



# 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 24, 2013. **The meeting will be held at the Petroleum Marketers and Convenience Stores of Iowa office at 10430 New York Avenue, Suite F, Urbandale, IA 50322.**

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 am)
3. Public Comment Period
4. Board Issues
  - A. Aon Contract Extension
  - B. FY 2014 Goals
  - C. UST Cost Recovery – Lien Update
  - D. Reauthorization – Contractor Agreement for NFA Re-Opener
  - E. Reauthorization - Iowa UST Operator Training Agreements
  - F. Reauthorization - Iowa UST Operator Data Management System
  - G. 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 21, 2013 Board Meeting
10. Other Issues as Presented
11. Correspondence and Attachments

## **Approval of Prior Board Minutes**



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## MINUTES IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND PROGRAM

August 21, 2013

### ANNUAL STRATEGIC PLANNING SESSION LAKE PANORAMA NATIONAL GOLF RESORT & CONFERENCE CENTER PANORA, IA

Doug Beech, Chairperson called the Iowa UST Board meeting to order at 9:47 A.M. A quorum was present 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  
Timothy Gartin

Also present were:

David Steward, Attorney General's Office  
James Gastineau, Program Administrator's Office  
Tim Hall, Iowa Department of Natural Resources

### ***STRATEGIC PLANNING SESSION***

Mr. Beech welcomed the Board members and guests. He then reviewed the agenda for the day, which included a morning session of Strategic Planning for the current fiscal year (2014) and a regular Board meeting following a break for lunch.

Mr. Beech noted that Scott Scheidel, the Administrator, was not able to attend today's meeting. He also noted the importance of this meeting as the end of the Program was approaching and noted that as each of the members had an understanding of the program history that Mr. Gastineau would be giving a brief overview so more time could be spent discussing the long term goals.

## **I. Evaluation of Past Program Goals and Program Status**

### **A. Current Program Status**

Mr. Gastineau 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. Gastineau noted the program began in 1989 with the legislative intent to provide a program to assist owners and operators comply with state and federal financial responsibility requirements and provide a mechanism to assist owners and operators in meeting technical requirements set forth by the state. Mr. Gastineau noted the program initially included three main program areas:

- The Insurance Program which 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 Loan Guarantee Program which provided a guarantee to lenders to assist owners and operators pay for remedial expenses and to upgrade their UST systems. The loan guarantee program ceased in 1999 and the last loan was paid off in fiscal year 2011.
- The Remedial Program which was established to provide funding for the cleanup of past releases that had occurred prior to October 26, 1990. The intent of the program was to minimize societal impact and environmental damage and to provide owners and operators with adequate and reliable funding source for the costs of the cleanup of the pre-existing releases.

In reviewing this narrative, funding and operational issues were covered.

Mr. Gastineau discussed the Remedial Program and summarized the cost of all claims paid under different claim types. To date, the UST Fund had paid \$203,991,390.76 in remedial claims, \$16,606,571.87 in retroactive claims, and \$27,298,360.20 in innocent landowner claims since the inception of the program. He also noted that the Loan Guarantee Program was closed out in fiscal year 2011. Mr. Gastineau then made note of the Insurance Program, which was originally set up by the State and after operating for 10 years, a private mutual insurance company was created and funds accrued were transferred to that insurance company in 2000.

Regarding Iowa UST Program funding, Mr. Gastineau 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. Mr. Gastineau noted that the current allocation to the Program is \$14 million, which was reduced from \$17 million in the 2012 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. Gastineau summarized the various Funds used by the Iowa UST Program to achieve the Board's goals. He stated the UST Revenue Fund received the standing allocation monies on a quarterly basis and as of June 30, 2013 had a balance of \$14,470,480.24. Mr. Gastineau noted that the funds in the UST Revenue Fund would be dispersed per the proposed budget to the other funds to pay for ongoing work. He noted that the UST Unassigned Revenue Fund is used to pay the Program's administrative expenses and for the underground storage tank closure contract payments. Funds in the Remedial Non-Bonding Fund are used to provide remedial and retroactive claim payments. 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 Marketability Fund currently received only the interest collected on the Innocent Landowner Fund.

Regarding operational issues, Mr. Gastineau 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. 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, 1,299 claimants had received some funding and noted that others may be eligible however the number of those potentially eligible was unknown.

For the Innovative Technology section, it was noted four 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. Mr. Gastineau noted those projects had mixed results, but it was noted that the Board continues to encourage innovative technologies as an option to be compared against known technologies on some sites.

Mr. Gastineau 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 at the contamination in relation to risks presented by that contamination in context with risk to public health, safety and the environment. Corrective action is required only on those sites where an unreasonable risk is present.

Mr. Gastineau referenced the Small Business / Financial Hardship provision noting the Board offers 100% funding to claimants who claim 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 mentioned 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.

Mr. Gastineau 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.

Mr. Gastineau also noted that historically the Board had provided technical training for certified groundwater professionals and UST installers and inspectors. For owner and operator outreach, Mr. Gastineau noted public meetings had been held around the state during the 2002 rules review and more recently, in February 2012, staff from the Administrator's office, PMMIC, and representatives from Petroleum Marketers and Convenience Stores of Iowa held a forum aimed at providing information to owners and operators on how they can become an integral part in the processes affecting their site. Mr. Gastineau noted that there was a hope that a second meeting could be held in the next year.

Mr. Gastineau then noted the loss portfolio transfer (LPT) option that had been exercised by the Board to end its liabilities on sites where the Board and Petroleum Marketers Management Insurance Company (PMMIC) both had open claims. He noted that in 2007, the Board authorized a LPT covering 10 sites and more recently had authorized a LPT involving 11 sites with a transfer of \$197,954.84.

Lastly in Operation Issues, Mr. Gastineau 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. He noted that the Board has authorized funding agreements to reimburse DNR approved vendors for the training of individuals as a Class A and/or Class B UST Operator and since the program inception, 2,598 individuals have been trained. 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 for their own employees.

### Activities Reporting

Mr. Gastineau presented the June 2013 monthly activities report and a Fiscal Year 2013 report as a summary of the program activities for the past year, noting that the program has 658 open remedial, retro, and innocent landowner claims. He noted that while 80 claims have been closed, 16 claims were opened or re-opened. He also noted the increased activities in the closure contract project, NFA re-opener project, and in the tank removal funding program which has been a success with over \$1.1M being paid out in each of the last two years.

Ms. Carlson inquired as to the amount noted as being paid in the Tank (UST) Pull line on the spreadsheet and Mr. Gastineau surmised that those funds were for the removal of orphaned tanks which are occasionally discovered on otherwise eligible claim sites, however, he would determine the exact reason prior to the next meeting.

Mr. Gastineau then presented an overview of the pie charts which give a pictorial view of the expenses paid in the program to date and in the past fiscal year. He noted for the past fiscal year, the larger slices included 23% for excavations and 27% for monitoring which would include low risk monitoring, remediation monitoring and Tier 3 monitoring activities. Ms. Carlson inquired about program administrative costs and asked to have that information tracked on the activity report and included on the pie charts for easier review. She also asked that the current charts be redrawn to include that information and Mr. Gastineau noted that would be done prior to the next meeting.

Mr. Gastineau then moved to the status of the innovative technology (REMIT) and community remediation projects (CRP). Following the briefing on the Delaware project, Mr. Beech inquired as to what can be done to reduce the number of projects listed with an 'indefinite' time frame. Mr. Gastineau presented information noting the complexities of this site and other sites that share some of the same characteristics and noted the factors that are often difficult to overcome as they may be beyond the control of those involved. Following discussion on the possible obstacles and alternatives, Mr. Beech asked that a list be provided, to the extent possible, identifying those sites where closure within the set time frame of the program is not anticipated to be possible. Mr. Gastineau noted staff has already been working on such a list using three criteria, those that will not likely close due to funding issues, due to rules, and due to access or off-site issues. Mr. Beech and Mr. Hall both noted that action needs to be taken to identify possible alternatives to address these sites.

Following the discussion, Mr. Gastineau continued with the review of the State Lead project sites noting ongoing concerns with funding and access issues on certain sites. In discussing the issues, it was noted that while funding is available to an extent, responsible parties do maintain a duty to address contamination for which they are responsible in the event program funds are fully expended. Alternatives for obtaining access were also discussed including the option for using legal procedures if warranted. 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. Gastineau continued with the review of the program, beginning with a review of the open & closed claims summary table. Referencing the data, Mr. Gastineau noted there are 670 sites with an open Fund benefit claim, including 384 high risk sites, 163 low risk sites, 43 sites classified as no action required with free product, 29 sites not yet classified and 51 sites classified no action required which remain open pending submittal of final invoices. He also noted that at the same time, there are a number of open DNR LUST sites within the same classifications or unclassified with closed claims or with no claims. It was also pointed out that the majority of open DNR LUST sites have an open Fund benefit claim.

Mr. Gastineau next directed the Board's attention to a spreadsheet and series of graphs containing fiscal year end data from 1990 to 2013. 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. Gastineau 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. Mr. Friedrichsen asked about the number of DNR LUST sites not funded and it was noted that there are approximately 300 sites currently not funded by a primary claim. It was also noted that 49 sites classified no action required but held open pending submittal of the well closure documentation.

