



# 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, December 12, 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. Legislative Update
  - B. FY 2014 Goals
  - C. UST Fund Lien # 0401005 - Piper's Store, Conesville
  - D. DNR Update
5. Approval of Program Billings
6. Monthly Activity Report and Financials Reviewed
7. Attorney General's Report
8. Claim Payment Approval
9. Contracts Entered Into Since October 24, 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

October 24, 2013

PETROLEUM MARKETERS AND CONVENIENCE STORES OF IOWA  
10430 NEW YORK AVENUE, SUITE F  
URBANDALE, IOWA

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

Joseph Barry  
Karen Andeweg  
Patricia Beck  
Jake Friedrichsen (for Michael Fitzgerald)  
Tim Hall (for Chuck Gipp)  
Timothy Gartin  
Kurt Mumm  
Jeff Robinson  
Dawn Carlson

Also present were:

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

### APPROVAL OF PRIOR BOARD MINUTES

Mr. Barry inquired if the members had reviewed the minutes and if there were any issues. Hearing none, Ms. Andeweg motioned to approve the minutes and Mr. Mumm seconded the motion. By a vote of 7-0, the minutes were approved.

### CLOSED SESSION

Mr. Barry noted Mr. Steward had sent the members an update on a contested case and asked if there was a need to enter into closed session. No concerns were noted.

## **PUBLIC COMMENT**

No public comment was presented.

## **BOARD ISSUES**

### **A. Aon Contract Extension**

Mr. Steward presented information on the extension of the Administrator's contract for a second year. He noted that Mr. Scheidel had drafted a memo outlining possible contract incentives, as requested during the last meeting and noted that, should the members request modifications, they could be incorporated at any time with an amendment to the contract. He also noted the contract requirement that advance notice be provided to Aon of the Board's intent to renew the contract and, as such, action would be needed at this meeting unless a special session were called.

Mr. Barry inquired if there were any questions from the members. Mr. Scheidel commented as noted in the memo that Aon would certainly be interested in incentives, however, did not want to seek a windfall at the expense of the program participants by closing claims without closing the corresponding regulation of the sites. He also noted that some incentives were already included in the contract for State Lead project and suggested those incentives could be revised to better suit the program as it is now by placing greater emphasis on completion of work at sites rather than at the start of work. In discussing the matter, the Board asked that consideration be given to looking outside the box for more ideas on how to get sites closed before the program end and encouraged a review of applicable program rules so as to provide for more opportunities to get sites closed while remaining respectful to the environment and preventing undesired societal impacts.

Following discussion, Mr. Barry inquired as to the will of the Board. Mr. Friedrichsen motioned to approve the contract extension with Aon for the 2014 calendar year and Mr. Mumm seconded the motion. The motion was approved on a vote of 8-0.

### **B. FY 2014 Goals**

Mr. Scheidel presented information noting that in the past few years only numerical goals had been set and in light of discussion of the August Board meeting, a memo had been developed outlining possible items and a spreadsheet had been provided in the Board packet tracking some of the noted items. Included are the statuses of NFA certificate issuance, identifying obstacles for sites getting to closure, status of claims and DNR LUST sites, and development of a strategy for funding future Department actions.

Ms. Carlson asked about the past year goals and Mr. Scheidel noted primary goals were following the number of DNR corrective action meetings. He noted DNR has sole control on the scheduling of the meetings and noted that, going forward, the emphasis will be to try to place low risk sites into the queue for the meetings. Ms. Carlson also asked who is monitoring the status of the work following the meeting and Ms. Douskey noted that

information on each site is available on the DNR database and is also available from each DNR project manager. It was also noted that the meeting process was established with the intent of bringing all interested parties together to decide on a path to take to move the site toward closure. It was also noted that after a meeting, the decision to implement the decided path placed a duty on each of the participants to provide their input or approval as necessary in a timely manner but noted that the overall responsibility for implementation remained with the responsible party.

Mr. Scheidel noted that the Fund does not have the authority to force work but stands ready to provide funding to eligible claimants where they choose to move forward. He also noted that DNR does have enforcement authority but only as it applies to responsible parties. Ms. Carlson noted that in the effort to keep sites moving, perhaps a review of the applicable rules is needed to understand where the blocks are or if there is a common theme that may be preventing work. Mr. Scheidel noted the review of the claims that are stalled or where sites are prevented from closure due to site conditions, access issues, or funding challenges, is a start to identify those possible themes and included in information for this meeting.

Mr. Hall noted that where UST Section staff cannot close a site due to existing rules, the reason may be entirely valid such as the need to protect a drinking water source, however, he also noted if there was a large group of sites sharing similar characteristics that cannot be closed due to a rule that might be construed as overly restrictive, that a change may be possible if the rule remained protective of the environment and freed staff time. He also noted the Department would be open to such a change however he also noted that a change to affect only a small number of sites would likely not be a good use of time. He suggested a group could be established to include DNR staff, Fund staff, and groundwater professionals to identify which rules if changed might affect a large group to promote a more expedient closure while still remaining protective of the environment. Mr. Scheidel noted his thoughts that such changes might include modification to the protected groundwater source standard or to the final monitoring requirements which may at times be too restrictive and not reflective of the risk profile of sites. Ms. Carlson concurred with Mr. Hall's idea that a group be established to complete a review of the rules to promote faster closures.

Mr. Scheidel continued with the review of goals for the upcoming year noting discussions had already been started with the Department to identify those sites classified as 'no action required' where a no further action (NFA) certificate had not yet been issued. He proposed the Board authorize funding for completing well closures and filing of NFA certificates, noting a pilot project was under consideration for Polk County. Using the Department's data, approximately 150 LUST sites classified NAR without a certificate had been identified, and if funding were approved, those property owners would be sent the draft letter that had been provided to the Board members for review. The letter outlined the reasons for obtaining the NFA certificate and explained that the work would be done free of charge. Several Board members noted concerns with the letter and recommended it be modified to encourage compliance. It was also recommended a one-page memo be provided to outline the advantages of the work. For funding, Mr. Hall recommended the pilot project proceed and, once complete, a review be provided to the Board noting the costs for eligible claims versus costs for non-eligible sites.

Mr. Scheidel continued with the review noting plans for low risk sites including use of the state lead closure contracts for certain work and initiation of State Lead projects for sites that are inactive. He noted that agreement of a finite monitoring plan and possibly with the rules review, establishing plans to close sites would be helpful. He also noted that the option exists to close claims using settlement agreements for groups of claims or for specific claimants. In regards to the closing of claims, Ms. Carlson inquired as to how many sites are closed through a denial of benefits. Mr. Scheidel stated that typically only 1 or 2 claims are closed each year because of denials but noted that a denial of benefits prior to the establishment of a claim is possible. He noted that denial before establishment of the claim is possible in that in order to be eligible, the claimant must provide documentation of an eligible release and must meet the eligibility requirements set forth by rule, such as providing proof of a financial responsibility mechanism. Mr. Scheidel noted in the event of a denial of benefits, claimants would have the right to appeal the decision for the denial. Mr. Scheidel provided information on the most recent denial noting an appeal was in progress and that continued evaluation was in progress to determine if the Fund bore any duty to provide funding for the contamination identified at that site.

In summary, Mr. Scheidel noted that he is open to any changes to the parameters to be monitored for the current year. In discussing the matter, Mr. Scheidel agreed to move forward with the Polk County pilot project regarding the issuance of NFA certificates noting a memo would be provided at the next meeting outlining prospective costs for the activity. Mr. Hall re-iterated the idea of a 'task force' of owners, groundwater professionals, DNR and Fund staff to develop an idea of what rules might be changed that can make things better while remaining protective of the environment and asked that a memo be provided at the next meeting to present the ideas of the possible changes.

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

Mr. Gastineau provided an update on the two liens discussed in the prior month. He noted that the lien on the Griswold Custom Classics site has reversed in that the owner, not the mortgage holder, has now been in contact with the Administrator's office. It was noted that the property owner had stated a willingness to repay the lien by monthly payments of \$105.00 and has already made an initial payment of \$1,375.00. Mr. Gastineau noted he would be tracking the status of the payments and would provide updates to the Board periodically.

Mr. Gastineau noted that notice was provided to the property owners of the Larson Oil property in Mallard, however, no response had been received to date. He noted that the lien would be renewed and filed as necessary with the County Recorder in the near future.

In closing, Mr. Scheidel noted that a new request had been recently submitted to the Administrator's office seeking the release of a different lien. Mr. Scheidel noted a worksheet with pertinent information regarding the lien would be provided for the Board's consideration during the next meeting.

