$738,795.50	(\$7,672.28)	\$731,123.22	\$731,123.22
paid	\$1,009,536.50	\$7,672.28	\$1,017,208.78	\$9,467,741.25
total	\$1,748,332.00	\$0.00	\$1,748,332.00	\$10,198,864.47
UNASSIGNED REVENUE FUND PROJECTS				
number	6	2	6	196
reserve	\$120,000.00	\$40,000.00	\$160,000.00	\$160,000.00
paid	\$0.00	\$0.00	\$0.00	\$2,353,854.85
total	\$120,000.00	\$40,000.00	\$160,000.00	\$2,513,854.85
NFA RE-EVALUATIONS				
number	21	1	20	38
reserve	\$467,643.25	(\$44,172.50)	\$423,470.75	\$423,470.75
paid	\$384,356.75	\$3,912.50	\$388,269.25	\$624,635.42
total	\$852,000.00	(\$40,260.00)	\$811,740.00	\$1,048,106.17
TANK PULLS				
number	42	(11)	31	218
reserve	\$483,813.91	(\$91,183.91)	\$392,630.00	\$392,630.00
paid	\$117,103.22	(\$117,103.22)	\$0.00	\$2,098,040.51
total	\$600,917.13	(\$208,287.13)	\$392,630.00	\$2,490,670.51

Corrective Action Meetings	
Scheduled:	14
Completed:	1,139
MOA's	483

UST Operators (A / B)	2574
UST Operators (C)	62
Paid (FY2011-12)	\$271,490.00
Paid (FY2013)	\$4,400.00

RT Claims	#
New	0
Reopened	0
Closed	0
RM Claims	#
New	0
Reopened	0
Closed	4
ILO Claims	#
New	2
Reopened	0
Closed	1
GS Claims	#
New	2
Reopened	1
Closed	3
Tank Pull	#
New	16
Reopened	1
Closed	28

Invoice Type Totals	February	FYTD	Program to Date
2004 Tank Pull	0.00	0.00	\$ 1,761,013
2010 Tank Pull	315,835.08	707,326.07	\$ 2,095,673
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	25,646.03	\$ 4,283,089
Corrective Action	9,367.55	218,724.53	\$ 51,256,323
Expenses (OT)	0.00	8,340.00	\$ 248,360
Free Prod Recover	73,532.71	354,928.30	\$ 9,608,752
Monitoring	185,380.17	1,144,912.36	\$ 26,864,794
Operations/Maint	41,871.19	339,672.75	\$ 9,330,980
Over-excavation	70,239.22	1,215,407.70	\$ 27,615,086
Plastic Water Lines	36,464.73	108,348.58	\$ 2,005,386
Post RBCA Evals	3,100.00	12,683.46	\$ 196,292
RBCA	12,250.00	126,488.09	\$ 25,726,446
Remed Imp/Const.	31,836.39	708,752.87	\$ 26,186,669
SCR Charges	0.00	0.00	\$ 54,192,575
Site Check	0.00	2,582.50	\$ 140,053
Soil Disposal	0.00	13,878.91	\$ 684,706
Tank (UST) Pull	0.00	0.00	\$ 5,146,330
Tank (UST) Upgrade	0.00	0.00	\$ 5,891,868
Tier III	3,053.72	7,916.80	\$ 1,262,074
Utilities	19,999.76	112,820.65	\$ 1,760,639
Well Closure	9,089.30	100,006.42	\$ 3,262,195
Total Invoice Types	812,019.82	5,208,436.02	\$ 271,829,544

Remediation Budgets Approved to Date		
last month (Feb '13)	3	\$137,797
Trailing 12 mos	42	\$3,146,722
Prev Trail 12 mos	25	\$1,032,961
Total Since Jan 2003	1,060	\$41,933,086

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

B. February Financial Report

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FOR THE MONTH ENDING FEBRUARY 28, 2013**

0471 - UST REVENUE FUND (Bonding)

Balance of Fund, February 1, 2013	\$7,393,083.14
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Receipts:

Motor Vehicle Use Tax (IDOT - vehicle registration)	\$0.00	
Intra State Fund Transfers Received	\$0.00	
Interest Income	\$23,858.70	
Interest Income - Capital Reserve Fund	\$0.00	
	\$0.00	\$23,858.70