Mr. Gartin recalled a discussion from an earlier meeting on the sites classified NAR but which had not been issued a NFA certificate and inquired on how those sites fit into the data tables. Mr. Gastineau noted that there are approximately 900 funded sites without a NFA certificate and that work had been started trying to identify options to reduce that number. In discussing the concern of NFA certificates, it was generally acknowledged any actions taken would be an extra task since neither the Department nor the Fund maintains a list of such sites and any funds spent wouldn't push the program closer to being done. However since the certificate does give a benefit to those responsible for prior releases and acts as a safety net for future landowners, the members agreed that a goal should be set to get a NFA certificate issued to those who qualify. In support of the matter, Mr. Gartin motioned to approve \$100,000 for funding of well closures at non-eligible sites. In further discussion on how to implement delivery of the proposed funding stream, Mr. Beech modified the motion to have the Administrator develop a letter to be sent to property owners to address the need to get a NFA certificate for prior releases on their property and to acknowledge a funding source is available for a limited time on sites that are not eligible for IUST funding. Mr. Gartin seconded the motion, and on a vote of 8-0, the measure was adopted.

*The Board took a break for lunch at 12:20 PM.*

*The Board reconvened at 1:10 PM, with Mr. Doug Beech as chair.*

Following the break, Mr. Gastineau reviewed the charts on the number of claims and balances for each fund. Another graph incorporated DNR LUST information, and Mr. Gastineau noted 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.

Mr. Gastineau 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 \$38 million in 2016. Lastly, the ending FY 2013 financials were reviewed and it was noted that projections for expenditures were less than anticipated for claim payments. Mr. Gastineau 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. Gastineau reviewed with the Board the listing of 28E Agreements the Board has entered into since the inception of the program, noting 6 of the agreements had expenditures in FY13 and that those marked with an asterisk are ongoing projects. Mr. Gastineau acknowledged that the asterisk was mistakenly omitted from the entry for the ISU-Operator Data Management System agreement and noted that the agreement was still in effect but further payments were not anticipated at this time.

### *C. Attorney General's Report*

David 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. Mr. Steward noted that legal services are provided by the State through a 28E agreement and noted a new agreement is included in the Board Packet for later review. He also noted that annual costs to the program are approximately \$50,000 which is a substantial decrease from earlier years where, in the 1990's, costs for services at times exceeded \$300,000 per year.

### *D. Prior Year's Goals*

#### "Getting Sites to Closure"

Mr. Gastineau reviewed with the Board the goals set in August 2012 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 80 claims closed and 63 corrective action meetings completed. He noted the goals were set with optimism knowing that the goal would be difficult to attain as the number of sites needing review is dwindling. He also noted a goal was to continue the evaluation of potential sites for State Lead contracts, primarily focusing on low risk sites or those sites where work has stalled. Lastly, he noted that a continuing issue was to evaluate possible avenues for making changes to the risk evaluation methodology required and noted the recent release of guidance by the USEPA regarding vapor intrusion.

In discussing the data, the matter of corrective action meetings was considered and it was noted by several that as the number of sites dwindle those remaining generally represent the sites with a more complex set of conditions. To address this complexity, it was explained meetings are commonly needed to grasp the specific information and formulate a decision on how to move a site forward with input from all affected parties being taken into consideration. This methodology also allows site specific decisions to be made rather than risk concern that individual site decisions may be considered as new policy decisions.

Mr. Beech inquired if there were any further questions regarding the historical review of the program. Ms. Carlson requested that the information presented on the pie charts discussed earlier be modified to include program administration and claims processing expenses for both the fiscal year and program to date. She also requested the information be provided on a monthly basis. Mr. Gastineau noted the information on program costs are presented on the monthly financials and stated the activities report would be modified to include the same information.

## **II. Fiscal Year 2014 Goals Discussion**

Mr. Beech noted discussion of most of the items listed on the memo in the Board packet had already been initiated, however, asked Mr. Gastineau to present information on the ideas as written. Mr. Gastineau provided the Board with an outline of topics to discuss regarding goals for fiscal year 2014:

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

Mr. Gastineau noted for claims closure a shift in the focus of the program from high risk sites to low risk sites with an emphasis on those sites where work has stalled. He noted a need to work with the Department on process improvements such as limiting low risk monitoring, increased 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 stated there is the need to set goals as the program nears its end. In discussing the matter, it was noted that June 30, 2016 is not a mandated deadline for the program to end as neither the Board nor the statutory allocation are anticipated to end. The 2016 date applies to the collection of the environmental protection charge. In considering the matter further, the UST Fund Projections table was re-examined and it was noted that the current projection has the revenue stream ending after 2016 yet expenses for administration would continue albeit at a reduced level. It was also noted that cost recovery and interest would continue to be accrued and that governmental transfers would also continue.

Mr. Beech noted as changes are likely in the program that time be set aside at a future meeting to discuss alternatives to end the program which may include a trust arrangement to assist the Department should the funding stream be eliminated. He also noted a concern that goals be established to monitor progress going forward. Mr. Hall concurred asking that a summary of items discussed be sent to the Board members, so as to lead to the establishment of a clear set of goals and to assist the group in looking beyond numerical goals to tasks such as a review of Department rules or Board policies to promote closure of sites.

Mr. Beech inquired if there were any further matters for consideration from this morning's discussion and hearing no other matters proceeded into the regular Board session.

*The Strategic Planning Session ended at 1:50 PM.*

Mr. Beech began the regular meeting by asking all present to provide their name.

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

The minutes from the June 20, 2013 meeting were reviewed. Mr. Barry noted that both his and Ms. Carlson's names were omitted from the listing of attendees. Mr. Beech inquired if there were any other changes and hearing none, Mr. Gartin made a motion to approve the minutes and Mr. Friedrichsen seconded the motion. By a vote of 8-0 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**

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 he had sent a copy of the original agreement and proposed extension to the Board members for review and also noted that the Board had entered into one extension for work through December 2013. He noted that the information was presented so that the Board could have the discussion to consider Aon's performance and if approved, 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. Beech noted that if Board members choose to change vendors, discussion for such action should commence earlier in the year to facilitate the bidding process and noted if Board members had issues regarding the contract or compensation plan comments should be sent to Mr. Steward. In discussing the proposed extension, comments were given on altering the compensation plan to possibly include an incentive based component which may serve to modify the overall payment to the contractor. It was noted if changes are made, new claims to the program should not be used to penalize the contractor if overall claim counts are to be considered. Given the discussion, Mr. Beech noted that a decision on the contract extension would be delayed until the next Board meeting.

### **B. 12 Month Meeting Schedule**

Mr. Gastineau presented a memo to the Board listing the tentative dates of the FY 2014 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. Gastineau 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. Gastineau also noted that a new location for each meeting would need to be secured as the former location at the Insurance Division is no longer available.

### C. Fiscal 2014 Budget

Mr. Gastineau presented the Board with the proposed budget for the current fiscal year, noting projections for expenditures were based on prior year expenses and known contracting requirements. Mr. Beech inquired on the amount for the 28E agreement – DNR Plume Study and it was noted the 28E agreement identified that amount for the project however it was noted no work materialized from the agreement. Ms. Carlson motioned to strike the \$500,000 set for the agreement and to approve the proposed budget for FY2014. Mr. Mumm seconded the motion and the budget was approved on a vote of 8-0.

### D. Fiscal Year 2014 Reimbursement Agreement with Attorney General's Office

Mr. Gastineau presented to the Board the proposed reimbursement agreement for FY14 with the Attorney General's Office. Mr. Gastineau noted that the agreement to the Board seeks reimbursement of \$50,000 for FY14 which mirrors that provided for FY13. Mr. Beech motioned to approve the agreement and Mr. Friedrichsen seconded the motion. The agreement was approved by a vote of 8-0.

### E. Loss Portfolio Transfer Update

Mr. Gastineau presented information showing that the master agreement for the loss portfolio transfer (LPT), as previously approved by the Board, had been approved and signed by a representative of the Petroleum Marketers Management Insurance Company. Mr. Gastineau noted a request had been sent to the State Treasurer's office asking that a warrant be issued for the agreed upon settlement amount of \$197,954.84 for the transfer of claims associated with eleven sites. He also noted the associated claim files would be closed.

### F. Cost Recovery - Liens

Mr. Gastineau presented a memo to facilitate discussion on the Board's cost recovery policy so as to establish a uniform set of criteria to evaluate when considering a request for the release of a lien. He noted the Board had approved a policy in October 2012 that would limit cost recovery efforts in the future to certain non-eligible sites where an owner was liable for the costs incurred. He also noted that after a lien is filed, it remains intact for a period of 10 years and is subject to renewal for additional 10-year periods at the sole discretion of the Board.

Mr. Gastineau noted a list of liens was provided showing the status of the liens filed to date. Of the 28 liens filed, 15 remain in effect. He noted liens are in effect until discharged. Mr. Gastineau noted the list of factors had been developed on items the Board might consider when presented with a request to release a lien including whether the landowner is the responsible party, is site eligible for IUST benefits, DNR status of the site, lien amount, assessed value and who would benefit from the release. Mr. Gastineau noted two examples had been provided for consideration.

(a) Lien # 08010300 – Griswold Custom Classics (Registration # 8608073)

Mr. Gastineau noted the lien was placed on this site for removal of a tank that was not eligible for reimbursement at the time the closure was completed. It was noted that a private lender had approached the Fund to release the lien at no cost to the lender. It was also noted that such a request had been made previously three years earlier as well however was denied by the administrator.