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

Mr. Scheidel presented a memo noting that the Board had entered into a 28E agreement with Department to coordinate activities on sites previously issued a 'no further action' certificates yet where a new concern had been identified. He noted a provision in the agreement placed the duty on the Board to retain the services of contractors to complete the agreed upon tasks on the identified sites. The Board had entered into contracts with two consulting firms in late 2009 that were written for a 4 year term, subject to two one-year renewal terms. The vendor contracts are currently set to expire December 31, 2013. In order to continue work on those sites already re-opened and in anticipation of new sites, Mr. Scheidel requested the Board authorize extension of the vendor contracts for a one-year time period. He also requested authorization to allow the contractor's unit rates to be adjusted similar to the consumer price index.

Following a brief discussion, Ms. Andeweg motioned to approve the contract extension and rate modification. Ms. Carlson seconded the motion, and the measure passed on a vote of 8-0.

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

Mr. Scheidel presented a memo noting that in coordination with 2010 legislation that provided that the Board provide training to assist owners and operators of tank sites, the Board has had a number of vendor agreements in place which provide DNR approved vendors with direct reimbursement for the training of individuals as a Class A, Class B, or a combined Class A/B Iowa UST Operator. He noted that the current vendor agreements expire on December 31, 2013 and made the recommendation that the Board authorize extension of the agreements for training activities to be completed through December 2014. Mr. Scheidel noted that to date, 2,653 individuals had been trained as a Class A and/or Class B UST Operator and noted that while the number of individuals being trained each year has declined, it is likely future training events will be needed to assist owners and operators in meeting their regulatory requirements.

Following a brief discussion, Ms. Carlson motioned to approve the extension of the agreements for a one year period. Mr. Hall seconded the motion and the measure passed on a vote of 8-0.

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

Mr. Scheidel presented a memo noting that in coordination with 2010 legislation that provided that the Board may provide training to assist owners and operators of tank sites, the Board had opted not to provide a direct reimbursement program for the training of Class C UST Operators. He noted that, instead, the Board had elected to provide owners and operators access to a free online Class C UST Operator training program and, if desired, have access to a Data Management System to track the names of the individuals within their company who had been trained as an Iowa UST Operator.

Mr. Scheidel noted that the Board had retained the services of Iowa State University's Office of Environmental Health & Safety to develop and operate the Data Management System and operate an online Class C training program at a cost of \$40,460 for the first two years, and that they have offered to continue the same services, augmented with a new marketing program, for an annual cost of \$16,930 for each of the next two years. Mr. Scheidel noted that, to date, there were 97 users of the management system.

Ms. Carlson noted that the cost to date appears to have been approximately \$400 per person and noted her thought that owners and operators are unlikely to seek operator training from a group not affiliated with their industry. She indicated that the costs for the program may seem to be a waste of money as the system was apparently not being used to the degree intended. Mr. Binning of Seneca Environmental Services noted that his firm had trained thousands of individuals as Class C Operators in the same time frame and concurred with Ms. Carlson's analysis of the system. In discussing the use of the system, Mr. Scheidel noted that at the start of the program there was no idea as to how many firms would utilize the system since much of the Class C training would likely be done in house by the Class A and/or B UST Operators assigned to a particular tank site.

Mr. Scheidel noted that the Board may wish to consider whether it should be providing the training service and whether the tracking services are needed. In discussing these questions, it was noted that the Department does require an owner or operator to identify the name of their Class A / B operator in order to obtain tags to operate an underground storage tank, however the Department does not actively track the names of Class C operators. They do, however, verify that a Class C operator is present at the time of an inspection. Information obtained from the Department had indicated that not having a trained Class C operator was a common violation having been noted at 97 of 295 inspections by a third-party inspector.

Following the discussion, Mr. Friedrichsen motioned to approve the extension of the contract for a one-year time period at a cost of \$16,930. Mr. Gartin seconded the motion. The measure was passed on a vote of 7-1.

#### **G. DNR Update**

Mr. Aaron Brees provided an update on the number of LUST sites in Iowa, noting 6,479 LUST sites have been identified. Of those, 5,476 have been closed, 518 are classified high risk, 236 are classified low risk, 76 are classified no action required with free product, and 173 are not yet classified. He also noted 143 were closed in FY 2013 and 8 sites have been closed in FY 2014, to date.

Mr. Gartin thanked the Department for the information and asked that additional data be provided so month-to-month trends can be determined. Mr. Scheidel noted that the Department could be contacted to determine if the information could be added to the monthly activities reports for easier viewing.

**PROGRAM BILLINGS**

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

- 1. Aon Risk Services ..... \$101,024.00  
Consulting Services for October 2013 -- \$62,024.00  
Claims Processing Services for October 2013 -- \$39,000.00
- 2. Aon Risk Services ..... \$101,024.00  
Consulting Services for November 2013 -- \$62,024.00  
Claims Processing Services for November 2013 -- \$39,000.00
- 3. Iowa Attorney General’s Office ..... \$3,958.58  
Legal Services provided for Underground Storage Tank Program  
August 2013 (FY2014) Billing
- 4. Iowa Attorney General’s Office ..... \$3,959.90  
Legal Services provided for Underground Storage Tank Program  
September 2013 (FY2014) Billing

On a motion by Ms. Carlson and a second by Ms. Andeweg all billings were approved by a vote of 8-0.

**MONTHLY ACTIVITY REPORT**

Mr. Scheidel noted the continued trend downward in the number of claims for August and September and also noted expenditures through the first quarter of the fiscal year are increasing as compared to prior years. He also noted that administration and claims processing costs as well as governmental costs are now reported on the activities sheet. Following an inquiry on the different line items for tank pull costs, Mr. Scheidel noted the differences explaining that these represent historical costs for tank removal activities since the program inception and noted that current expenditures are referenced in the ‘2010 Tank Pull’ line.

**ATTORNEY GENERAL’S REPORT**

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

**CLAIM PAYMENT AUTHORITY**

Mr. Gastineau presented the following claim authority requests:

- 1. **Site Registration 8607560 – Rite Way Oil & Gas Co., Griswold**

The site is low risk for the vapor pathway. Free product was recently discovered during work intended to reclassify the site. Due to the discovery of the free product, an excavation is now proposed to remove the product and soil contamination.

Mr. Gastineau noted the claim reserve is \$150,000 and costs incurred to date are \$74,759.77. Projected costs for the excavation and then future monitoring and reporting are in the range of \$75,000 - \$250,000+. Mr. Gastineau requested total authority be extended to \$250,000.

Ms. Carlson motioned to approve the requested claim authority, and Ms. Andeweg seconded the motion. The measure passed on a vote of 8-0.

## **2. Site Registration # 8600916 – Darling DX Service, New Albin (2<sup>nd</sup> Board Report)**

The site is high risk for the groundwater ingestion pathway and vapor pathway. The primary receptors include two private drinking water wells, presence of a protected groundwater source, and residential sewers. It was noted that a remedial system was installed to remediate the contaminant plumes on this site and on an adjacent site, and as contaminant levels have decreased at this site, the plan was to decommission the remediation effort at this site and initiate a year of post-remediation monitoring. If contaminant levels increase, further remediation might be required.

Mr. Gastineau noted the claim reserve is \$225,000. Prior Board approval had been granted for costs up to \$175,000 and costs incurred to date are \$184,314.95. Projected costs for the post-remediation efforts are in the range of \$30,000 - \$90,000+. Mr. Gastineau requested total authority be extended to \$250,000.

Mr. Scheidel noted that this is an example of where monitoring is performed for a limited basis, rather than on a long term basis, noting the purpose is to verify that the remediation efforts have been successful. Mr. Mumm inquired if this site would be a candidate for further evaluation of the private water wells. Mr. Gastineau noted that if the wells were the only risks, further evaluation might be considered, however, as multiple receptors are present, the efforts as planned are likely the best option.

Mr. Friedrichsen motioned to approve the claim authority, and Ms. Andeweg seconded the motion. The measure passed on a vote of 8-0.

## **3. Site Registration #8811381 – Krause Gentle Corp., Olin (2<sup>nd</sup> Board Report)**

The site is high risk for the groundwater ingestion pathway and vapor pathway. A remediation system was operated at the site for 7 years, through 2011, to address the contamination and during post remediation monitoring the contaminant levels rebounded to exceed the site specific target level for the municipal drinking water wells near the site. A recommendation has been made to upgrade the system and bring it into operation for one year

to remediate the contamination. Post remediation monitoring would again be initiated after the remedial efforts are completed.

Mr. Gastineau noted the claim reserve is \$450,000. Prior Board approval had been granted for costs up to \$425,000 and costs incurred to date are \$404,063.45. Projected costs for the system upgrade, operation and monitoring, and then future post remediation monitoring and reporting are in the range of \$50,000 - \$100,000+. Mr. Gastineau requested total authority be extended to \$500,000.

