



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., Friday, April 25, 2014. **The meeting will be held at the Iowa Department of Natural Resources, Field Office 5 facility at 7900 Hickman Road, Suite 200, 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
 - A. March 28, 2014 meeting
 - B. April 14, 2014 meeting (telephonic)
2. Closed Session Discussion of Pending and Imminent Litigation (To adjourn by 10:30 am)
3. Public Comment Period
4. Board Issues
 - A. Proposal for Replacement of the Administrator
 - B. Legislative Update
 - C. FY 2014 Goals Update
 - D. Lien Renewal – Ida Grove
 - E. 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 March 28, 2014 Board Meeting
10. Other Issues as Presented
11. Correspondence and Attachments

**Approval of Prior Board Minutes
(March 28, 2014 meeting)**



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MINUTES IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND PROGRAM

March 28, 2014

**CONFERENCE ROOM
IOWA DEPARTMENT OF NATURAL RESOURCES, FIELD OFFICE 5
7900 HICKMAN ROAD, SUITE 200
WEST DES MOINES, IOWA**

Doug Beech called the Iowa UST Board meeting to order at 10:00 A.M. A quorum was present, with the following Board members present:

Joseph Barry
Patricia Beck
Dawn Carlson
Jake Friedrichsen (for Michael Fitzgerald)
Timothy Gartin
Tim Hall (for Chuck Gipp)
N. Kurt Mumm

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. Beech inquired if the members had reviewed the minutes and if there was any items for discussion. Mr. Gastineau noted a correction in the Board Report request for the Kwik Trip in Dike, stating authority had been authorized for reimbursements up to \$200,000. With the change noted, Mr. Barry motioned to approve the minutes of the February 28, 2014 meeting, and Ms. Beck seconded the motion. The minutes were approved unanimously.

CLOSED SESSION

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

PUBLIC COMMENT

No public comments were presented.

BOARD ISSUES

A. 2014 Legislative Session

Mr. Scheidel noted the current legislative session is moving along quickly, and that currently there are no bills that would appear to have an impact on Board matters in consideration. He also noted that to date the House Environmental Protection Committee has not requested a program update be provided however should such a request be made, he would notify the Board members of the time and date. Mr. Scheidel also noted he would continue to watch, listen and report any issues to the Board as they became known during the session.

B. UST Fund Sunset Discussion

Mr. Beech initiated the discussion of the topic by noting that the memo prepared by Mr. Scheidel presents a good picture of what options may exist for the program as the end date approaches. He noted that the settlement option is questioned since it may close only a subset of the overall program and noted from a Casey's standpoint the remaining options seem viable however would be dependent on how they were structured.

Mr. Scheidel noted that the discussion paper provided in the Board packet was in response to the questions raised in the February 2014 Board meeting regarding how the program might end. Mr. Scheidel noted that in any consideration of ending the program, the Department must be left with sufficient resources so that they can successfully continue their mission to get sites closed and NFA certificates issued. He noted there would always be a need for funding as abandoned tank sites are discovered or unidentified risks are identified.

Mr. Hall concurred with the consideration for the Department and noted that resources would be needed to ensure that owner/operators can complete work on their sites and so that staff are able to access the resources to address the unknowns that arise. He also stressed that the resources needed are not to fund ongoing Department operations but are needed to protect the environment.

Mr. Scheidel noted that the options presented in the paper are ideas intended to get the program to closure for the existing claims. The options may include a Board administered program until the claims are complete, individual settlements, or a loss portfolio transfer involving all claims. Mr. Scheidel noted that before a decision can be made to utilize any one option or a combination of the options, the idea must be considered as to what should remain after the program ends. Funding for the Department to continue activities is a must however determining how much is needed must be examined. He noted that based on current funding levels there are sufficient funds to close the existing claims and to leave some funding for the Department to continue activities.

In discussing the LPT option, Mr. Scheidel noted that, at some point prior to actually going out to bid, an actuarial study would be needed of the claims. This would provide for an equal

bidding opportunity for all interested parties. He noted that if a complete transfer through a LPT is made, the contract language would need to be carefully crafted so that all claimants are provided the benefits contemplated in the transfer. A 'pay on the behalf of' scenario may be needed so as to ensure that the environmental work is completed. It was also noted that while PMMIC has an interest in a large subset of the claims, there are likely other parties who would share an interest in the overall grouping if a LPT would be offered.

In further consideration of the options, Mr. Scheidel noted that all paths to closure would need careful consideration. Consideration would also need to be placed on other programs funded by the Board, including operator training, the tank closure funding program, and other such items that have been added over the years. In selecting any option, it was agreed that legislative changes may be necessary.

Mr. Beech noted that a decision is not needed at this time; however, he noted that consideration for laying out a path must be made a priority so that decisions can be made with proper thought given to the process. A timeline is also needed so that the path forward can be completed with confidence. In discussing how to move forward, it was agreed all interested parties should be given the opportunity to weigh in on how to move the program to closure.