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	\$0.00

Balance of Fund, February 28, 2013	\$7,416,941.84
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0450 - UST UNASSIGNED REVENUE FUND (Non-Bonding)

Balance of Fund, February 1, 2013	\$9,055,922.22
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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	\$22,449.45	
	\$22,449.45	\$22,449.45

Disbursements:

UST Administrator's Fees	\$202,048.00	
Adjustment	\$0.00	
Attorney General's Fees	\$7,288.07	
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	\$2,165.14	

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FOR THE MONTH ENDING FEBRUARY 28, 2013**

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	\$1,860.00	
Rebate	\$0.00	
Special Project Claims - Closure Contract Project	(\$32,660.00)	
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)	\$16,766.48	
Statutory Transfer to IDAL (fuel quality inspections - recurring)	\$0.00	
Appropriation 2013	\$0.00	
Transfer of Funds to Innocent Land Owners	\$0.00	
		\$197,467.69
Balance of Fund, February 28, 2013		\$8,880,903.98

0208 - UST REMEDIAL NON-BONDING FUND

Balance of Fund, February 1, 2013		\$7,095,933.15
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	\$16,152.50	
Remedial Claims	\$758,863.31	
Adjustment	\$0.00	
28E Agreement - NFA Claims	\$3,302.50	
Transfer to Unassigned Revenue Fund	\$0.00	
Balance of Outdated Warrants & Cancelled Warrants	\$0.00	
		\$778,318.31
Balance of Fund, February 28, 2013		\$6,317,614.84

0478 - UST MARKETABILITY FUND

Balance of Fund, February 1, 2013		\$737,581.94
Receipts:		
Interest	\$945.10	
Use Tax	\$0.00	
		\$945.10
Disbursements:		
Intra State Fund Transfer	\$0.00	
Transfer to Innocent Landowners Fund	\$0.00	
		\$0.00
Balance of Fund, February 28, 2013		\$738,527.04

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FOR THE MONTH ENDING FEBRUARY 28, 2013**

0485 - UST INNOCENT LANDOWNERS FUND

Balance of Fund, February 1, 2013		\$2,299,656.74
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)	\$278,228.41	
Outdated Warrants	\$0.00	
Miscellaneous Income	\$0.00	
	\$278,228.41	\$278,228.41
Disbursements:		
Cost Recovery Reimbursement	\$0.00	
Cost Recovery Global Settlement	\$0.00	
Adjustment	\$0.00	
Intra State Fund Transfers Paid (to Unassigned Revenue)	\$0.00	
Other Contractual Services	\$0.00	
Global Settlement Claims	\$9,367.65	
Innocent Landowner Claims	\$50,511.46	
Transfer to Remedial Fund (0208)	\$0.00	
Balance of Outdated Warrants	\$0.00	
	\$59,879.11	
Balance of Fund, February 28, 2013		\$2,518,006.04

0238 - UST LOAN GUARANTEE FUND (Non-Bonding)

Balance of Fund, February 1, 2013		\$278,228.41
Receipts:		
Loan Application Fees	\$0.00	
Interest Income	\$74.60	
	\$74.60	\$74.60
Disbursements:		
Transfer to Innocent Landowners Fund	\$278,228.41	
	\$278,228.41	
Balance of Fund, February 28, 2013		\$74.60

0614 - UST CAPITAL RESERVE FUNDS (Bonding)

Balance of Fund, February 28, 2013		\$0.00
Combined UST Capital Reserve Fund Balances, February 28, 2013		\$0.00
TOTAL FUND BALANCES, February 28, 2013		\$25,872,068.34

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 Financial Report
as of February 28, 2013**

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FISCAL YEAR TO DATE ENDING FEBRUARY 28, 2013**