Mr. Scheidel noted that this is an example of what happens when post remediation monitoring indicates prior remediation efforts were not as successful as hoped and, as a result, further efforts would be needed. Mr. Gartin inquired as to the number of people affected by the contamination and inquired if a cost-benefit analysis has been considered. In discussing the question, it was noted the rules do not provide for consideration of such matters noting that the rules apply uniformly for all sites. It was noted that such an analysis, in the form of an options review is often considered as part of the corrective action review before implementation of a specific action. A concern was noted that, as time is becoming short, considering creative options to get sites to closure may be needed and may need to include reviving options previously shelved. In closing the discussion, it was asked that future requests include more information on what options were considered and the path that was selected to get the site to where it is today.

Following the discussion, Ms. Carlson motioned to approve the claim authority, and Mr. Mumm seconded the motion. The measure passed on a vote of 8-0.

#### **4. Site Registration 8603406 – City of Council Bluffs**

The site is no action required with free product site. Free product is located in an area now accessible to an excavation and such has been proposed.

Mr. Gastineau noted the claim reserve is \$125,000 and costs incurred to date are \$77,705.40. Projected costs for the excavation and then free product activities, if needed, are in the range of \$40,000 - \$80,000+. Mr. Gastineau requested total authority be extended to \$200,000.

Ms. Carlson motioned to approve the claim authority, and Mr. Hall seconded the motion. The measure passed on a vote of 8-0.

#### **5. Site Registration 8911982 – Casey's Marketing Co., Milo**

The site is high risk for the groundwater ingestion pathway and water line pathway. Primary receptors include two private drinking water wells, two water supply mains, and multiple private water lines. It was noted discussions are planned to determine if well owners will agree to plug their private wells. If the owners are unwilling to do so, an excavation will be completed to remove the source area however such action will be limited due to presence of an active service station. Following the excavation, monitoring will be needed.

Mr. Gastineau noted the claim reserve is \$150,000 and costs incurred to date are \$78,935.78. Projected costs for the excavation, receptor relocation, and future monitoring are in the range of \$60,000 - \$150,000+. Mr. Gastineau requested total authority be extended to \$200,000.

Ms. Beck motioned to approve the claim authority and Ms. Andeweg seconded the motion. Prior to voting, Mr. Gastineau inquired if the Board would consider authorizing funding to incentivize the owners to close their wells. Mr. Scheidel noted such a payment would typically not be considered a corrective action cost but noted, on its face, such a move might appear to make fiscal sense if a significant cost savings can be attained. Mr. Scheidel explained that there are two questions to consider; can the Board make such a payment and does the Board have the authority to make such a payment? Mr. Hall noted the third question to consider is should the Board make such a payment if allowable. Mr. Steward noted that the concept has been considered by the Board in the past and historically the Board has taken the position that they would not make such a payment as it may be construed as a third party payment. Mr. Scheidel noted for an insurer paid site, the answer to that question may be easier since an insurer would be liable to pay third party liability. Mr. Scheidel noted his opinion that opening the possibility to third party payments has more negative than positive outcomes and may adversely affect the property owner, whether a responsible party or no. Mr. Hall noted from the Department's perspective, they would prefer remediation be completed to the extent practicable prior to considering such payments.

Mr. Hall motioned to approve the claim authority. The earlier motions by Ms. Beck and Ms. Andeweg were noted to be withdrawn. Mr. Friedrichsen seconded the motion. The measure passed on a vote of 8-0.

#### **6. Site Registration 8912770 – This’N’That Country Store, Coalville (2<sup>nd</sup> Report)**

The site is low risk for the groundwater ingestion pathways. Free product is also present in one monitoring well. Due to presence of shallow bedrock, remediation options are limited thus the consultant has proposed installation of a vapor extraction system to reduce contaminant levels and enhance free product recovery.

Mr. Gastineau noted the present claim reserve is \$300,000. Prior Board approval was granted in March 2011 for expenditures up to \$190,000. Costs incurred to date are \$139,946.65. Projected costs for future work are in the range of \$150,000 to \$250,000+. Mr. Gastineau requested total authority for work at the site be increased to \$340,000.

Following a brief discussion, Mr. Friedrichsen motioned to approve the request and Ms. Beck seconded the motion. The measure passed on a vote of 8-0.

*Mr. Hall departed at 12:40 p.m.*

#### **CONTRACTS ENTERED INTO SINCE THE AUGUST 21, 2013 BOARD MEETING**

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

**OTHER ISSUES**

Mr. Barry asked if there was any further business and upon hearing none, Mr. Friedrichsen motioned to adjourn, and Mr. Mumm seconded the motion. By a vote of 7-0, the Board adjourned at 12:44 p.m.

Respectfully Submitted,

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

Scott M. Scheidel  
Administrator

## **Board Issues**



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## ΦΦΦ MEMO ΦΦΦ

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**TO:**            **UST Board**

**FROM:**        Scott Scheidel

**DATE:**        December 5, 2013

**RE:**            2014 Legislative Session

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The 2014 Legislative Session will begin on January 13<sup>th</sup> with a similar political composition as last year—divided houses, Democratic Senate and a Republican House. Leaders have proposed moving the timetable up by one week and appear poised to complete session ahead of schedule. The proposed schedule is attached behind this memo. The favorable news for the Board is that revenues appear sufficient to avoid the threat of diversion of funds to fill one-time budget gaps as has happened in the past. There is a significant ending balance that will be a focus of much of the spending debate.

The Board does not have any proactive initiatives, but we will monitor bills and committees and report any issues that may affect the Board.

## **B. FY 2014 Goals Update**



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## MEMORANDUM

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TO:            UST Board Members  
FROM:         Scott Scheidel  
DATE:         December 5, 2013  
SUBJECT:      Fiscal Year 2014 Goals Update

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This memo is presented as a summary of items discussed during the October 2013 Board meeting and will be tracked for reference in the current fiscal year. These include:

- No Further Action Certificate Issuance
  - Pilot Project – Of the 1500 sites that have been classified NAR and have not been issued a NFA certificate, approximately 160 are located in Polk County, IA. A review of available information indicates that the Board has already paid for well closure at 28 of these same sites. In regards to the remaining sites, a meeting was held with the State Lead Closure Contractors to outline a plan for moving forward with the pilot project. Some obstacles still need to be resolved however it is anticipated the project will commence in January 2014.
  
- 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. Staff have compiled a list which identifies some of those sites and working with DNR, consultants and claimants will attempt to pursue action on the sites. It is hoped an increase of corrective action meetings, especially on low risk sites, and an increased use of the State Lead Closure Contractors, if needed, will lead to a higher site closure rate.
  - Development of a ‘task force’ to identify possible rule modifications has been communicated and contact has been initiated with the Department and consultants to pool input or ideas on what modifications might be possible so as to effect a substantial portion of the remaining sites while remaining protective of the environment and of human health.

Goal	Progress	Planned
NFA Issuance	<ul style="list-style-type: none"> <li>• Agreed upon Polk Co Pilot</li> <li>• Met with existing Board closure contractors and agreed upon rates and scope</li> <li>• DNR revising communications</li> </ul>	<ul style="list-style-type: none"> <li>• DNR to provide suspected well location maps to contractors</li> <li>• Agree upon certificate filing method</li> <li>• Complete well searches, closures and NFA issuance</li> <li>• Roll out procedure for state wide</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> <li>• Sought input and commitment of meeting time from DNR and consultants for rule review focused on obstacle elimination and site closure</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 (as of 11/30/13)	<ul style="list-style-type: none"> <li>• 56 claims closed</li> <li>• 7 new claims</li> <li>• 8 claims re-opened</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 future 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 Fund Lien # 0401005 – Piper’s Store, Conesville**



# 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: December 5, 2013  
SUBJECT: UST Fund Lien # 0401005 – Piper’s Store, Conesville  
Registration No. 8603025      LUST No. 9LTK26

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### BACKGROUND

The DNR requested that the Piper’s Store be added to the State Lead Closure Contractor project in 1998 for tank closure sampling and assessment. The site was deemed not eligible for UST fund benefits due to the date the contamination was discovered and for failure to maintain financial responsibility on the underground storage tanks after October 1990.

Based on the data collected during the assessment, the site was classified high risk due to presence of contamination in proximity to multiple private water supply wells, including that used by the site. Following the assessment, the lien was perfected in the amount of \$15,205.00 by notice to the property owner and Muscatine County.

Due to the imminent risk of impact to a drinking water source, the Department requested corrective actions be initiated. The Board retained the services of a contractor to complete corrective actions which included a small excavation, installation of a point of use filter and monitoring. Following several monitoring events, the Department accepted a no action required classification for the site and in 2010, issued a NFA certificate to the property owner.

### REQUEST

Information on the property is provided in the attached worksheet. As the lien was filed in January 2004, it is scheduled to be renewed in early 2014.

In lieu of renewal, a request has been presented seeking release of the lien for an amount less than the value of the lien. Information regarding the request and information to support the status of the site is presented for the Board’s consideration of the request.