The members agreed that a workgroup should be formed to gather input from the various parties. The workgroup would need to include a review of what the program goals were and what the program should look like in 2016, both from the Department's standpoint and for the Board. It was also agreed that the workgroup should develop a timeline for when activities should be completed, however, it was agreed that the workgroup would likely be doing their work without knowing all the variables that may affect the program.

It was acknowledged and agreed that one such variable was the funding stream. The Board recognized that the environmental protection charge (EPC) collection was set to expire in 2016 however the funding stream into the fund did not have a matching end date. Mr. Scheidel noted it's likely that once the Department of Transportation realizes that the EPC collection has ended that the funding into the program would also be stopped. It was noted if the funding is needed for further work, then that too should be considered by the workgroup.

In closing the discussion, it was agreed that the workgroup should commence with the plan to submit a report to the Board by June 30, 2014 so as to allow for a discussion on needed tasks during the annual planning session, currently scheduled for July 12, 2014.

C. DNR Update

Ms. Douskey provided an update on the Department's UST Section activities, noting personnel changes and vacancies. She provided an overview of Corrective Action Conferences memo which was provided in the Board packet, noting that in recent years the number of meetings had dropped to about 60 per year. She also noted that corrective action meetings have moved from being solely for high risk sites to now including low risk sites and no action required with free product sites.

Ms. Douskey also provided an overview of the EPA Region 7 – State LUST statistics graphs which were also included in the Board packet. She noted graphs provide information on how

Iowa LUST statistics compare to the other Region 7 states however it was noted in discussion that it might be that not all states are reporting in the same manner. In general, it was noted that Iowa's backlog of sites is trending downward, with currently less than 1,000 open LUST sites.

PROGRAM BILLINGS

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

- 1. Aon Risk Services.....\$104,560.00
Consulting Services for April 2014 -- \$65,560.00
Claims Processing Services for April 2014 -- \$39,000.00

- 2. Iowa Attorney General's Office.....\$3,902.29
Legal Services provided for Underground Storage Tank Program
February 2014 (FY2014) Billing

Mr. Friedrichsen motioned to approve the billings as presented. Ms. Carlson seconded the motion. Motion carried unanimously.

MONTHLY ACTIVITY REPORT

Mr. Scheidel noted that the January 2014 activity report was included in the packet, and noted the trend continues downward for the number of open claims and the number of open LUST sites. Mr. Scheidel referenced the financial reports noting no concerns with the balances of each fund but did note that \$1.5 million governmental transfer had occurred which originated from an earlier legislative period. The funds were transferred to support the high speed railroad initiative as managed by the Iowa Department of Transportation. Mr. Scheidel noted it is possible that the funds could be returned if not used however with the historical diversions noted, such action would be uncommon.

ATTORNEY GENERAL'S REPORT

Mr. Steward stated there was nothing to report.

CLAIM PAYMENT AUTHORITY

Mr. Gastineau presented the following claim authority requests:

- 1. **Site Registration 8913807 – Karean's Flowers, Guthrie Center (3rd Board Report)**

The site is classified high risk for the groundwater ingestion pathway and low risk for the protected groundwater source pathway. Mr. Gastineau noted that remediation efforts have reduced contaminant levels across the site and that the site is now in post remediation monitoring. It was also noted that the groundwater professional had provided a request to the Department asking authority to use the newer software model, however had been denied that authority. The consultant has noted his opinion that if the model is used the site would likely move closer to closure rather than continue monitoring for an undetermined period of time.

Mr. Gastineau noted the reserve was \$450,000; prior Board approval had been granted in March 2008 for reimbursements up to \$412,500. Costs incurred to date have been \$424,585.20. Projected costs are \$20,000 to \$65,000 and it was requested authority be extended to \$475,000.

Following a brief discussion regarding the assessment procedure and the new model, Mr. Beech motioned to table the request pending a review by Department staff with the consultant. Ms. Carlson seconded the motion. Motion carried unanimously.

2. Site Registration 8608817 – Geil’s Oil Co, Donnellson (3rd Board Report)

The site is classified high risk for the groundwater ingestion and vapor pathways. Mr. Gastineau noted many in the community maintain a private well as the public water has a naturally high fluoride level which makes the water unsuitable for children under the age of nine. He noted that as a result of the private wells, remediation efforts have been completed to address the contamination at the site and further efforts are needed to address the contaminants located beneath the adjacent roadways and on the adjacent residential property. He noted that due to the area of contamination, excavation would be difficult thus the consultant has proposed use of a chemical injection to trap and degrade the contaminants in place.

Mr. Gastineau noted the reserve is \$650,000; prior Board approval had been granted in June 2006 for reimbursements up to \$600,000. Costs incurred to date have been \$507,864.41. Projected costs are \$125,000 to \$250,000+ and it was requested authority be extended to \$750,000.