In discussing the lien, Mr. Gartin noted that the Board has the option to subordinate its lien however as the amount of the mortgage was unknown it was questioned if a greater benefit would be provided by the release. In lieu of a release, Mr. Gartin asked that a letter be sent seeking more information and an offer for the release.

(b) Lien # 0310003 – Larson Property (Registration # 8916647)

Mr. Gastineau noted the lien was placed on this site following the completion of tank removal and site assessment activities. It was noted the site owner was considered recalcitrant and was deemed able to pay. The lien was filed following a request for reimbursement. Mr. Gastineau noted that the lien in this case is nearing the 10 year limit and to date, the site owner has not complied with Department requests concerning the high risk classification as assigned to the site. Mr. Gastineau noted the property owner has asked the lien be removed at no cost to him several times.

Mr. Gartin inquired on the 10-year time limit and Mr. Steward noted that the time frame is set by statute. Ms. Carlson inquired as to the financial responsibility (FR) mechanism used and Mr. Gastineau reported that there is no record the owner applied for state insurance or provided evidence of FR prior to the removal of the tanks in 1997. Mr. Beech motioned to renew the lien and Ms. Carlson seconded the motion.

Following the motion, the 10 year time limit was further discussed. In considering why this has not been an issue to date, Mr. Steward noted prior to 2003 it was the Board's policy not to place a lien on any property. It was also noted that the Board has historically not moved to enforce its lien and in the event the property is sold at a tax sale, the lien would be extinguished. Mr. Beech noted the motion and second and asked for a vote. The measure was approved 8-0.

(c) Lien # 0508011 Rose Hill General Store, Rose Hill (Registration # 8912154)

Mr. Gastineau presented information on the lien filed for this site noting that work completed included tank removal and an assessment. He noted that Board had received a letter from the City of Rose Hill seeking to have the Board release its lien at no cost as the city has obtained a grant to demolish the dilapidated building on the site. It was also noted that a Notice of Right of Redemption has been received indicating that the person(s) holding the tax certificate have started the process to take the property. Given the assessed value of the property in comparison to the lien amount, Mr. Gartin motioned to allow the tax certificate holder to proceed with his action. Ms. Andeweg seconded the motion and the measure passed on a vote of 8-0.

Lastly, Mr. Gastineau noted a number of liens would be nearing the expiration date in the next 6 months and that he would be bringing in similar requests in the upcoming months. In considering the matter, Mr. Gartin made the motion to renew all liens expiring in the next 6 months; Ms. Andeweg seconded the motion and the measure passed on a vote of 8-0.

*Mr. Gartin departed at 2:50 pm.*

Mr. Beech acknowledged the departure of Mr. Gartin and in an effort to preserve the quorum, directed that discussion be moved to address the items in the Board Packet, Section 9 – Claim Payment approval, then return for the remainder of the Board items.

*Discussion resumed at 3:05 pm.*

#### G. 28E Agreement, Closure Contract

Mr. Gastineau presented a memo describing the history of the tank closure contracts noting that the Board and Department had entered into a series of 28E agreement since 1997 to allow certain work to be done on non-fund eligible sites where the responsible party could be found or was recalcitrant in undertaking the necessary corrective actions. Mr. Gastineau noted that the most recent 28E agreement signed in 2010 was written as a two year agreement with the option for one year extensions. He also noted that the Board had pursuant to the agreement retained two environmental firms to complete the agreed upon work at sites elected by the Department and to date, twenty-one sites had been selected for work. Mr. Gastineau noted that the contractor agreements would expire in August 2014, but they too could be extended. He presented the recommendation that the 28E agreement be extended to coincide with end dates of the contractor agreements. Ms. Beck motioned to approve the extension and Ms. Andeweg seconded the motion. The measure passed on a vote of 7-0.

#### H. DNR Update

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

### **PROGRAM BILLINGS**

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

1. Aon Risk Services..... \$ 101,024.00  
Consulting Services August 2013 -- \$62,024.00  
Claims Processing Services August 2013 -- \$39,000.00
2. Aon Risk Services..... \$101,024.00  
Consulting Services September 2013 -- \$62,024.00  
Claims Processing Services September 2013 -- \$39,000.00
3. Attorney General's Office ..... \$ 3,916.74  
Services provided for Underground Storage Tank Program  
Billing for June 2013 (FY 13)

4. Attorney General's Office ..... \$975.27  
Services provided for Underground Storage Tank Program  
Billing for July 2013 (FY 13)
5. Attorney General's Office ..... \$2,621.77  
Services provided for Underground Storage Tank Program  
Billing for July 2013 (FY 14)
6. Iowa Department of Revenue ..... \$ 1,778.56  
Environmental Protection Charge Collection  
2<sup>nd</sup> Quarter 2013 (FY 13)
7. Office of Auditor of State ..... \$5,033.00  
Audit of UST Fund FY 2013 (FY 13)
8. Iowa Department of Inspections and Appeals ..... \$127.10  
Services provided for Administrative Hearings & Clerical Support  
April – June 2013 (FY 13)

Mr. Barry motioned to approve the billings and a second by Ms. Andeweg. The measure passed on a vote of 7-0.

#### **MONTHLY ACTIVITY REPORT**

Mr. Gastineau noted the monthly activity reports had already been discussed earlier in the meeting and it was agreed further discussion was not needed.

#### **ATTORNEY GENERAL'S REPORT**

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

#### **CLAIM PAYMENTS**

Mr. Gastineau summarized the claim payment reports in the Board packet.

##### **1. Site Registration 8603790 – RLR Enterprises, Inc.**

This site is classified high risk for water lines and low risk for vapor pathways. An excavation is proposed to address all risk conditions and may include partial replacement of the water line. It is hoped that the City will give authority to dig into the street.

Present claim reserve is \$200,000 and costs to date have been \$65,760.35. Projected costs are in range of \$100,000 to \$230,000+. Additional authority to \$250,000 was requested for the excavation and future monitoring. Motion to approve claim authority was submitted by Mr. Friedrichsen and seconded by Ms. Beck. The motion was approved on a vote of 7-0.

**2. Site Registration 8915594 – Douglas Heidebrink Property, Le Mars, IA**

This site is classified no action required with free product. Product has been persistent and due to depth, excavation is not possible. Funding is requested to investigate area of product and design a remediation system to remove the product.

Present claim reserve is \$300,000 and costs to date have been \$116,537.76. Prior Board approval was given in March 2007 for costs up to \$120,000. Projected costs for future work are in range of \$175,000 to \$225,000+. Additional authority to \$320,000 was requested. Motion to approve claim authority was submitted by Ms. Andeweg and seconded by Mr. Mumm. The motion was approved on a vote of 7-0.

**3. Site Registration 8600637 – Weldon Oil Co., Parnell (2<sup>nd</sup> Report)**

This site is classified high risk for ingestion, water line, and vapor receptors. Free product is also present. An excavation is proposed to remove the contamination and product source, and may require replacement of an active pump island and product piping.

Present claim reserve is \$350,000 and costs to date have been \$202,181.56. Prior Board approval was given in August 2006 for costs up to \$200,000. Projected costs for future work are in range of \$180,000 to \$240,000+. Additional authority to \$420,000 was requested. Motion to approve claim authority was submitted by Mr. Friedrichsen and seconded by Mr. Mumm. The motion was approved on a vote of 7-0.

**4. Site Registration 8604314 – Mike's Mini Mart, Sgt. Bluff**

This site is classified high risk for the groundwater ingestion and vapor pathways. Free product is also present. Due to site conditions, excavation is not possible. Proposed actions include use of a surfactant to enhance product removal along with continued monitoring.

Present claim reserve is \$115,000 and costs to date have been \$81,556.32. Projected costs for future work are in range of \$75,000 to \$150,000+. Additional authority to \$200,000 was requested. Motion to approve claim authority was submitted by Ms. Beck and seconded by Mr. Mumm. The motion was approved on a vote of 7-0.

**5. Site Registration 8608169 – Krause Gentle Corp., Mason City (2<sup>nd</sup> Report)**

This site is classified no action required with free product. Free product has been persistent and recommended actions include excavation to remove the source areas.

Present claim reserve is \$400,000 and costs to date have been \$296,858.57. Projected costs for future work are in range of \$90,000 to \$150,000+. Additional authority to \$425,000 was requested. Motion to approve claim authority was submitted by Ms. Carlson and seconded by Mr. Barry. The motion was approved on a vote of 7-0.

**6. Site Registration 8608664 – Wieck Brothers Oil, Traer**

This site is classified high risk for the vapor and water line pathways. Free product has been persistent. Proposed actions include relocation of the water line and use of high vacuum extraction events to remove free product. Excavation is not possible due to the wide extent of contamination and the existence of an active service station on the site.

Present claim reserve is \$300,000 and costs to date have been \$48,036.17. Projected costs for future work are in range of \$200,000 to \$300,000+. Additional authority to \$300,000 was requested. Motion to approve the claim authority was submitted by Ms. Carlson and seconded by Mr. Beech. The motion was approved on a vote of 7-0.

**7. Site Registration 8608678 – Grieder Oil, Inc., Blirstown (2<sup>nd</sup> Report)**

This site is classified high risk due to the vapor, ingestion, and surface water pathways. Free product has been persistent and is in proximity to a neighbor's basement and to a stream. Previously a vapor extraction system had been used to address contamination near the basement however product has reappeared. Proposed actions for future work include an excavation of the source areas and may require additional work on the neighbor's property.