## Lien Release / Extension / Modification Worksheet

Purpose	RELEASE REQUEST
Lien #	0401005
County	Mucatine
Site Name	Piper's
- Location	213 North Todds Ferry Road, Conesville
Site Registration #	8603025
Site LUST #	9LTK26
Site Claim #	11015
- IUST eligible	No; no known FR, no pre-10/26/90 release
Property owner when filed	Sarah Piper
Property owner address	1099 120th Street
Lien filed date	2/2/2004
Book & Page #	2004-00777
Lien Amount	\$15,205.00
Total Subject to Recovery	\$32,346.30
Proposed Amount for Release	\$4,750.00
Parcel #	1118480021
Current Assessed Value / Date	\$42,070 (2013)
Property taxes	\$1,538 annual / paid through March 2014
Current Property Owner	Sarah Piper (deed holder) / Susan Cole (contract buyer)
- owned prop when USTs operated	YES
- owned prop when work completed	YES
- owned property when lien was filed	YES
- - If no, how was prop acquired	
- is landowner a RP	YES - last tank owner & operator
<b>DNR Status</b>	
- USTs present / active	NO
- USTs present / temp closed	NO
- USTs perm closed (date)	Unknown
- LUST Status	No Action Required
- NFA cert elig / issued	NFA certificate issued 1/08/2010
<b>Summary</b>	
Did landowner hinder work	No
Will RP benefit	Yes
Will State benefit	Yes
<b>Other:</b>	
Corrective action completed after original lien filed; site work allowed reclassification to NAR in 2009 and NFA certificate in 2010.	
Requestor's client purchased site for \$20,000 without doing lien search; seeks to have lien removed for \$4750.	
<b>BOARD ACTION</b>	

## **D. DNR Update**

## **Approval of Program Billings**



# IOWA UNDERGROUND STORAGE TANK FUND

Douglas M. Beech, *Chairperson*

Scott M. Scheidel, *Administrator*

*Board Members:*

Michael L. Fitzgerald   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:        December 5, 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 December 2013 -- \$62,024.00  
      Claims Processing Services December 2013 -- \$39,000.00
  
2.    Aon Risk Services .....\$963.36  
      Reimbursement for Annual Meeting at Lake Panorama National Resort
  
3.    Iowa Attorney General's Office .....\$7,160.96  
      Services provided for Underground Storage Tank Program  
      October 2013 (FY 2014) Billing
  
4.    Iowa Department of Revenue .....\$2,040.74  
      Services provided for Underground Storage Tank Program  
      1<sup>st</sup> Quarter FY 2014 Billing
  
5.    Iowa Department of Inspections & Appeals.....\$53.35  
      Services provided for Underground Storage Tank Program  
      July – September 2013 (FY2014) Billing

Iowa UST Fund  
Monthly Activities Report

Oct-13

Claims	Open Claims		Open Claims October Ending	Open & Closed Totals since Inception
	September Ending	Monthly Net Changes		
<b>RETROACTIVE</b>				
number	34	0	34	447
reserve	\$1,772,265.48	(\$70,437.00)	\$1,701,828.48	\$1,701,828.48
paid	\$6,447,596.18	\$170,437.00	\$6,618,033.18	\$17,028,462.07
	\$8,219,861.66	\$100,000.00	\$8,319,861.66	\$18,730,290.55
<b>REMEDIAL</b>				
number	452	(1)	451	4,452
reserve	\$21,964,846.83	(\$563,339.60)	\$21,401,507.23	\$21,401,507.23
paid	\$75,137,987.68	\$513,339.60	\$75,651,327.28	\$205,800,915.62
total	\$97,102,834.51	(\$50,000.00)	\$97,052,834.51	\$227,202,422.85
<b>INNOCENT LANDOWNER</b>				
number	150	(1)	149	1,117
reserve	\$5,911,126.86	(\$106,590.71)	\$5,804,536.15	\$5,804,536.15
paid	\$10,924,173.96	\$111,590.71	\$11,035,764.67	\$27,816,802.30
total	\$16,835,300.82	\$5,000.00	\$16,840,300.82	\$33,621,338.45
<b>GLOBAL OPT-IN</b>				
number	111	(2)	109	1,299
reserve	\$609,849.17	(\$26,521.69)	\$583,327.48	\$583,327.48
paid	\$874,172.26	(\$1,478.31)	\$872,693.95	\$9,537,941.01
total	\$1,484,021.43	(\$28,000.00)	\$1,456,021.43	\$10,121,268.49
<b>UNASSIGNED REVENUE FUND PROJECTS</b>				
number	30	0	30	220
reserve	\$711,726.89	(\$19,301.00)	\$692,425.89	\$692,425.89
paid	\$205,273.11	\$15,490.00	\$220,763.11	\$2,579,077.96
total	\$917,000.00	(\$3,811.00)	\$913,189.00	\$3,271,503.85
<b>NFA RE-EVALUATIONS</b>				
number	15	(1)	14	42
reserve	\$411,826.75	(\$28,375.00)	\$383,451.75	\$383,451.75
paid	\$198,173.25	(\$1,625.00)	\$196,548.25	\$680,065.28
total	\$610,000.00	(\$30,000.00)	\$580,000.00	\$1,063,517.03
<b>TANK PULLS</b>				
number	42	(7)	35	285
reserve	\$516,876.00	(\$75,001.00)	\$441,875.00	\$441,875.00
paid	\$5,667.00	\$0.00	\$5,667.00	\$2,903,296.75
total	\$522,543.00	(\$75,001.00)	\$447,542.00	\$3,345,171.75

Corrective Action Meetings (10/15)	
Scheduled:	12
Completed:	1,179
MOA's	485

UST Operators (A / B)	2,653
UST Operators (C)	133
A/B (FY2011-13)	\$255,160.00
A/B (FY2014)	\$5,000.00

<b>RT Claims</b>	<b>#</b>
New	0
Reopened	0
Closed	0
<b>RM Claims</b>	<b>#</b>
New	1
Reopened	1
Closed	4
<b>ILO Claims</b>	<b>#</b>
New	1
Reopened	0
Closed	2
<b>GS Claims</b>	<b>#</b>
New	0
Reopened	0
Closed	2
<b>USTCA</b>	<b>#</b>
New	0
Reopened	0
Closed	0
<b>NFA Re-Eval</b>	<b>#</b>
New	0
Reopened	0
Closed	1
<b>Tank Pull</b>	<b>#</b>
New	4
Reopened	0
Closed	11

Invoice Type Totals	OCTOBER	FYTD	Program to Date
Admin	0.00	124,048.00	
Claims	0.00	78,000.00	
Government	8,776.02	82,385.09	
2004 Tank Pull	0.00	0.00	\$ 1,761,013.44
2010 Tank Pull	137,802.63	\$ 354,925.90	\$ 2,925,253.86
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	12,521.69	\$ 31,201.74	\$ 51,319,508.56
Expenses	0.00	5,500.00	\$ 256,160.00
Free Prod Recover	80,074.61	261,774.65	\$ 10,164,064.75
Monitoring	194,402.97	504,096.52	\$ 27,974,105.52
Operations/Maint	50,257.78	156,219.71	\$ 9,628,291.50
Over-excavation	<b>520,737.94</b>	903,004.12	\$ 28,802,261.97
Water Lines	73,942.22	141,336.64	\$ 2,163,972.50
Post RBCA Evals	2,715.00	5,288.97	\$ 209,698.46
RBCA	17,647.00	97,012.15	\$ 25,879,900.67
Remed Imp/Const.	71,444.88	434,739.49	\$ 26,909,964.25
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	5,278.71	22,671.20	\$ 1,294,112.46
Utilities	13,152.30	50,257.87	\$ 1,867,538.24
Well Closure	11,155.93	83,647.80	\$ 3,409,529.57
<b>Total Invoice Types</b>	<b>1,199,909.68</b>	<b>3,414,338.96</b>	<b>\$ 277,330,501.46</b>

Remediation Budgets Approved to Date		
last month (Oct '13)	10	\$569,134
Trailing 12 mos	61	\$3,866,477
Prev Trail 12 mos	35	\$2,227,501
<b>Total Since Jan 2003</b>	<b>1,109</b>	<b>\$44,837,035</b>

Project Contracts	Open	Closed	Pending
CRP's	11	35	0
Tank Closure	2	5	0
Plastic Water Line	0	2	0