		FISCAL 2013 BUDGET
0471 - UST REVENUE FUND (Bonding)		
Balance of Fund, July 1, 2012	\$16,326,234.65	\$9,290,721.00
Receipts:		
Motor Vehicle Use Tax (IDOT - vehicle registration)	\$7,000,000.00	\$14,000,000.00
Intra State Fund Transfers Received	\$0.00	
Interest Income	\$90,707.19	
Interest Income - Capital Reserve Fund	\$0.00	
	\$7,090,707.19	\$14,000,000.00
Disbursements:		
Bond Interest Payment	\$0.00	
Bond Principal Payment	\$0.00	
EPC Charges	\$0.00	
Transfer to General Fund	\$0.00	
Transfer to Unassigned Revenue Fund (0450)	\$9,000,000.00	\$9,000,000.00
Transfer to Innocent Landowner Fund (0485)	\$0.00	\$7,000,000.00
Transfer to Remedial Non-Bonding Fund (0208)	\$7,000,000.00	\$7,000,000.00
	\$16,000,000.00	\$23,000,000.00
Balance of Fund, February 28, 2013	\$7,416,941.84	\$290,721.00
0450 - UST UNASSIGNED REVENUE FUND (Non-Bonding)		
Balance of Fund, July 1, 2012	\$745,122.80	\$4,701,809.63
Receipts:		
Request for Proposal Fees	\$0.00	
Copying/Filing Fees	\$0.00	
Fines & Penalties	\$0.00	\$10,000.00
Refund/Overpayment	\$2,837.72	
Transfer From UST Revenue Fund (0471)	\$9,000,000.00	\$9,000,000.00
Compensation for Pooled Money Investments	\$0.00	
Amort / Accretion	\$0.00	
Buys/ Sells	\$0.00	
Interest Income	\$82,340.80	\$25,000.00
	\$9,085,178.52	\$9,035,000.00
Disbursements:		
UST Administrator's Fees	\$690,088.00	\$1,100,000.00
Adjustment	(\$198,132.84)	
Attorney General's Fees	\$33,675.02	\$65,000.00
Attorney's Fees: Cost-Recovery Administration	\$0.00	
Cost Recovery Expense (i.e. Lien Filing, Overpayment Refund)	\$12.00	\$150.00
Actuarial Fees	\$0.00	
Auditor of the State Fees	\$4,962.88	\$5,100.00
Bond Trustee's Fees - Bankers Trust	\$0.00	
Claim Settlement	\$0.00	
Custodial Fees - BONY	\$0.00	
Department of Revenue EPC Collection Fees	\$30,965.11	\$25,000.00
Innovative Technology	\$0.00	

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FISCAL YEAR TO DATE ENDING FEBRUARY 28, 2013**

		FISCAL 2013 BUDGET
Inspection & Appeals Service Fees	\$0.00	
Legal and Professional Fees	\$0.00	
Postage / Printing / Miscellaneous	\$0.00	\$100.00
Professional Admin Services (Investments)	\$0.00	
Professional Services - Owner/Operator Training	\$31,970.00	\$100,000.00
Rebate	\$0.00	
Special Project Claims - Closure Contract Project	(\$19,188.00)	\$500,000.00
Travel Expenses-UST Board Members	\$25.74	\$700.00
Warrant Float Expense	\$0.00	
28E Agreement - DNR Plume Study	\$0.00	\$500,000.00
Statutory Transfer to DNR (technical review - recurring)	\$16,766.48	\$200,000.00
Statutory Transfer to IDAL (fuel quality inspections - recurring)	\$60,336.61	\$250,000.00
Appropriation 2013	\$297,916.34	\$200,000.00
Transfer of Funds to Innocent Land Owners	\$0.00	
	\$949,397.34	\$2,946,050.00
Balance of Fund, February 28, 2013	\$8,880,903.98	\$10,790,759.63
0208 - UST REMEDIAL NON-BONDING FUND		
Balance of Fund, July 1, 2012	\$3,510,808.48	\$2,476,236.34
Receipts:		
Remedial Refunds	\$0.00	\$0.00
Misc. Income (i.e. eligibility settlements)	\$0.00	
Interest Income	\$0.00	
Transfer From UST Revenue Fund (0471)	\$7,000,000.00	\$7,000,000.00
	\$7,000,000.00	\$7,000,000.00
Disbursements:		
Retroactive Claims	\$122,917.96	\$700,000.00
Remedial Claims	\$3,935,806.25	\$6,000,000.00
Adjustment	\$144,887.76	
28E Agreement - NFA Claims	\$57,654.65	\$500,000.00
Transfer to Unassigned Revenue Fund	\$0.00	
Balance of Outdated Warrants	(\$68,072.98)	
	\$4,193,193.64	\$7,200,000.00
Balance of Fund, February 28, 2013	\$6,317,614.84	\$2,276,236.34
0478 - UST MARKETABILITY FUND		
Balance of Fund, July 1, 2012	\$730,433.06	\$717,263.77
Receipts:		
Interest	\$8,093.98	\$50,000.00
Use Tax	\$0.00	
	\$8,093.98	\$50,000.00
Disbursements:		
Intra State Fund Transfer	\$0.00	
Transfer to Innocent Landowners Fund	\$0.00	
	\$0.00	\$0.00
Balance of Fund, February 28, 2013	\$738,527.04	\$767,263.77