Present claim reserve is \$400,000 and costs to date have been \$251,909.19. Projected costs for future work are in range of \$150,000 to \$250,000+. Additional authority to \$460,000 was requested. Motion to approve the claim authority was submitted by Ms. Andeweg and seconded by Mr. Friedrichsen. The motion was approved on a vote of 7-0.

**8. Site Registration 8916457 – RDJ Farms, Van Horne**

This site is classified high risk for the water line and vapor pathways. Vapor sampling has failed. An excavation has been proposed to remove the contamination which may allow the site to attain an NAR classification.

Present claim reserve is \$85,000 and costs to date have been \$43,043.29. Projected costs for future work are in range of \$35,000 to \$80,000+. Additional authority to \$100,000 was requested. Motion to approve the claim authority was submitted by Ms. Carlson and seconded by Ms. Beck. The motion was approved on a vote of 7-0.

**9. Site Registration 8608194 – Casey's Marketing Co., Monticello (2<sup>nd</sup> Report)**

This site is classified high risk for the vapor and water lines pathways. A vapor extraction system was used for a number of years however contamination remains in areas not accessible. Proposed actions include use of an activated carbon method to enhance biological breakdown of contaminants or installation of a multi-phase extraction system to remove the contamination beneath the water table.

Present claim reserve is \$400,000 and costs to date have been \$208,098.55. Projected costs for future work are in range of \$250,000 to \$350,000+. Additional authority to \$530,000 was requested. Motion to approve the claim authority was submitted by Ms. Andeweg and

seconded by Mr. Barry. The motion was approved on a vote of 6-0, with Mr. Beech abstaining from the vote.

### **CONTRACTS ENTERED INTO SINCE JUNE 20, 2013 BOARD MEETING**

Mr. Gastineau noted that the Board had entered into 2 agreements since the June 20, 2013 meeting including the Loss Portfolio Transfer with PMMIC and a settlement agreement with Frey Oil, LLC to resolve an appeal.

### **OTHER ISSUES**

Mr. Gastineau noted the next meeting was presently scheduled for Thursday, October 24, 2013 at a location to be determined. A note would be sent out reminding members of the meeting and providing information on the location.

### **CORRESPONDENCE AND ATTACHMENTS**

Mr. Gastineau noted that the DNR corrective action meeting notes from meetings held since the last Board meeting were provided for review.

Mr. Beech noted that there was no further business, and motioned to adjourn the meeting at 3:24 pm. Mr. Mumm seconded the motion and was passed on a vote of 7-0.

Respectfully Submitted,

Scott M. Scheidel  
Administrator

## **Board Issues**

## **A. Aon Contract Extension**



# 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

## MEMORANDUM

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TO:            UST Board Members  
FROM:         Scott Scheidel  
DATE:         October 14, 2013  
SUBJECT:      Contract Incentives

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### Background

In discussion of renewal of Aon's service contract for the Board, incentive pay was raised for discussion. In other words, with the pending sunset of the Environmental Protection Charge (EPC) in 2016, should the Board consider adding incentive clauses to the contract for Administration in an effort to accelerate closure of claims prior to the sunset of the EPC?

### Issue

The basic issue is whether or not the introduction of additional incentives will result in the desired closure of claims and/or the closure of the associated LUST sites by DNR. When this was previously discussed by the Board, the main issue that led the Board away from it was that it only addresses one leg of the stool, and it is the leg that they have the most control over already. The other two legs of the proverbial stool, DNR and the claimant/consultant would not change their motivation to either close the site or undertake accelerated compliance activities. The Board previously discussed incentive pay for both the DNR and claimants as well. With regard to DNR, the Department didn't feel payment for closure of sites was consistent with their mission and could place the Department in a difficult position to have to close sites to meet their budget. With regard to claimants any reimbursement above actual assessment or remediation costs would be in violation of the Board's statutory authority. Without being able to incent all three legs of the stool, or target the leg where the obstacle to closure exists for any given site, the impact of incentives would be minimal.

### Recommendation

Aon is open to any incentives for activities beyond the scope of the contract that could have a direct impact on closure of claims consistent with closing the DNR associated LUST numbers as well. One action that may drive further closures would be addressing sites that aren't moving by "reducing the number of legs" involved. In other words accelerate sites not moving today by moving them into Fund driven contracts and away from reimbursement

scenarios. Currently the administration contract calls for a one-time payment of \$3,000 for the entire life of the project from RFP to closure and relies solely upon DNR to refer the sites in the process. There have been very few in recent years. Move all those with no activity in the past 12 months into a queue for addressing through direct contracting and/or existing closure contracts where the activity is limited to monitoring, and shift the payment for such activity to a smaller administration RFP cost with incentive payment tied to closure. Again, Aon is open to any other incentive amendments that the Board would like to discuss that can accelerate closure at the still open claim sites, but the activities that drive that in the reimbursement nature are already contemplated in the current contract and performed in accordance. To the extent the Board can use such incentives to overcome or eliminate the obstacles to closure they may be useful.

## **B. FY 2014 Goals**



# 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

## MEMORANDUM

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TO:            UST Board Members  
FROM:         Scott Scheidel  
DATE:         October 14, 2013  
SUBJECT:      Fiscal Year 2014 Goals from Strategic Planning Session

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The discussion and summary of items from the August planning meeting could be summed into 5 main areas to focus on and track through the year. Those areas are listed below and then captured in a table for tracking progress and planned activity.

- No Further Action Certificate Issuance
  - There are a large number of sites that have achieved No Action Required status for which a No Further Action certificate has not been filed. Assisting DNR to ensure that the historical NFA certificates are filed to comply with statutory requirements and provide the closure for responsible parties and both current and future landowners was agreed upon.
  
- Identify Sites with Projected Obstacles to Closing within 2016 Time Frame
  - As the claim counts continue to decline, there still remain open claims with issues that most likely will prevent closure of the claim under current rules and/or activities. Identifying those sites and working with DNR, consultants and claimants to overcome the obstacle was discussed. The open claim files have all been reviewed and those with obstacles documented and grouped by similar obstacle. Actions to work on macro and micro basis are listed.
  
- Claim Closures
- Corrective Action Meetings
- Begin Post Program Closure Funding Planning
  - The need to have a reliable mechanism to cover risk issues that arise due to LUSTs with NFA certificates filed was discussed for after the Board ceases operation. A desire to begin planning and evaluating options was agreed upon and will be a working session at a future Board meeting this year.

Goal	Progress	Planned
NFA Issuance	<ul style="list-style-type: none"> <li>• Met with DNR to plan how</li> <li>• RFQ for approved Contractors or use Closure Contractors or both</li> <li>• Pilot in Polk County</li> </ul>	<ul style="list-style-type: none"> <li>• Polk County Pilot</li> <li>• RFQ</li> <li>• Mass letters after pilot</li> </ul>
ID Obstacles	<ul style="list-style-type: none"> <li>• File by file review to sort by 3 main obstacles completed resulted in 235 identified</li> <li>• Main categories <ul style="list-style-type: none"> <li>○ Site Conditions</li> <li>○ Institutional Controls</li> <li>○ Access/RP</li> <li>○ Funding challenges</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Seek finite monitoring plan on low risk sites</li> <li>• Seek rule accommodations on difficult sites or macro scenarios (ie bedrock)</li> <li>• Schedule CA meetings for funding challenged sites</li> <li>• Initiate State Lead projects to resolve inactivity issues</li> <li>• Identify claimants with 3 or more open claims for possible claim closure settlements of entire group of sites</li> </ul>
Claims Closures	<ul style="list-style-type: none"> <li>• 41 claims closed (1<sup>st</sup> Qtr FY14)</li> <li>• 6 new or reopened claims</li> </ul>	<ul style="list-style-type: none"> <li>• Identify number of claims closed</li> <li>• Identify number of new or re-opened claims</li> <li>• Identify number of claims pending closure</li> <li>• Increase follow up for closure after NAR classification</li> </ul>
DNR Stats	<ul style="list-style-type: none"> <li>• 49 NAR classification approved</li> <li>• 74 NFA certificates issued</li> </ul>	<ul style="list-style-type: none"> <li>• Identify number of NAR classifications approved</li> <li>• Identify number of NFA certificates issued</li> <li>• NFA certificate goal above</li> </ul>
Post Close Funds	<ul style="list-style-type: none"> <li>• Set Board discussion for December meeting</li> </ul>	<ul style="list-style-type: none"> <li>• Evaluate potential options to provide NFA safety net and/or emergency response for DNR post Fund closure</li> </ul>

## **C. UST Cost Recovery – Lien Update**



**D. Reauthorization – Contractor Agreements  
for NFA Re-Opener Sites**



# 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

## MEMORANDUM

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TO:            UST Board Members  
FROM:        Scott Scheidel  
DATE:        October 16, 2013  
SUBJECT:    RBCA 0908-01: Environmental Support Services for NFA Re-Openers

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The Board in conjunction with the Iowa Department of Natural Resources (DNR) entered a 28E agreement in October 2008 to fulfill the authority provided in 2007 legislation regarding sites which have attained a No Further Action certificate. The legislation altered the language in Iowa Code 455G.9(1)(k) which previously allowed the Board to provide funding directly to claimants of sites which had been issued a No Further Action certificate in accordance with state regulations. The modified language provided funding would be available for such sites in accordance with a joint agreement between the Board and DNR.