Iowa UST Fund  
Monthly Activities Report

Nov-13

Claims	Open Claims		Open Claims	Open & Closed
	October Ending	Monthly Net Changes	November Ending	Totals since Inception
<b>RETROACTIVE</b>				
number	34	(1)	33	447
reserve	\$1,701,828.48	(\$42,853.11)	\$1,658,975.37	\$1,658,975.37
paid	\$6,618,033.18	(\$77,146.89)	\$6,540,886.29	\$17,056,851.77
	\$8,319,861.66	(\$120,000.00)	\$8,199,861.66	\$18,715,827.14
<b>REMEDIAL</b>				
number	451	(6)	445	4,453
reserve	\$21,401,507.23	(\$14,419.94)	\$21,387,087.29	\$21,387,087.29
paid	\$75,651,327.28	\$690,736.88	\$76,342,064.16	\$207,387,520.41
total	\$97,052,834.51	\$676,316.94	\$97,729,151.45	\$228,774,607.70
<b>INNOCENT LANDOWNER</b>				
number	149	(1)	148	1,120
reserve	\$5,804,536.15	(\$320,247.40)	\$5,484,288.75	\$5,484,288.75
paid	\$11,035,764.67	\$269,673.14	\$11,305,437.81	\$28,498,119.12
total	\$16,840,300.82	(\$50,574.26)	\$16,789,726.56	\$33,982,407.87
<b>GLOBAL OPT-IN</b>				
number	109	(1)	108	1,299
reserve	\$583,327.48	(\$5,454.56)	\$577,872.92	\$577,872.92
paid	\$872,693.95	(\$8,545.44)	\$864,148.51	\$9,542,898.44
total	\$1,456,021.43	(\$14,000.00)	\$1,442,021.43	\$10,120,771.36
<b>UNASSIGNED REVENUE FUND PROJECTS</b>				
number	30	1	31	220
reserve	\$692,425.89	(\$4,934.00)	\$687,491.89	\$687,491.87
paid	\$220,763.11	\$10,662.00	\$231,425.11	\$2,604,556.96
total	\$913,189.00	\$5,728.00	\$918,917.00	\$3,292,048.83
<b>NFA RE-EVALUATIONS</b>				
number	14	0	14	42
reserve	\$383,451.75	\$0.00	\$383,451.75	\$383,451.75
paid	\$196,548.25	\$0.00	\$196,548.25	\$680,065.28
total	\$580,000.00	\$0.00	\$580,000.00	\$1,063,517.03
<b>TANK PULLS</b>				
number	35	2	37	291
reserve	\$441,875.00	(\$29,071.00)	\$412,804.00	\$412,804.00
paid	\$5,667.00	\$0.00	\$5,667.00	\$2,988,095.17
total	\$447,542.00	(\$29,071.00)	\$418,471.00	\$3,400,899.17

Corrective Action Meetings (11/15)	
Scheduled:	9
Completed:	1,184
MOA's	486

UST Operators ( A / B )	2,661
UST Operators (C)	134
A/B (FY2011-13)	\$255,160.00
A/B (FY2014)	\$5,600.00

RT Claims	#
New	0
Reopened	0
Closed	1

RM Claims	#
New	0
Reopened	1
Closed	7

ILO Claims	#
New	2
Reopened	1
Closed	3

GS Claims	#
New	0
Reopened	0
Closed	1

USTCA	#
New	1
Reopened	2
Closed	2

NFA Re-Eval	#
New	0
Reopened	0
Closed	0

Tank Pull	#
New	6
Reopened	1
Closed	6

DNR @ 12-02-13	
Total LUST	6580
High Risk	519
Low Risk	231

Invoice Type Totals	NOVEMBER	FYTD	Program to Date
Admin	124,048.00	248,096.00	
Claims	78,000.00	156,000.00	
Government	29,869.89	112,254.98	
2004 Tank Pull	0.00	0.00	\$ 1,761,013.44
2010 Tank Pull	110,987.42	\$ 465,913.32	\$ 3,036,241.28
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	1,212.50	\$ 25,761.21	\$ 4,331,120.61
Corrective Action	1,598,940.70	\$ 1,629,779.20	\$ 52,918,086.02
Expenses / OT	800.00	6,300.00	\$ 256,960.00
Free Prod Recover	21,329.64	283,104.29	\$ 10,185,394.39
Monitoring	164,767.58	667,209.34	\$ 28,137,218.34
Operations/Maint	27,941.77	184,161.48	\$ 9,656,233.27
Over-excavation	<b>249,398.37</b>	1,152,402.49	\$ 29,051,660.34
Water Lines	28,399.50	169,736.14	\$ 2,192,372.00
Post RBCA Evals	0.00	5,288.97	\$ 209,698.46
RBCA	20,823.50	117,835.15	\$ 25,900,723.67
Remed Imp/Const.	109,228.99	543,968.48	\$ 27,019,193.24
SCR Charges	9,071.85	9,071.85	\$ 54,217,410.26
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	4,128.03	26,799.23	\$ 1,298,240.49
Utilities	5,558.92	55,816.79	\$ 1,873,097.16
Well Closure	61,775.89	145,423.69	\$ 3,471,305.46
<b>Total Invoice Types</b>	<b>2,414,364.66</b>	<b>5,542,252.03</b>	<b>\$ 279,742,847.62</b>

Remediation Budgets Approved to Date		
last month (Nov '13)	3	\$442,611
Trailing 12 mos	59	\$3,712,263
Prev Trail 12 mos	38	\$2,738,369
Total Since Jan 2003	1,112	\$45,225,618

Project Contracts	Open	Closed	Pending
CRP's	10	36	0
Tank Closure	2	5	0
Plastic Water Line	0	2	0

## **E. November Financial Report**

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

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

<b>Balance of Fund, November 1, 2013</b>		<b>\$4,010,276.07</b>
 <b>Receipts:</b>		
Motor Vehicle Use Tax (IDOT - vehicle registration)	\$0.00	
Intra State Fund Transfers Received	\$0.00	
Interest Income	\$4,272.62	
Interest Income - Capital Reserve Fund	\$0.00	
		\$4,272.62
 <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	
		\$0.00
 <b>Balance of Fund, November 30, 2013</b>		<b>\$4,014,548.69</b>

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

<b>Balance of Fund, November 1, 2013</b>		<b>\$11,208,199.41</b>
 <b>Receipts:</b>		
Request for Proposal Fees	\$0.00	
Copying/Filing Fees	\$0.00	
Fines & Penalties	\$0.00	
Refund/Overpayment	\$13,478.00	
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	\$4,050.56	
		\$17,528.56
 <b>Disbursements:</b>		
UST Administrator's Fees	\$202,048.00	
Adjustment	\$0.00	
Attorney General's Fees	\$7,918.48	
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 NOVEMBER 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	\$800.00	
Rebate	\$0.00	
Special Project Claims - Closure Contract Project	\$25,479.00	
Travel Expenses-UST Board Members	\$0.00	
Warrant Float Expense	\$0.00	
28E Agreement - DNR Plume Study	\$0.00	
Statutory Transfer to DNR (technical review - recurring)	\$0.00	
Statutory Transfer to IDAL (fuel quality inspections - recurring)	\$0.00	
Appropriation 2013	\$0.00	
Appropriation 2014	\$21,951.41	
Transfer of Funds to Innocent Land Owners	\$0.00	
		\$258,196.89
<b>Balance of Fund, November 30, 2013</b>		<b>\$10,967,531.08</b>

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

<b>Balance of Fund, November 1, 2013</b>		\$6,108,801.13
<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	\$28,389.70	
Remedial Claims	\$66,960.14	
Adjustment	\$0.00	
28E Agreement - NFA Claims	\$0.00	
Transfer to Unassigned Revenue Fund	\$0.00	
Balance of Outdated Warrants & Cancelled Warrants	(\$3,033.29)	
		\$92,316.55
<b>Balance of Fund, November 30, 2013</b>		<b>\$6,016,484.58</b>

**0478 - UST MARKETABILITY FUND**

<b>Balance of Fund, November 1, 2013</b>		\$744,534.26
<b>Receipts:</b>		
Interest	\$959.18	
Use Tax	\$0.00	
		\$959.18
<b>Disbursements:</b>		
Intra State Fund Transfer	\$0.00	
Transfer to Innocent Landowners Fund	\$0.00	
		\$0.00
<b>Balance of Fund, November 30, 2013</b>		<b>\$745,493.44</b>

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

**0485 - UST INNOCENT LANDOWNERS FUND**

<b>Balance of Fund, November 1, 2013</b>		\$6,136,834.38
<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	\$0.00	
		\$0.00
<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	\$5,320.67	
Innocent Landowner Claims	\$689,188.78	
Transfer to Remedial Fund (0208)	\$0.00	
Balance of Outdated Warrants	(\$1,391.00)	
		\$693,118.45
<b>Balance of Fund, November 30, 2013</b>		<b>\$5,443,715.93</b>

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

<b>Balance of Fund, November 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, November 30, 2013</b>		<b>\$0.00</b>

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

<b>Balance of Fund, November 30, 2013</b>		\$0.00
<b>Combined UST Capital Reserve Fund Balances, November 30, 2013</b>		<b>\$0.00</b>
<b>TOTAL FUND BALANCES, November 30, 2013</b>		<b>\$27,187,773.72</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 November 30, 2013**