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FISCAL YEAR TO DATE ENDING FEBRUARY 28, 2013**

		FISCAL 2013 BUDGET
0485 - UST INNOCENT LANDOWNERS FUND		
Balance of Fund, July 1, 2012	\$2,963,372.43	\$3,789,762.08
Receipts:		
Cost Recovery (i.e. lien settlements)	\$24,512.82	\$0.00
ILO Refunds	\$0.00	
Transfer From UST Revenue Fund (0471)	\$0.00	\$7,000,000.00
Transfer From Loan Gaurantee Fund (0238)	\$278,228.41	\$277,788.24
Outdated Warrants	\$8,517.20	
Miscellaneous Income	\$0.00	
	\$311,258.43	\$7,277,788.24
Disbursements:		
Cost Recovery Reimbursement	\$0.00	
Cost Recovery Global Settlement	\$0.00	
Adjustment	\$4,894.43	
Intra State Fund Transfers Paid (to Unassigned Revenue)	\$0.00	\$0.00
Other Contractual Services	\$0.00	
Global Settlement Claims	\$61,157.76	\$75,000.00
Innocent Landowner Claims	\$692,872.63	\$1,500,000.00
Transfer to Remedial Fund (0208)	\$0.00	
Balance of Outdated Warrants	(\$2,300.00)	
	\$756,624.82	\$1,575,000.00
Balance of Fund, February 28, 2013	\$2,518,006.04	\$9,492,550.32
0238 - UST LOAN GUARANTEE FUND (Non-Bonding)		
Balance of Fund, July 1, 2012	\$277,723.01	\$277,788.24
Receipts:		
Loan Application Fees	\$0.00	
Interest Income	\$580.00	\$0.00
	\$580.00	\$0.00
Disbursements:		
Transfer to Innocent Landowners Fund	\$278,228.41	\$277,788.24
	\$278,228.41	\$277,788.24
Balance of Fund, February 28, 2013	\$74.60	\$0.00
0614 - UST CAPITAL RESERVE FUNDS (Bonding)		
Combined UST Capital Reserve Fund Balances, February 28, 2013	\$0.00	\$0.00
TOTAL FUND BALANCES, February 28, 2013	\$25,872,068.34	\$23,617,531.06

FOOTNOTES:

Note 1: Funds labeled "Bonding" were created as a result of the issuance of UST Revenue Bonds. Disbursements from 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
 FIRST BOARD REPORT
 MARCH 11, 2013
 GRANNEMAN-BROWN ENTERPRISES., INC
 619 CHURCH STREET
 OTTUMWA
 SITE REGISTRATION NUMBER: 8606884
 LUST NUMBER: 7LTM98**

RISK CLASSIFICATION:

HIGH LOW NFA

PRESENT CLAIM RESERVE: \$ 110,000.00

ELIGIBILITY: The contamination was discovered during a site investigation on May 21, 1990, and was reported to the IDNR with a timely claim was filed. This is an eligible remedial claim.

COST INCURRED TO DATE:

1. Site check and site clean-up report	\$ 22,436.00
2. Tank pull 1992	2,562.85
3. Site monitoring reports	19,880.00
4. RBCA Tier 2 report	9,625.00
5. RBCA Tier 3 report	8,075.00
6. Free product recovery	<u>19,525.00</u>
TOTAL COST TODATE	\$ 82,103.85

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 type="checkbox"/> Implementation of

TOTAL PROJECTED COSTS: \$ 10,000.00 - \$75,000.00

TOTAL AUTHORITY RECOMMENDED:

\$ 125,000.00

COMMENTS: The site is high risk for the groundwater and soil leaching pathways for an adjacent lake. The site is also low risk for the groundwater vapor pathway for potential vapor receptors. The consultant is not recommending corrective action at this time. Additional authority is needed to continue Tier 3 monitoring.