In order to effectuate the intent of the legislation, the Board retained the services of two environmental contractors through a public bid process. The contractor agreements were completed in December 2009 with the term of agreements to run through December 31, 2013. The contractor agreements provide that the Board shall have the option to renew the agreements for up to two additional one (1) year extensions by giving the Contractor written notice of the extension decision at least sixty (60) days prior to the expiration of the initial or renewal term.

To date, the agreements have allowed work to proceed on 34 sites. The contractors have performed assessments, receptor evaluations, where necessary, corrective action activities to eliminate identified risks. Total expended for this work, to date, totals \$652,818.

Based on request from the Department, its anticipated further use of this agreement will be necessary in the future.

### **Recommendation**

It is requested that the Board authorize extension of the contractor agreements using the first of the two possible one-year time extensions for activities through December 31, 2014.

Due to an increase in the cost of materials, it is also requested the Board authorize a modest adjustment in the contractor rates similar to the consumer price index for the Midwest US.

**E. Reauthorization – Iowa UST Operator  
Training Agreements**



# 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

## MEMORANDUM

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TO:            UST Board Members  
FROM:        Scott Scheidel  
DATE:        October 16, 2013  
SUBJECT:    Reauthorization of Iowa UST Operator Training Agreements

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The Board was tasked by 2010 legislation to administer a program to provide underground storage tank operator training to owners and operators to assist them in complying with Department rules which require trained operators at each underground storage tank facility. The Board opted to provide funding assistance through the direct reimbursement of training contractors who provide Class A & B training to owners and operators. The current reimbursement agreements are set to expire on December 31, 2013.

Since the program inception, 2,653 individuals have been instructed on the duties and responsibilities of being a Class A and/or Class B UST Operator. The number of those trained has dropped each year, as shown below:

FY 2011:	1,849
FY 2012:	658
FY 2013:	96
FY 2014:	50 (as of October 15, 2013)

Based on data acquired from the Department and from the training contractors, it is anticipated continued training services are necessary.

### **Recommendation**

It is requested that the Board authorize extension of the reimbursement agreements for the training of Class A & B UST Operators at the original reimbursement rate of \$100 for an individual trained as a Class A & B Operator, or \$80 for an individual trained as a Class A or B Operator for an additional one-year time period.

**F. Reauthorization – Iowa UST Operator  
Data Management System**



# 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

## MEMORANDUM

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TO:            UST Board Members  
FROM:        Scott Scheidel  
DATE:        October 16, 2013  
SUBJECT:    Reauthorization of Iowa UST Operator Training Data Management System

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The Board was tasked by 2010 legislation to administer a program to provide underground storage tank operator training to owners and operators to assist them in complying with Department rules which require trained operators at each underground storage tank facility. Following implementation of the Class A / B Operator training reimbursement, the Board retained, through a RFP process, a contractor (Iowa State University, Office of Environmental Health & Safety) to develop, implement and operate a data management system. The intent of the system was to provide owners and operators a single portal to track those in their own company who have been trained as a UST Operator and if needed, obtain Class C Operator training for their employees at no additional cost.

Following the start of the program, DNR modified the need of the OTDMS by requiring owners and operators identify the name of the Class A / B personnel assigned to each site in order to obtain annual tank tags. DNR does not however track the names of those trained as Class C Operators and relies on site inspections to verify trained operators are available. In May 2013, DNR noted in 97 of 295 inspections by a 3<sup>rd</sup> party that a "trained UST Operator was not present at the staffed facility" suggesting training is still a need for owners and operators in meeting DNR requirements.

During the timeframe that the OTDMS has been operational, there have been 97 users and 99 instances where the training module has been used. An active marketing program was not included in the initial program however has been proposed for the program if reauthorized. Project costs for the OTDMS to date have been \$40,460. Proposed costs for continued use of the system, including a new marketing plan, is \$16,930 for each of the next two years.

### Recommendation

We would recommend the Board authorize an extension of the 28E agreement with Iowa State University for the continued operation of the Iowa UST Operator Training Data Management System at the proposed cost of \$16,930 annually for a maximum two year time period.

## **G. 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   Jeff W. Robinson   Karen E. Andeweg   Chuck Gipp  
Timothy L. Gartin   Dawn M. Carlson   Patricia J. Beck   N. Kurt Mumm

## MEMORANDUM

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TO:            UST Board Members  
FROM:        Scott Scheidel  
DATE:        October 14, 2013  
SUBJECT:    Summary of Bills for Payment

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### **\*NOTICE\***

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

1.    Aon Risk Services .....\$101,024.00  
     Consulting Services October 2013 -- \$62,024.00  
     Claims Processing Services October 2013 -- \$39,000.00
  
2.    Aon Risk Services .....\$101,024.00  
     Consulting Services November 2013 -- \$62,024.00  
     Claims Processing Services November 2013 -- \$39,000.00
  
3.    Iowa Attorney General's Office .....\$3,958.58  
     Services provided for Underground Storage Tank Program  
     August 2013 (FY 2014) Billing
  
4.    Iowa Attorney General's Office .....\$3,959.90  
     Services provided for Underground Storage Tank Program  
     September 2013 (FY 2014) Billing

## **A. August Activity Report**

Iowa UST Fund  
Monthly Activities Report

Aug-13

Claims	Open Claims		Open Claims August Ending	Open & Closed Totals since Inception
	July Ending	Monthly Net Changes		
<b>RETROACTIVE</b>				
number	34	0	34	447
reserve	\$2,019,042.27	(\$231,892.98)	\$1,787,149.29	\$1,787,149.29
paid	\$6,430,819.39	\$31,892.98	\$6,462,712.37	\$16,873,141.26
	\$8,449,861.66	(\$200,000.00)	\$8,249,861.66	\$18,660,290.55
<b>REMEDIAL</b>				
number	473	(15)	458	4,452
reserve	\$22,816,226.08	(\$665,050.20)	\$22,151,175.88	\$22,151,175.88
paid	\$76,207,759.93	(\$722,102.36)	\$75,485,657.57	\$204,699,181.05
total	\$99,023,986.01	(\$1,387,152.56)	\$97,636,833.45	\$226,850,356.93
<b>INNOCENT LANDOWNER</b>				
number	152	(1)	151	1,116
reserve	\$6,357,763.09	(\$203,378.69)	\$6,154,384.40	\$6,154,384.40
paid	\$11,167,819.92	(\$486,411.90)	\$10,681,408.02	\$27,439,353.20
total	\$17,525,583.01	(\$689,790.59)	\$16,835,792.42	\$33,593,737.60
<b>GLOBAL OPT-IN</b>				
number	118	(5)	113	1,299
reserve	\$639,659.30	(\$17,334.85)	\$622,324.45	\$622,324.45
paid	\$942,362.14	(\$52,665.16)	\$889,696.98	\$9,520,977.89
total	\$1,582,021.44	(\$70,000.01)	\$1,512,021.43	\$10,143,302.34
<b>UNASSIGNED REVENUE FUND PROJECTS</b>				
number	23	6	29	218
reserve	\$555,605.06	\$138,857.00	\$694,462.06	\$694,462.06
paid	\$89,394.94	\$1,143.00	\$90,537.94	\$2,444,392.79
total	\$645,000.00	\$140,000.00	\$785,000.00	\$3,138,854.85
<b>NFA RE-EVALUATIONS</b>				
number	21	(5)	16	42
reserve	\$488,926.99	(\$42,962.57)	\$445,964.42	\$445,964.42
paid	\$323,934.56	(\$139,898.98)	\$184,035.58	\$655,688.73
total	\$812,861.55	(\$182,861.55)	\$630,000.00	\$1,101,653.15
<b>TANK PULLS</b>				
number	34	1	35	267
reserve	\$432,919.00	\$6,672.51	\$439,591.51	\$439,591.51
paid	\$0.00	\$5,667.00	\$5,667.00	\$2,670,342.67
total	\$432,919.00	\$12,339.51	\$445,258.51	\$3,109,934.18

Corrective Action Meetings (8/15)	
Scheduled:	11
Completed:	1,171
MOA's	485

UST Operators ( A / B)	2,607
UST Operators (C)	67
A/B (FY2011-13)	\$250,360.00
A/B (FY2014)	\$200.00

RT Claims	#
New	0
Reopened	0
Closed	0
RM Claims	#
New	0
Reopened	2
Closed	17
ILO Claims	#
New	1
Reopened	0
Closed	2
GS Claims	#
New	0
Reopened	0
Closed	5
USTCA	#
New	6
Reopened	0
Closed	0
NFA Re-Eval	#
New	1
Reopened	0
Closed	6
Tank Pull	#
New	6
Reopened	1
Closed	6