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND  
STATEMENT OF FUND BALANCES  
FISCAL YEAR TO DATE ENDING NOVEMBER 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	\$44,068.45	\$150,000.00
Interest Income - Capital Reserve Fund	\$0.00	
	<u>\$3,544,068.45</u>	<u>\$14,150,000.00</u>
<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
	<u>\$14,000,000.00</u>	<u>\$28,000,000.00</u>
<b>Balance of Fund, November 30, 2013</b>	<b>\$4,014,548.69</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	\$14,485.41	
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	\$22,433.29	\$125,000.00
	<u>\$3,536,918.70</u>	<u>\$7,135,000.00</u>
<b>Disbursements:</b>		
UST Administrator's Fees	\$404,096.00	\$1,240,000.00
Adjustment	\$0.00	
Attorney General's Fees	\$15,432.31	\$50,000.00
Attorney's Fees: Cost-Recovery Administration	\$0.00	
Cost Recovery Expense (i.e. Lien Filing, Overpayment Refund)	\$14.00	\$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 NOVEMBER 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	\$6,300.00	\$100,000.00
Rebate	\$0.00	
Special Project Claims - Closure Contract Project	\$179,807.67	\$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	\$60,508.56	
Transfer of Funds to Innocent Land Owners	\$0.00	
	\$702,472.65	\$2,383,950.00
<b>Balance of Fund, November 30, 2013</b>	<b>\$10,967,531.08</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	\$247,856.12	\$700,000.00
Remedial Claims	\$4,072,667.16	\$6,000,000.00
Adjustment	\$0.00	
28E Agreement - NFA Claims	\$27,246.55	\$500,000.00
Transfer to Unassigned Revenue Fund	\$0.00	
Balance of Outdated Warrants	(\$17,183.39)	
	\$4,330,586.44	\$7,200,000.00
<b>Balance of Fund, November 30, 2013</b>	<b>\$6,016,484.58</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	\$3,469.09	\$25,000.00
Use Tax	\$0.00	
	\$3,469.09	\$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, November 30, 2013</b>	<b>\$745,493.44</b>	<b>\$767,024.35</b>

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND  
STATEMENT OF FUND BALANCES  
FISCAL YEAR TO DATE ENDING NOVEMBER 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	\$35,818.79	\$100,000.00
Innocent Landowner Claims	\$1,207,630.88	\$1,500,000.00
Transfer to Remedial Fund (0208)	\$0.00	
Balance of Outdated Warrants	(\$9,626.20)	
	<b>\$1,233,823.47</b>	<b>\$1,600,000.00</b>
<b>Balance of Fund, November 30, 2013</b>	<b>\$5,443,715.93</b>	<b>\$9,601,164.40</b>
<b>0238 - UST LOAN GUARANTEE FUND (Non-Bonding)</b>		
<b>Balance of Fund, November 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, November 30, 2013</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>TOTAL FUND BALANCES, November 30, 2013</b>	<b>\$27,187,773.72</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  
 SECOND BOARD REPORT  
 DECEMBER 4, 2013  
 SEATON'S JACK & JILL  
 122 E FRONT STREET  
 BROOKLYN  
 SITE REGISTRATION NUMBER: 8710744  
 LUST NUMBER: 8LTM37**

RISK CLASSIFICATION:

HIGH

LOW

UNDETERMINED

PRESENT CLAIM RESERVE: \$ 400,000.00

PREVIOUS BOARD APPROVAL: \$ 309,000.00

Number and Date of each previous Board Report: 1<sup>ST</sup>: December 2007

PREVIOUS COSTS INCURRED: \$ 48,511.38

COSTS INCURRED SINCE LAST BOARD APPROVAL:

1. Site monitoring reports	24,624.95
2. CADR	9,893.40
3. Remediation implementation	130,492.45
4. Operation and maintenance	61,622.95
5. Utilities	<u>43,210.74</u>

TOTAL COSTS INCURRED TO DATE: \$ 318,355.87

PROJECTED COSTS:

X	Site Monitoring Reports (SMR)	X	Operation and Maintenance (O&M)
X	Utilities	X	Expansion/modification of MPE system

TOTAL PROJECTED COSTS: \$ 100,000.00 to 250,000.00 +

ADDITIONAL AUTHORITY RECOMMENDED: \$ 191,000.00

TOTAL AUTHORITY:\* \$ 500,000.00

COMMENTS: The site is high risk for the vapor pathway (nonresidential sewers and basements). A multiphase extraction system (MPE) has been operating since October of 2008. The system has been less effective than expected, and a teleconference is scheduled to try to determine how to improve the rate of remediation. The system will likely be modified or expanded. It could take several more years to reach the target levels and begin post-remediation monitoring. Population affected likely under 50.

\*Previous approval + additional recommended

Site timeline

- 1990 - Contamination discovered during an insurance inspection.
- 1995 - SCR completed / approved as high risk.
- 1995-2000 – No activity.
- 2000 - RBCA Tier 2 submitted, DNR issues a 'not accepted' letter on 9/21/00.
- 2001 - Revised RBCA Tier 2 accepted as high risk on July 13, 2001. CADR due in 120 days.
- 2001 - 2007 – Completed high risk monitoring, failed soil gas sampling in 2006.
- 2007 – 1st corrective action meeting held on 2/28/07; potential new release investigated due to an increase in the contaminant concentrations.
- 2007 – 2<sup>nd</sup> corrective action meeting held on 7/17/07; agreed contamination likely from original release. A CADR will be submitted comparing ISOC and MPE technologies.
- 2007 – CADR received and 3<sup>rd</sup> corrective action meeting held on 11/28/07. Agreed to install an MPE system.
- 2008 – MPE system becomes operational in October.
- 2013 – 4th corrective action meeting is scheduled for 12/10/13 to discuss ways to improve remediation.

**IOWA UNDERGROUND STORAGE TANK PROGRAM  
 SECOND BOARD REPORT  
 NOVEMBER 25, 2013  
 ANAMOSA LIVESTOCK AUCTION  
 405 OLD DUBUQUE ROAD  
 ANAMOSA  
 SITE REGISTRATION NUMBER: 8916377  
 LUST NUMBER: 8LTS62**

RISK CLASSIFICATION:

HIGH

LOW

UNDETERMINED

PRESENT CLAIM RESERVE:

\$ 150,000.00

PREVIOUS BOARD APPROVAL:

\$ 130,000.00

Number and Date of each previous Board Report: 1st: August 2011

PREVIOUS COSTS INCURRED:

\$ 72,332.28

COSTS INCURRED SINCE LAST BOARD APPROVAL:

- |                              |                 |
|------------------------------|-----------------|
| 1. Site monitoring reports   | 4,087.40        |
| 2. Over-excavation           | 3,103.00        |
| 2. Operation and maintenance | 8,025.00        |
| 3. Utilities                 | <u>3,752.09</u> |

TOTAL COSTS INCURRED TO DATE:

\$ 91,299.77

PROJECTED COSTS:

Site Monitoring Reports

Operation and Maintenance

Utilities

Upgrade existing system to SVE with AS

TOTAL PROJECTED COSTS:

\$ 30,000.00 to 80,000.00 +

ADDITIONAL AUTHORITY RECOMMENDED:

TOTAL AUTHORITY:\*

COMMENTS: The site is high risk for the on-site drinking water well and for the protected groundwater source pathway. The site is also low risk for the potential vapor pathways. A very small SVE system has been in operation at the site since September of 2008. At the request of the site owner and the DNR, the system will be upgraded by adding air sparge. This will hopefully result in the site achieving the target levels over the next couple of years. Population likely affected less than 20 people.

\*Previous approval + additional recommended

Site timeline

- 1992 - Contamination discovered during a tank pull.
- 1994 - SCR completed, DNR issues 'not accepted' review letter.
- 1995 - Revised SCR completed, DNR accepts as high risk on January 25, 1996.
- 1997 - RBCA guidelines issued, new assessment requested by the DNR.
- 2000 - RBCA Tier 2 accepted as high risk on November 8, 2000, CADR due in 60 days.
- 2001 – 2005 - Annual monitoring completed yearly, but a CADR was not submitted.
- 2005 – 1st corrective action meeting held to discuss corrective action options.
- 2006 - A CADR budget to design an SVE system was approved on July 7, 2006.
- 2008 - CADR accepted in April 2008, system operational in September 2008.
- 2013 – 2<sup>nd</sup> corrective action meeting held in November. Pending board approval, an air sparge unit will be added to the system in early 2014.



Site Timeline

- 1990 - Contamination discovered during an insurance site check.
- 1994 - SCR completed; DNR accepts as high risk on December 7, 1995.
- 1994 - Free product discovered during SCR work, monthly hand-bailing begins.
- 1997 - Page County takes property by tax deed, eligible at 100%.
- 1998 - Page County transfers the benefits to the city.
- 1999 - The remaining USTs are removed along with 680 cy of contaminated soil.
- 1999 - RBCA Tier II report submitted; DNR issues 'not accepted' letter.
- 2000 - Revised Tier II submitted; accepted as high risk with CADR due in 60 days.
- 2000 - Construction of the new fire station is completed.
- 2000 to present – monthly hand-bailing and annual site monitoring. A CADR has never been submitted.