IOWA UNDERGROUND STORAGE TANK PROGRAM
FIRST BOARD REPORT

MARCH 11, 2013
KWIK SHOP INC.

3632 AVENUE G
COUNCIL BLUFFS

SITE REGISTRATION NUMBER: 8607430

LUST NUMBER: 8LTE37

RISK CLASSIFICATION:

HIGH

LOW

NFA

PRESENT CLAIM RESERVE:

\$ 160,000.00

ELIGIBILITY: Contamination was discovered with a site check on October 2, 1990 and was reported to the DNR October 24, 1990. This is an eligible remedial claim.

COST INCURRED TO DATE:

1. Site check and site clean-up report	\$	25,314.96
2. Pre & post RBCA CADR		10,770.00
3. Site monitoring reports		22,105.82
4. Free product recovery		16,255.21
5. RBCA Tier II report		<u>7,260.00</u>
TOTAL COST TODATE	\$	82,705.99

PROJECTED COSTS:

Risked Based Corrective
Action Tier I & II Report

Tank Pull/Up-Grade.

Site Monitoring Report

Free Product Recovery

Corrective Action Design Report
(CADR)

Implementation of
chemical oxidation

TOTAL PROJECTED COSTS:

\$ 75,000.00 - \$250,000.00+

TOTAL AUTHORITY RECOMMENDED:

COMMENTS: The site is high risk for the soil and groundwater for the vapor pathways for residential sewers and low risk for potential vapor pathways. Soil vapor sampling has failed multiple times. Because the site is an active station, and due to the site geology, there are few good remediation alternatives. The consultant is recommending chemical oxidation to address risks. A teleconference will be held soon to discuss options.

**IOWA UNDERGROUND STORAGE TANK PROGRAM
 FIRST BOARD REPORT
 MARCH 11, 2013
 ST. MATTHEWS CAPITAL, LLC
 505 AVENUE H
 FORT MADISON
 SITE REGISTRATION NUMBER: 8607484
 LUST NUMBER: 9LTF69**

RISK CLASSIFICATION:

HIGH LOW NFA

PRESENT CLAIM RESERVE: \$ 60,000.00

ELIGIBILITY: Contamination was discovered in 1998 during an investigation as part of a property transaction. The tanks had been removed in 1989. IDNR was notified after the contamination discovery, and a claim was filed by the responsible party. This is an eligible innocent landowner claim.

COST INCURRED TO DATE:

1. RBCA Tier II report	\$ 27,545.21
2. Site monitoring reports	9,312.00
3. Free product recovery	<u>5,138.85</u>
TOTAL COST TODATE	\$ 41,996.06

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: \$ 25,000.00 - \$125,000.00

TOTAL AUTHORITY RECOMMENDED:

\$120,000.00

COMMENTS: The site is low risk for the soil vapor pathway for potential enclosed spaces. Soil vapor sampling has failed multiple times. Soil delineation followed by an excavation of the former pump island area is recommended. The site is no longer a gas station, and the area is accessible for an excavation. Post-excavation monitoring will be necessary.

**Contracts Entered Into
Since February 27, 2013 Board Meeting**



IOWA UNDERGROUND STORAGE TANK FUND

Douglas M. Beech, *Chairperson*

Scott M. Scheidel, *Administrator*

Board Members:

Michael L. Fitzgerald Joseph D. Barry Jeff W. Robinson Karen E. Andeweg Chuck Gipp
Timothy L. Gartin Dawn M. Carlson Patricia J. Beck N. Kurt Mumm

MEMO

TO: **UST Board**

FROM: Scott Scheidel

DATE: March 18, 2013

RE: Contracts Entered Into Since February 27, 2013

The Board has entered into one agreement, with Petroleum Marketer's Mutual Insurance Company for a Loss Portfolio Transfer of a select group of claims, since the last Board meeting.

Other Issues as Presented

Correspondence and Attachments