Invoice Type Totals	AUG	FYTD	Program to Date
Admin	62,024.00	124,048.00	
Claims	39,000.00	78,000.00	
Government	34,665.70	66,208.86	
2004 Tank Pull	0.00	0.00	\$ 1,761,013.44
2010 Tank Pull	80,987.82	121,971.82	\$ 2,692,299.78
American Soils	0.00	0.00	\$ 5,678,422.58
AST Removal	0.00	0.00	\$ 2,121,637.24
AST Upgrade	0.00	0.00	\$ 5,460,478.50
CADR Charges	22,083.71	24,548.71	\$ 4,329,908.11
Corrective Action	5,284.05	13,865.62	\$ 51,302,172.44
Expenses	0.00	700.00	\$ 251,360.00
Free Prod Recover	100,225.63	147,880.66	\$ 10,050,170.76
Monitoring	119,012.88	212,775.20	\$ 27,682,784.20
Operations/Maint	42,672.24	61,426.11	\$ 9,533,497.90
Over-excavation	137,308.71	137,308.71	\$ 28,036,566.56
Water Lines	0.00	45,876.52	\$ 2,068,512.38
Post RBCA Evals	932.36	1,573.97	\$ 205,983.46
RBCA	370.00	55,110.20	\$ 25,837,998.72
Remed Imp/Const.	106,365.78	120,947.03	\$ 26,596,171.79
SCR Charges	0.00	0.00	\$ 54,208,338.41
Site Check	0.00	0.00	\$ 140,052.59
Soil Disposal	0.00	53,680.40	\$ 738,386.66
Tank (UST) Pull	0.00	0.00	\$ 5,146,329.59
Tank (UST) Upgrade	0.00	0.00	\$ 5,891,868.20
Tier III	4,429.22	4,429.22	\$ 1,275,870.48
Utilities	14,061.46	26,882.28	\$ 1,844,162.65
Well Closure	21,742.80	52,646.02	\$ 3,378,527.79
<b>Total Invoice Types</b>	<b>655,476.66</b>	<b>1,081,622.47</b>	<b>\$ 275,282,218</b>

Remediation Budgets Approved to Date		
last month (Aug '13)	9	\$524,322
Trailing 12 mos	50	\$3,315,445
Prev Trail 12 mos	34	\$1,572,775
Total Since Jan 2003	1,092	\$43,775,246

Project Contracts	Open	Closed	Pending
CRP's	12	34	0
Tank Closure	2	5	0
Plastic Water Line	0	2	0

## **D. September Activity Report**

Iowa UST Fund  
Monthly Activities Report

Sep-13

Claims	Open Claims August Ending	Monthly Net Changes	Open Claims September Ending	Open & Closed Totals since Inception
<b>RETROACTIVE</b>				
number	34	0	34	447
reserve	\$1,787,149.29	(\$14,883.81)	\$1,772,265.48	\$1,772,265.48
paid	\$6,462,712.37	(\$15,116.19)	\$6,447,596.18	\$16,888,025.07
	\$8,249,861.66	(\$30,000.00)	\$8,219,861.66	\$18,660,290.55
<b>REMEDIAL</b>				
number	458	(6)	452	4,452
reserve	\$22,151,175.88	(\$186,329.05)	\$21,964,846.83	\$21,964,846.83
paid	\$75,485,657.57	(\$347,669.89)	\$75,137,987.68	\$205,054,426.59
total	\$97,636,833.45	(\$533,998.94)	\$97,102,834.51	\$227,019,273.42
<b>INNOCENT LANDOWNER</b>				
number	151	(1)	150	1,117
reserve	\$6,154,384.40	(\$243,257.54)	\$5,911,126.86	\$5,911,126.86
paid	\$10,681,408.02	\$242,765.94	\$10,924,173.96	\$27,685,708.99
total	\$16,835,792.42	(\$491.60)	\$16,835,300.82	\$33,596,835.85
<b>GLOBAL OPT-IN</b>				
number	113	(2)	111	1,299
reserve	\$622,324.45	(\$12,475.28)	\$609,849.17	\$609,849.17
paid	\$889,696.98	(\$15,524.72)	\$874,172.26	\$9,525,419.32
total	\$1,512,021.43	(\$28,000.00)	\$1,484,021.43	\$10,135,268.49
<b>UNASSIGNED REVENUE FUND PROJECTS</b>				
number	29	1	30	220
reserve	\$694,462.06	\$17,264.83	\$711,726.89	\$711,726.89
paid	\$90,537.94	\$114,735.17	\$205,273.11	\$2,563,587.96
total	\$785,000.00	\$132,000.00	\$917,000.00	\$3,275,314.85
<b>NFA RE-EVALUATIONS</b>				
number	16	(1)	15	42
reserve	\$445,964.42	(\$34,137.67)	\$411,826.75	\$411,826.75
paid	\$184,035.58	\$14,137.67	\$198,173.25	\$672,765.28
total	\$630,000.00	(\$20,000.00)	\$610,000.00	\$1,084,592.03
<b>TANK PULLS</b>				
number	35	7	42	281
reserve	\$439,591.51	\$77,284.49	\$516,876.00	\$516,876.00
paid	\$5,667.00	\$0.00	\$5,667.00	\$276,594.12
total	\$445,258.51	\$77,284.49	\$522,543.00	\$793,470.12

Corrective Action Meetings (9/15)	
Scheduled:	14
Completed:	1,175
MOA's	485

UST Operators ( A / B )	2,653
UST Operators (C)	97
A/B (FY2011-13)	\$255,160.00
A/B (FY2014)	\$5,000.00

RT Claims	#
New	0
Reopened	0
Closed	0

RM Claims	#
New	0
Reopened	1
Closed	7

ILO Claims	#
New	1
Reopened	0
Closed	2

GS Claims	#
New	0
Reopened	1
Closed	3

USTCA	#
New	2
Reopened	0
Closed	1

NFA Re-Eval	#
New	0
Reopened	0
Closed	1

Tank Pull	#
New	14
Reopened	0
Closed	7

Invoice Type Totals	SEPT	FYTD	Program to Date
Admin	0.00	124,048.00	
Claims	0.00	78,000.00	
Government	7,400.21	73,609.07	
2004 Tank Pull	0.00	0.00	\$ 1,761,013.44
2010 Tank Pull	95,151.45	217,123.27	\$ 2,787,451.23
American Soils	0.00	0.00	\$ 5,678,422.58
AST Removal	0.00	0.00	\$ 2,121,637.24
AST Upgrade	0.00	0.00	\$ 5,460,478.50
CADR Charges	0.00	24,548.71	\$ 4,329,908.11
Corrective Action	4,814.43	18,680.05	\$ 51,306,986.87
Expenses	4,800.00	5,500.00	\$ 256,160.00
Free Prod Recover	33,819.38	181,700.04	\$ 10,083,990.14
Monitoring	96,918.35	309,693.55	\$ 27,779,702.55
Operations/Maint	44,535.82	105,961.93	\$ 9,578,033.72
Over-excavation	244,957.47	382,266.18	\$ 28,281,524.03
Water Lines	21,517.90	67,394.42	\$ 2,090,030.28
Post RBCA Evals	1,000.00	2,573.97	\$ 206,983.46
RBCA	24,524.95	79,365.15	\$ 25,862,253.67
Remed Imp/Const.	242,347.58	363,294.61	\$ 26,838,519.37
SCR Charges	0.00	0.00	\$ 54,208,338.41
Site Check	0.00	0.00	\$ 140,052.59
Soil Disposal	0.00	53,680.40	\$ 738,386.66
Tank (UST) Pull	0.00	0.00	\$ 5,146,329.59
Tank (UST) Upgrade	0.00	0.00	\$ 5,891,868.20
Tier III	12,963.27	17,392.49	\$ 1,288,833.75
Utilities	10,223.29	37,105.57	\$ 1,854,385.94
Well Closure	19,845.85	72,491.87	\$ 3,398,373.64
<b>Total Invoice Types</b>	<b>857,419.74</b>	<b>1,938,772.21</b>	<b>\$ 276,139,368</b>

Remediation Budgets Approved to Date		
last month (Sept '13)	6	\$458,625
Trailing 12 mos	55	\$3,636,042
Prev Trail 12 mos	32	\$1,970,887
<b>Total Since Jan 2003</b>	<b>1,098</b>	<b>\$44,213,872</b>

Project Contracts	Open	Closed	Pending
CRP's	12	34	0
Tank Closure	2	5	0
Plastic Water Line	0	2	0

## **E. September Financial Report**

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND  
STATEMENT OF FUND BALANCES  
FOR THE MONTH ENDING SEPTEMBER 30, 2013**

**0471 - UST REVENUE FUND (Bonding)**

<b>Balance of Fund, September 1, 2013</b>		<b>\$505,283.58</b>
<b>Receipts:</b>		
Motor Vehicle Use Tax (IDOT - vehicle registration)	\$3,500,000.00	
Intra State Fund Transfers Received	\$0.00	
Interest Income	\$1,671.87	
Interest Income - Capital Reserve Fund	\$0.00	
		<b>\$3,501,671.87</b>
<b>Disbursements:</b>		
Bond Interest Payment	\$0.00	
Bond Principal Payment	\$0.00	
EPC Charges	\$0.00	
Transfer to General Fund	\$0.00	
Transfer to Unassigned Revenue Fund (0450)	\$0.00	
Transfer to Innocent Landowner Fund (0485)	\$0.00	
Transfer to Remedial Non-Bonding Fund (0208)	\$0.00	
		<u>\$0.00</u>
<b>Balance of Fund, September 30, 2013</b>		<u><b>\$4,006,955.45</b></u>