Site timeline

- 1990 - Contamination discovered during a tank pull, some contaminated soils removed.
- 1995 - SCR completed, DNR accepts as high risk in letter dated 9/29/95. CADR due in 120 days.
- 1996 - Benefits transferred to new site owner
- 1998 - Benefits transferred to new site owner (K&H Cooperative Oil Co.).
- 2000 - RBCA Tier 2 accepted as high risk on June 8, 2000. CADR due in 120 days.
- 2003 - Tier 3 workplan submitted; approved by DNR
- 2004 - Tier 3 report submitted, DNR issues 'not accepted' letter on 1/15/04; revised report was not submitted.  
(2004 - 2010: annual monitoring completed)
- 2010 - DNR notified on 3/15/10 of strong vapors in basement of adjacent building while trying to install a sump pit.  
Hole is re-concreted.
- 2010 - Following additional site investigations, a partial excavation budget submitted for review in November and approved pending additional board authority in December.
- 2011 - Following change in consultant and recommended approach, an SVE system is approved on 3/25/11.
- 2011 - 1<sup>st</sup> corrective action meeting held 4/28/11 to discuss the proposed SVE system and other potential options to address and evaluate the risk conditions.
- 2011 - SVE system becomes operational on 5/27/2011
- 2012 - 2<sup>nd</sup> corrective action meeting held on 6/20/12 to discuss options for addressing the remaining contamination and beneath the adjacent building. All agree on installing sub-slab (beneath basement) extraction lines.
- 2012 - System expansion budget and CADR approved by fund and DNR, respectively, on 8/08/12.
- 2013 - The engineering evaluation of the adjacent basement indicated risks due to the structural integrity of the building. Sub-slab extraction line approach abandoned, and approach switched to trying to dewater the area near the basement to increase the effectiveness of the existing SVE system.
- 2013 - Existing USTs removed in November; site excavation completed to remove accessible contamination. An AST system will be installed in area of former UST system.

**IOWA UNDERGROUND STORAGE TANK PROGRAM  
 THIRD BOARD REPORT  
 DECEMBER 2, 2013  
 MALNICK LLC  
 305 N GILBERT ST  
 IOWA CITY  
 SITE REGISTRATION NUMBER: 8609704  
 LUST NUMBER: 8LTA58**

RISK CLASSIFICATION:

HIGH

LOW

UNDETERMINED

PRESENT CLAIM RESERVE:

\$ 750,000.00

PREVIOUS BOARD APPROVAL:

\$ 630,000.00

Number and Date of each previous Board Report: 1<sup>st</sup> : Sept 2004, 2<sup>nd</sup> : May 2010

PREVIOUS COSTS INCURRED:

\$ 280,486.74

COSTS INCURRED SINCE LAST BOARD APPROVAL:

1. Free product recovery	9,930.00
2. Site monitoring reports	40,056.50
3. Remediation implementation (BIOX)	304,357.76
4. Post-RBCA evaluations	<u>600.00</u>

TOTAL COSTS INCURRED TO DATE:

\$ 635,431.00

PROJECTED COSTS:

- ❖ Site Monitoring Reports (SMR)
- ❖ Free Product Recovery (FPR)
- ❖ Implementation of additional BIOX

TOTAL PROJECTED COSTS:

\$ 150,000 to \$250,000+

ADDITIONAL AUTHORITY RECOMMENDED:

\$ 220,000.00

TOTAL AUTHORITY:\*

\$ 850,000.00

The site is high risk for a non-drinking water well and both residential and non-residential basements. The site is an active station and the contamination is deep and extends beneath the street and an adjacent property, limiting the corrective action alternatives. A small excavation, operation of an SVE system, and two rounds of chemical (Biox) injection have been completed. The levels have declined, but still exceed the target levels and free product is still present near the pump islands. A third round of chemical oxidation has been suggested by the consultant. Population affected likely under 50.

\*Previous approval + additional recommended

Site timeline

- 1990 - Contamination discovered during insurance inspection.
- 1995 - SCR completed, DNR accepts as high risk and requires CADR submittal within 120 days.
- 1999 - RBCA Tier 2 completed, DNR issues 'not accepted' letter.
- 2000 - Revised Tier 2 completed, DNR issues 'not accepted' letter.
- 2001 - 2<sup>nd</sup> Rev Tier 2 completed, DNR accepts as high risk on 5/10/01, CADR due in 120 days.
- 2004 - 1<sup>st</sup> corrective action meeting held on 8/31/04.
- 2004 - Limited excavation of former tank basin area completed.
- 2006 - 2<sup>nd</sup> corrective action meeting held on 3/02/06.
- 2006 - Pilot test for Surbec (surfactant technology) completed.
- 2006 - 3<sup>rd</sup> corrective action meeting held on 5/11/06. Proposed technology (Surbec) rejected by site owner/claimant (not RP) due to loss of business that implementation would require.
- 2006 - CADR submitted 6/29/06 recommending installation of an SVE system, approved by DNR.
- 2006 - SVE system becomes operational in November.
- 2008 - 4<sup>th</sup> corrective action meeting held to discuss options for troubleshooting SVE system.
- 2009 - SVE system shut down in June to assess its effectiveness.
- 2010 - 5<sup>th</sup> corrective action meeting held 4/07/10 to discuss corrective action options.
- 2010 - 6<sup>th</sup> corrective action meeting held 5/05/10 to compare SVE system v. Biox.
- 2010 - 1<sup>st</sup> BIOX injection completed in July.
- 2011 - 7<sup>th</sup> corrective action meeting held 4/07/11 to discuss Biox results and further options.
- 2011 - 2<sup>nd</sup> BIOX injection completed in November.

**IOWA UNDERGROUND STORAGE TANK PROGRAM  
 FOURTH BOARD REPORT  
 DECEMBER 2, 2013  
 MYERS SERVICE  
 610 COUNTY STREET  
 RIDGEWAY  
 SITE REGISTRATION NUMBER: 8912094  
 LUST NUMBER: 7LTO93**

RISK CLASSIFICATION:

HIGH

LOW

UNDETERMINED

PRESENT CLAIM RESERVE:

\$ 750,000.00

PREVIOUS BOARD APPROVAL:

\$ 700,000.00

Number and Date of each previous Board Report: 1st: August 2003, 2<sup>nd</sup>: June 2009, 3<sup>rd</sup> June 2012

PREVIOUS COSTS INCURRED:

\$ 431,398.52

COSTS INCURRED SINCE LAST BOARD APPROVAL:

- |                            |                   |
|----------------------------|-------------------|
| 1. Site monitoring reports | 5,000.00          |
| 2. Free product recovery   | 8,150.00          |
| 3. Over-excavation         | <u>245,883.11</u> |

TOTAL COSTS INCURRED TO DATE:

\$ 690,431.63

PROJECTED COSTS:

- |                                   |                                      |
|-----------------------------------|--------------------------------------|
| ❖ Site Monitoring Report          | ❖ Free Product Recovery              |
| ❖ Corrective Action Design Report | ❖ Concrete replacement portion of OE |

TOTAL PROJECTED COSTS:

\$ 75,000.00 to 200,000.00+

ADDITIONAL AUTHORITY RECOMMENDED:

\$ 150,000.00

TOTAL AUTHORITY:\*

\$ 850,000.00

COMMENTS:

A large excavation was completed on-site in 2003 and was fairly successful at removing the contamination. An ISOC remediation system was operated from 2006 thru 2011 to address contamination beneath the city streets however was not successful. A large excavation was completed in September 2013 in the streets on two sides of the site to remove most of the remaining contamination. The costs significantly exceeded the budget due to unforeseen circumstances. Gravel was put back and the concrete will be replaced with additional board authority. Post-excavation monitoring and free product inspections will continue to determine the success of the excavation in removing the risk conditions and free product. Population affected likely less than 50.

\*Previous approval + additional recommended

### Site Timeline

- 1990 - Contamination discovered during a tank removal in July of 1990.
- 1993 - SCR completed; DNR issues 'not accepted' letter on May 21, 1993.
- 1993-1999 - Work ceased due to the copay requirement.
- 2000 - Tier 2 submitted. DNR issues 'not accepted' letter on December 18, 2000.
- 2001 - Revised Tier 2 submitted. DNR issues 'not accepted' letter on February 4, 2002.
- 2002 - 2<sup>nd</sup> Revised Tier 2 submitted. DNR accepts as high risk in August of 2002. CADR due in 60 days.
- 2002 - Site becomes eligible for global settlement funding.
- 2003 - A large excavation was completed on-site.
- 2005 - 1<sup>st</sup> and 2<sup>nd</sup> corrective action meetings held to discuss options to address remaining contamination.
- 2005 - CADR is submitted and accepted by the IDNR.
- 2006 - 3<sup>rd</sup> corrective action meeting. Agreed to a small excavation in the street followed by the installation of an ISOC system.
- 2006 - 2<sup>nd</sup> excavation completed and the ISOC system becomes operational in July.
- 2011 - 4<sup>th</sup> corrective action meeting. ISOC system judged to have been unsuccessful in achieving the target levels. Discussion begins with city about excavating in the streets.
- 2012 - 3<sup>rd</sup> excavation approved.
- 2013 - The excavation is completed in September.