**0450 - UST UNASSIGNED REVENUE FUND (Non-Bonding)**

<b>Balance of Fund, September 1, 2013</b>		<b>\$11,357,440.72</b>
<b>Receipts:</b>		
Request for Proposal Fees	\$0.00	
Copying/Filing Fees	\$0.00	
Fines & Penalties	\$0.00	
Refund/Overpayment	\$0.00	
Transfer From UST Revenue Fund (0471)	\$0.00	
Compensation for Pooled Money Investments	\$0.00	
Amort / Accretion	\$0.00	
Buys/ Sells	\$0.00	
Interest Income	\$1,779.53	
		<u>\$1,779.53</u>
<b>Disbursements:</b>		
UST Administrator's Fees	\$0.00	
Adjustment	\$0.00	
Attorney General's Fees	\$0.00	
Attorney's Fees: Cost-Recovery Administration	\$0.00	
Cost Recovery Expense (i.e. Lien Filing, Overpayment Refund)	\$0.00	
Actuarial Fees	\$0.00	
Auditor of the State Fees	\$0.00	
Bond Trustee'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, 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	\$4,800.00	
Rebate	\$0.00	
Special Project Claims - Closure Contract Project	\$119,195.17	
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	\$0.00	
Appropriation 2014	\$7,400.21	
Transfer of Funds to Innocent Land Owners	\$0.00	
		\$131,395.38
<b>Balance of Fund, September 30, 2013</b>		<b>\$11,227,824.87</b>

**0208 - UST REMEDIAL NON-BONDING FUND**

<b>Balance of Fund, September 1, 2013</b>		\$9,227,590.21
<b>Receipts:</b>		
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
<b>Disbursements:</b>		
Retroactive Claims	\$14,883.81	
Remedial Claims	\$2,068,950.16	
Adjustment	\$0.00	
28E Agreement - NFA Claims	\$17,076.55	
Transfer to Unassigned Revenue Fund	\$0.00	
Balance of Outdated Warrants & Cancelled Warrants	(\$10,440.00)	
		\$2,090,470.52
<b>Balance of Fund, September 30, 2013</b>		<b>\$7,137,119.69</b>

**0478 - UST MARKETABILITY FUND**

<b>Balance of Fund, September 1, 2013</b>		\$743,330.36
<b>Receipts:</b>		
Interest	\$393.92	
Use Tax	\$0.00	
		\$393.92
<b>Disbursements:</b>		
Intra State Fund Transfer	\$0.00	
Transfer to Innocent Landowners Fund	\$0.00	
		\$0.00
<b>Balance of Fund, September 30, 2013</b>		<b>\$743,724.28</b>

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND  
STATEMENT OF FUND BALANCES  
FOR THE MONTH ENDING SEPTEMBER 30, 2013**

**0485 - UST INNOCENT LANDOWNERS FUND**

<b>Balance of Fund, September 1, 2013</b>		\$6,521,636.40
<b>Receipts:</b>		
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	\$1,375.00	
		\$1,375.00
<b>Disbursements:</b>		
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	\$4,441.43	
Innocent Landowner Claims	\$246,355.79	
Transfer to Remedial Fund (0208)	\$0.00	
Balance of Outdated Warrants	(\$6,217.20)	
		\$244,580.02
<b>Balance of Fund, September 30, 2013</b>		<b>\$6,278,431.38</b>

**0238 - UST LOAN GUARANTEE FUND (Non-Bonding)**

<b>Balance of Fund, September 1, 2013</b>		\$0.00
<b>Receipts:</b>		
Loan Application Fees	\$0.00	
Interest Income	\$0.00	
		\$0.00
<b>Disbursements:</b>		
Transfer to Innocent Landowners Fund	\$0.00	
		\$0.00
<b>Balance of Fund, September 30, 2013</b>		<b>\$0.00</b>

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

<b>Balance of Fund, September 30, 2013</b>		\$0.00
<b>Combined UST Capital Reserve Fund Balances, September 30, 2013</b>		<b>\$0.00</b>
<b>TOTAL FUND BALANCES, September 30, 2013</b>		<b>\$29,394,055.67</b>

**FOOTNOTES:**

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

**F. Year-to-Date Financials as of September 30, 2013**

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND**  
**STATEMENT OF FUND BALANCES**  
**FISCAL YEAR TO DATE ENDING SEPTEMBER 30, 2013**

		<b>FISCAL 2014 BUDGET</b>
<b>0471 - UST REVENUE FUND (Bonding)</b>		
<b>Balance of Fund, July 1, 2013</b>	\$14,470,480.24	<b>\$14,470,480.24</b>
<b>Receipts:</b>		
Motor Vehicle Use Tax (IDOT - vehicle registration)	\$3,500,000.00	\$14,000,000.00
Intra State Fund Transfers Received	\$0.00	
Interest Income	\$36,475.21	\$150,000.00
Interest Income - Capital Reserve Fund	\$0.00	
	\$3,536,475.21	\$14,150,000.00
<b>Disbursements:</b>		
Bond Interest Payment	\$0.00	
Bond Principal Payment	\$0.00	
EPC Charges	\$0.00	
Transfer to General Fund	\$0.00	
Transfer to Unassigned Revenue Fund (0450)	\$3,500,000.00	\$7,000,000.00
Transfer to Innocent Landowner Fund (0485)	\$4,500,000.00	\$9,000,000.00
Transfer to Remedial Non-Bonding Fund (0208)	\$6,000,000.00	\$12,000,000.00
	\$14,000,000.00	\$28,000,000.00
<b>Balance of Fund, September 30, 2013</b>	<b>\$4,006,955.45</b>	<b>\$620,480.24</b>
<b>0450 - UST UNASSIGNED REVENUE FUND (Non-Bonding)</b>		
<b>Balance of Fund, July 1, 2013</b>	\$8,133,085.03	<b>\$8,133,085.03</b>
<b>Receipts:</b>		
Request for Proposal Fees	\$0.00	
Copying/Filing Fees	\$0.00	
Fines & Penalties	\$0.00	\$10,000.00
Refund/Overpayment	\$0.00	
Transfer From UST Revenue Fund (0471)	\$3,500,000.00	\$7,000,000.00
Compensation for Pooled Money Investments	\$0.00	
Amort / Accretion	\$0.00	
Buys/ Sells	\$0.00	
Interest Income	\$14,735.58	\$125,000.00
	\$3,514,735.58	\$7,135,000.00
<b>Disbursements:</b>		
UST Administrator's Fees	\$202,048.00	\$1,240,000.00
Adjustment	\$0.00	
Attorney General's Fees	\$7,513.83	\$50,000.00
Attorney's Fees: Cost-Recovery Administration	\$0.00	
Cost Recovery Expense (i.e. Lien Filing, Overpayment Refund)	\$0.00	\$150.00
Actuarial Fees	\$0.00	
Auditor of the State Fees	\$5,033.00	\$5,100.00
Bond Trustee's Fees - Bankers Trust	\$0.00	
Claim Settlement	\$0.00	
Custodial Fees - BONY	\$0.00	
Department of Revenue EPC Collection Fees	\$1,778.56	\$37,500.00
Innovative Technology	\$0.00	

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND  
STATEMENT OF FUND BALANCES  
FISCAL YEAR TO DATE ENDING SEPTEMBER 30, 2013**

		<b>FISCAL 2014 BUDGET</b>
Inspection & Appeals Service Fees	\$127.10	
Legal and Professional Fees	\$0.00	
Postage / Printing / Miscellaneous	\$0.00	\$500.00
Professional Admin Services (Investments)	\$0.00	
Professional Services - Owner/Operator Training	\$5,500.00	\$100,000.00
Rebate	\$0.00	
Special Project Claims - Closure Contract Project	\$138,838.67	\$500,000.00
Travel Expenses-UST Board Members	\$0.00	\$700.00
Warrant Float Expense	\$0.00	
28E Agreement - DNR Plume Study	\$0.00	
Statutory Transfer to DNR (technical review - recurring)	\$0.00	\$200,000.00
Statutory Transfer to IDAL (fuel quality inspections - recurring)	\$0.00	\$250,000.00
Appropriations FY 2013	\$29,375.45	
Appropriations FY 2014	\$29,781.13	
Transfer of Funds to Innocent Land Owners	\$0.00	
	\$419,995.74	\$2,383,950.00
<b>Balance of Fund, September 30, 2013</b>	<b>\$11,227,824.87</b>	<b>\$12,884,135.03</b>
<b>0208 - UST REMEDIAL NON-BONDING FUND</b>		
<b>Balance of Fund, July 1, 2013</b>	\$4,347,071.02	\$4,347,071.02
<b>Receipts:</b>		
Remedial Refunds	\$0.00	\$0.00
Misc. Income (i.e. eligibility settlements)	\$0.00	
Interest Income	\$0.00	
Transfer From UST Revenue Fund (0471)	\$6,000,000.00	\$12,000,000.00
	\$6,000,000.00	\$12,000,000.00
<b>Disbursements:</b>		
Retroactive Claims	\$79,029.42	\$700,000.00
Remedial Claims	\$3,121,415.36	\$6,000,000.00
Adjustment	\$0.00	
28E Agreement - NFA Claims	\$19,946.55	\$500,000.00
Transfer to Unassigned Revenue Fund	\$0.00	
Balance of Outdated Warrants	(\$10,440.00)	
	\$3,209,951.33	\$7,200,000.00
<b>Balance of Fund, September 30, 2013</b>	<b>\$7,137,119.69</b>	<b>\$9,147,071.02</b>
<b>0478 - UST MARKETABILITY FUND</b>		
<b>Balance of Fund, July 1, 2013</b>	\$742,024.35	\$742,024.35
<b>Receipts:</b>		
Interest	\$1,699.93	\$25,000.00
Use Tax	\$0.00	
	\$1,699.93	\$25,000.00
<b>Disbursements:</b>		
Intra State Fund Transfer	\$0.00	
Transfer to Innocent Landowners Fund	\$0.00	
	\$0.00	\$0.00
<b>Balance of Fund, September 30, 2013</b>	<b>\$743,724.28</b>	<b>\$767,024.35</b>