**IOWA UNDERGROUND STORAGE TANK PROGRAM  
FIRST BOARD REPORT  
DECEMBER 5, 2013  
CITY OF POCAHONTAS  
300 NW 7<sup>TH</sup> STREET  
POCAHONTAS  
SITE REGISTRATION NUMBER: 7910194  
LUST NUMBER: 9LTB67**

RISK CLASSIFICATION:

HIGH

LOW

NAR-FP

PRESENT CLAIM RESERVE:

\$ 200,000.00

ELIGIBILITY: Contamination was discovered on this property in 1995 while doing a LUST site investigation for an adjacent property. This property is a former Mobil gas station and is currently the community fire station. The USTs were removed in 1988 when the city purchased the property. This is an eligible ILO claim.

COST INCURRED TO DATE:

1. RBCA Tier II report	\$ 28,320.00
2. Site monitoring reports	30,420.45
3. Water line replacement	<u>27,642.50</u>
TOTAL COST TO DATE	\$ 86,382.95

PROJECTED COSTS:

- ❖ Site Monitoring Report
- ❖ Corrective Action Design Report
- ❖ Correction action options being considered

TOTAL PROJECTED COSTS:

\$ 100,000.00 to 225,000.00+

TOTAL AUTHORITY RECOMMENDED:

COMMENTS:

This site is classified high risk for soil contamination in proximity to vapor receptors and water lines. The site is also low risk for groundwater contamination for potential vapor receptors. Soil gas sampling has been completed to address the vapor receptors. Due to the recent water line rule change, further investigation is needed to define the soil plume to determine whether the water lines should be replaced or if the risks should be addressed thru excavation or remediation.

Site Timeline

- 1988 - USTs are removed. Based upon soil sampling results, no further action is required.
- 1995 - Contamination exceeding the previous tank pull sampling results is discovered during a LUST site investigation for an adjacent property.
- 1997 - An ILO claim is filed by the city and determined to be eligible.
- 2000 - Tier 2 submitted. DNR issues 'not accepted' letter on March 3, 2000.
- 2000 - Revised Tier 2 submitted. DNR issues 'not accepted letter on June 29, 2000.
- 2000 - 2<sup>nd</sup> revised Tier 2 submitted. DNR accepts as high risk on August 3, 2002. CADR due in 120 days.
- 2001 - PVC water main is replaced with ductile iron pipe.
- 2004 - The site reclassification to low risk is accepted on January 22, 2004.
- 2004 - 2012 – Low risk monitoring is completed annually.
- 2012 - Site is determined to be high risk for the water line pathway based upon the 2010 rule changes.
- 2013 - Additional soil plume delineation is being completed to determine the best option for reclassifying the site to no action required.



# 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

TO:                    UST BOARD

FROM:                SCOTT SCHEIDEL

SUBJECT:            DELAWARE – CHANGE ORDER REQUEST  
                          CONTRACT # CRPCA9709-04

DATE:                December 5, 2013

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This state lead project was contracted to MPS Engineers in April 1998 to address petroleum contamination at two LUST sites in the City of Delaware. Due to shallow bedrock and proximity to multiple water supply wells, the sites were classified high risk.

Following an excavation and 3 years of monitoring, DNR reclassified the excavated site to a NAR status; the other site remains high risk. In an effort to remove any remaining contamination, an excavation is planned to be followed by semi-annual monitoring to assess the success of the activity.

The following change order is presented to request funds for the excavation and to continue monitoring activities for an estimated 2 year time period:

Excavation (includes fracturing bedrock)	\$50,000.00
Monitoring (approx. \$8,000 / year)	\$24,000.00
Reserve (well repair and/or closure)	\$26,000.00
TOTAL	\$100,000.00
Original Contract	\$21,625.00
Current Contract	\$281,319.00
Current Change Order	\$100,000.00
Total Revised Contract	\$481,319.00

SMS: jrg

c:     Sandi Porter

**Contracts Entered Into  
Since October 24, 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:        December 5, 2013  
SUBJECT:     Contracts Entered Into Since October 24, 2013 Board Meeting

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The Board has entered into two agreements since the October 24, 2013 meeting. These are:

- 1)        Addendum to Contract: RBCA 0908-01: Environmental Support Services, with Seneca Environmental Services.
  
- 2)        Addendum to Contract: RBCA 0908-01: Environmental Support Services, with Geode Environmental

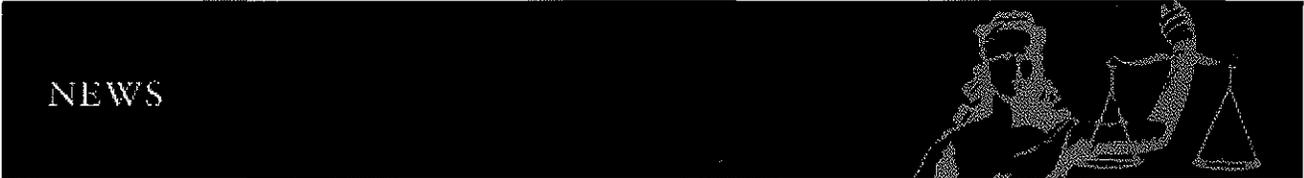
## **Correspondence and Attachments**

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THE UNITED STATES ATTORNEYS OFFICE  
WESTERN DISTRICT *of* MISSOURI

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## **Business Owner Pleads Guilty To Scheme To Embezzle \$1.3 Million From State Fund**

FOR IMMEDIATE RELEASE

November 12, 2013

JEFFERSON CITY, Mo. – Tammy Dickinson, United States Attorney for the Western District of Missouri, announced that a Missouri business owner pleaded guilty in federal court today to charges related to his scheme to embezzle more than \$1.3 million from the Missouri Petroleum Storage Tank Insurance Fund.

Robert L. Fine, II, 52, of Lenexa, Kan., waived his right to a grand jury and pleaded guilty before U.S. Magistrate Judge Matt J. Whitworth to a federal information that charges him with one count of mail fraud and one count of money laundering.

Under the terms of today's plea agreement, Fine must pay \$1,505,514 in restitution to the Petroleum Storage Tank Insurance Fund, which includes the total amount of the fraud and related costs. Fine paid \$350,000 in restitution to the fund today, and must pay the balance owed within approximately 60 days.

Fine was the owner and sole employee of FINEnvironmental, Inc., a Missouri corporation that he operated from an office in his residence. FINEnvironmental performed environmental services for property owners who used or operated a petroleum storage tank.

In 1989, the Missouri General Assembly created the Petroleum Storage Tank Insurance Fund (PSTIF) in response to federal legislation requiring owners and operators of underground storage tanks to have the financial resources available to pay for cleanup of spills or leaks from their tanks. The PSTIF was funded by a fee assessed to petroleum companies on each load of petroleum that is transported into Missouri and by annual fees charged to the owners and operators for insurance coverage.

Fine utilized subcontractors to perform his environmental services, and those subcontractors submitted invoices to Fine for the work they performed. From August 2002 to February 2012, Fine created false invoices purporting to be from one of his subcontractors and inflated the amount of the invoices. Fine mailed the fraudulent invoices to the PSTIF for payment and, over a nearly 10-year period, obtained \$924,236 in excess payments from the PSTIF.

Fine also admitted that he obtained additional funds from the PSTIF by fraudulently submitting invoices for an additional groundwater monitoring trip when only one was made, totaling \$326,978. The plea agreement cites an additional \$66,243 in losses that resulted from Fine's fraudulent activity.

The total amount of the fraud committed by Fine on the PSTIF is \$1,317,469.

Under federal statutes, Fine is subject to a sentence of up to 30 years in federal prison without parole, plus a fine up to \$500,000 and an order of restitution. A sentencing hearing will be scheduled after the completion of a presentence investigation by the United States Probation Office.

This case is being prosecuted by Supervisory Assistant U.S. Attorney Lawrence E. Miller. It was investigated by the FBI, IRS-Criminal Investigation, the Missouri State Highway Patrol and the Cole County, Mo., Prosecuting Attorney's Office and the Missouri Petroleum Storage Tank Insurance Fund.

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## WESTERN DISTRICT *of* MISSOURI

Charles F. Whitaker Courthouse 400 E. 9th Street - Kansas City, MO 64106

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