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND  
STATEMENT OF FUND BALANCES  
FISCAL YEAR TO DATE ENDING SEPTEMBER 30, 2013**

		<b>FISCAL 2014 BUDGET</b>
<b>0485 - UST INNOCENT LANDOWNERS FUND</b>		
<b>Balance of Fund, July 1, 2013</b>	\$2,176,164.40	<b>\$2,176,164.40</b>
<b>Receipts:</b>		
Cost Recovery (i.e. lien settlements)	\$0.00	\$25,000.00
ILO Refunds	\$0.00	
Transfer From UST Revenue Fund (0471)	\$4,500,000.00	\$9,000,000.00
Transfer From Loan Gaurantee Fund (0238)	\$0.00	
Outdated Warrants	\$0.00	
Miscellaneous Income	\$1,375.00	
	<b>\$4,501,375.00</b>	<b>\$9,025,000.00</b>
<b>Disbursements:</b>		
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	\$17,976.43	\$100,000.00
Innocent Landowner Claims	\$387,348.79	\$1,500,000.00
Transfer to Remedial Fund (0208)	\$0.00	
Balance of Outdated Warrants	(\$6,217.20)	
	<b>\$399,108.02</b>	<b>\$1,600,000.00</b>
<b>Balance of Fund, September 30, 2013</b>	<b>\$6,278,431.38</b>	<b>\$9,601,164.40</b>
<b>0238 - UST LOAN GUARANTEE FUND (Non-Bonding)</b>		
<b>Balance of Fund, September 30, 2013</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>0614 - UST CAPITAL RESERVE FUNDS (Bonding)</b>		
<b>Combined UST Capital Reserve Fund Balances, September 30, 2013</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>TOTAL FUND BALANCES, September 30, 2013</b>	<b>\$29,394,055.67</b>	<b>\$33,019,875.04</b>

**FOOTNOTES:**

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

## **Claim Payment Approval**

**IOWA UNDERGROUND STORAGE TANK PROGRAM**

**FIRST BOARD REPORT**

**OCTOBER 9, 2013**

**RITE WAY OIL & GAS CO.**

**1106 MAIN STREET**

**GRISWOLD**

**SITE REGISTRATION NUMBER: 8607560**

**LUST NUMBER: 7LTH02**

**RISK CLASSIFICATION:**

HIGH

LOW

NFA

**PRESENT CLAIM RESERVE:**

\$ 150,000.00

**ELIGIBILITY:** The contamination was discovered during a tank pull on September 29, 1989. The IDNR was notified and a timely claim was filed. This is an eligible remedial claim.

**COST INCURRED TO DATE:**

1. Site check and site clean-up report	\$	31,606.46
2. Site monitoring reports		27,286.82
3. RBCA Tier II report		15,121.55
4. Well closure		744.74
TOTAL COST TODATE	\$	74,759.57

**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 over-excavation (OE)

**TOTAL PROJECTED COSTS:**

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

**TOTAL AUTHORITY RECOMMENDED:**

\$250,000.00

**COMMENTS:** The tanks were removed in 1989 and site is currently a used car lot. Free product was discovered during recent work to reclassify the site. Due to discovery of product, the consultant has proposed an excavation to remove the contamination.

**IOWA UNDERGROUND STORAGE TANK PROGRAM  
 SECOND BOARD REPORT  
 OCTOBER 1, 2013  
 DARLING DX SERVICE  
 224 RAILROAD AVENUE  
 NEW ALBIN  
 SITE REGISTRATION NUMBER: 8600916  
 LUST NUMBER: 8LTP30**

RISK CLASSIFICATION:

HIGH

LOW

UNDETERMINED

PRESENT CLAIM RESERVE: \$ 225,000.00

PREVIOUS BOARD APPROVAL: \$ 175,000.00

Number and Date of each previous Board Report: 1st: October 17, 2005

PREVIOUS COSTS INCURRED: \$ 28,459.61

COSTS INCURRED SINCE LAST BOARD APPROVAL:

1. Post RBCA evaluation/conference	\$ 500.00
2. Site monitoring reports	36,770.82
3. CADR	4,965.87
4. Remediation implementation	55,789.63
5. Operation and maintenance	40,966.35
6. Utilities	<u>16,862.67</u>

TOTAL COSTS INCURRED TO DATE: \$ 184,314.95

PROJECTED COSTS:

<input checked="" type="checkbox"/> Site Monitoring Reports	<input checked="" type="checkbox"/> Operation and maintenance
<input checked="" type="checkbox"/> Utilities	<input checked="" type="checkbox"/> Tier III

TOTAL PROJECTED COSTS: \$ 30,000.00 to 90,000.00 +

ADDITIONAL AUTHORITY RECOMMENDED: \$ 75,000.00

TOTAL AUTHORITY:\* \$ 250,000.00

COMMENTS: The site is high risk for two private drinking water wells, residential sewers, and the protected groundwater source pathway. An SVE/AS system was installed on this site and the adjacent LUST site (Sires Oil – 7LTT33) in June of 2006 and has been operational since with costs shared equally. The contaminant levels at this site have declined significantly and currently only exceed for the drinking water wells. The leg of the system going to this site may be shut down soon followed by post-remediation monitoring. As long as the contaminant levels do not rebound significantly, a Tier III approach may be used to justify the reclassification of the drinking water well receptors, and the site, to no further action.

\*Previous approval + additional recommended



**IOWA UNDERGROUND STORAGE TANK PROGRAM**  
**FIRST BOARD REPORT**  
**OCTOBER 1, 2013**  
**CITY OF COUNCIL BLUFFS**  
**1020 SOUTH 8<sup>TH</sup> STREET**  
**COUNCIL BLUFFS**  
**SITE REGISTRATION NUMBER: 8603406**  
**LUST NUMBER: 7LTM14**

**RISK CLASSIFICATION:**

HIGH                       LOW                       NFA-FP

**PRESENT CLAIM RESERVE:**                      \$ 125,000.00

**ELIGIBILITY:** The contamination was discovered during a site check on 4/26/1990. The IDNR was notified and a timely claim was filed. This is an eligible remedial claim.

**COST INCURRED TO DATE:**

1. Site check and site clean-up report	\$ 27,383.58
2. Free product recovery	31,897.00
3. RBCA Tier II report	5,715.40
4. Over-excavation	<u>12,709.42</u>
TOTAL COST TODATE	\$ 77,705.40

**PROJECTED COSTS:**

<input type="checkbox"/> Site Monitoring Report	<input checked="" type="checkbox"/> Free Product Recovery
<input type="checkbox"/> Corrective Action Design Report	<input checked="" type="checkbox"/> Excavation activities

**TOTAL PROJECTED COSTS:**                      \$ 40,000.00 - \$80,000.00+

**TOTAL AUTHORITY RECOMMENDED:**                      \$150,000.00

**COMMENTS:** The site is classified as no action required with free product (NAR-FP). The free product is located near a former diesel UST which is near the on-site building foundation. The GWP has learned that the city plans to demolish the building and remove the utilities. This will allow for an excavation of the free product area, hopefully resulting in the closure of this claim following post-OE inspections to ensure that the free product has been removed.

**IOWA UNDERGROUND STORAGE TANK PROGRAM**

**FIRST BOARD REPORT**

**OCTOBER 1, 2013**

**CASEYS MARKETING CO.**

**204 BELMONT STREET**

**MILO**

**SITE REGISTRATION NUMBER: 8911982**

**LUST NUMBER: 7LTU30**

**RISK CLASSIFICATION:**

HIGH

LOW

NFA

**PRESENT CLAIM RESERVE:**

\$ 150,000.00

**ELIGIBILITY:** The contamination was discovered during a site check in August of 1990. The IDNR was notified and a timely claim was filed. This is an eligible remedial claim.

**COST INCURRED TO DATE:**

1. Site check and site clean-up report	\$	26,785.23
2. Site monitoring reports		34,372.20
3. RBCA Tier II report		6,490.85
4. RBCA Tier III report		<u>11,287.50</u>
TOTAL COST TODATE	\$	78,935.78

**PROJECTED COSTS:**

Site Monitoring Report

Tier III high risk monitoring

Corrective Action Design Report

Receptor removal / replacement

**TOTAL PROJECTED COSTS:**

\$ 60,000.00 - \$150,000.00+

**TOTAL AUTHORITY RECOMMENDED:**

**\$200,000.00**

**COMMENTS:** This site is high risk for two private drinking water wells, two AC water mains, and several polyethylene water service lines. One of the AC water mains is within the actual contaminant plume. If the well owners agree to plug their wells, the water lines will be replaced with petroleum resistant materials and the site should be reclassified to no action required. If they do not agree, a limited excavation will be completed. This is an active station and it may not be feasible to remove all of the contamination exceeding the target levels. Following the excavation, a Tier III would be completed to show that the contaminant plume is no longer expanding, possibly reclassifying the site.



**Contracts Entered Into  
Since August 21, 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

## MEMORANDUM

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TO:            UST Board Members  
FROM:        Scott Scheidel  
DATE:        October 14, 2013  
SUBJECT:    Contracts Entered Into Since August 21, 2013 Board Meeting

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The Board has entered into two agreements since the August 21, 2013 meeting. These are:

- 1)    28E Agreement with the Department of Justice for activities in fiscal year 2014.
- 2)    28E Agreement with the Department of Natural Resources for continued activities associated with the State Lead Closure Contractor project

## **Correspondence and Attachments**