In discussing the matter, it was noted plans would include one series of injections of the remediation fluid to be followed by monitoring and re-evaluation to determine if the technology will be successful. If it is not, an alternative would be considered. Following the discussion, Mr. Gartin motioned to approve the request and Mr. Barry seconded the motion. Motion carried unanimously.

CONTRACTS ENTERED INTO SINCE THE FEBRUARY 28, 2014 BOARD MEETING

Mr. Scheidel reported one vendor agreement had been signed with Iowa State University, Department of Environmental Health & Safety to provide Class A & B UST Operator training in Iowa. The agreement is the same offered to all vendors approved to provide such training.

OTHER ISSUES

Mr. Beech inquired if there were any other issues to be discussed. Mr. Scheidel noted one item, that being that he has resigned from Aon Risk Services. In doing so, he noted that the position of the Administrator would be opened, however, noted that Aon is ready to fill that void.

Mr. Beech thanked Mr. Scheidel for his service to the State and to the Board and noted that he would be missed. Mr. Steward noted that Mr. Scheidel has been the Administrator for the last 15 years but also noted that Mr. Scheidel is a key person in the Board’s contract with Aon Risk Services. He stated that he would provide the Board members with a copy of the contract so they could understand the ramifications of the change and the duties to be filled. Mr. Steward also noted that Mr. James (Jim) Arts from Aon was present should they have any questions.

Mr. Scheidel noted that Mr. Arts is the managing director of the Heartland area office which includes the Des Moines, Omaha, and Kansas City locations and would be prepared to speak to the Board. He also noted Aon was aware of the contract requirements and noted options were being considered on how to best fill the role of the Administrator. Mr. Scheidel noted that Mr. Gastineau has been essential to the program and would remain in his position. He noted that Aon has a well respected environmental person, Mr. Dale Cira an Aon employee in the St. Louis office, who he recommended for the Administrator's role or as a partial replacement. He noted Mr. Cira is Aon's environmental practice leader and with his knowledge and experiences, including as an advisor to the Missouri PSTIF Board, would be an asset as the Board moved toward closure. Mr. Scheidel also noted that an outside lobbyist would likely be needed and noted he had already provided Aon with some recommendations on who he believes would fit that role.

Mr. Beech noted that the Board would need to understand the contract requirements and asked that the members give some considerations on who should replace the Administrator. He also noted that the Board will want to meet the replacement and have him or her present his/her qualifications to the Board. Mr. Steward noted that such is required and that the Board must also approve of Aon's proposed replacement.

Mr. Arts noted that Mr. Scheidel's departure will be a loss but noted it is an amicable parting. He noted that Mr. Scheidel had provided recommendations for individuals to fill the role and concurred that an outside lobbyist would be needed to meet the Board's requirements.

In considering the timing of the announcement and the need to continue efforts, the members discussed meeting options to hear more about Aon's proposal. Mr. Beech stressed that as the legislative session was nearing an end, the role of the lobbyist may not be essential at this time however for the upcoming sessions, Aon would need someone to fill that role.

Following further discussion, the Board members agreed to hold a teleconference on Monday, April 14th at 10:00 a.m. For the meeting, Aon is to provide information on the qualifications of those being considered for the role of the Administrator and how they will meet the contractual requirements required to administer the program.

CORRESPONDENCE AND ATTACHMENTS

Mr. Beech thanked the members for the discussion and inquired if there were any further matters. Hearing none, Mr. Friedrichsen motioned to adjourn the meeting at 11:52 a.m. Ms. Carlson seconded the motion. The measure passed with a unanimous vote.

Respectfully Submitted,



James R. Gastineau
Sr. Consultant

**Approval of Prior Board Minutes
(April 14, 2014 meeting)**



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MINUTES IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND PROGRAM

April 14, 2014

TELEPHONIC MEETING ALSO HOSTED AT AON, 2700 WESTOWN PARKWAY, SUITE 320 WEST DES MOINES, IOWA

This meeting was held telephonically to address Aon's proposal to replace the program administrator. Information was presented to facilitate discussion on qualifications of those presented for consideration. This meeting was scheduled and noticed on Friday, April 10, 2014, with a connection for the public provided at the Aon office in West Des Moines, IA.

Doug Beech, Chairperson, called the Iowa UST Board meeting to order at 10:04 A.M. A quorum was present. The following Board members attended via telephone:

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

Also present were:

David Steward, Attorney General's Office
Dale Cira, Administrator's Office (present at Aon office location)
James Arts, Administrator's Office (present at Aon office location)
James Gastineau, Administrator's Office (present at Aon office location)
Diana Neth, Administrator's Office
Steve Reinders, Cunningham Lindsey

BOARD ISSUES

A. PROPOSAL FOR REPLACEMENT OF THE PROGRAM ADMINISTRATOR

Mr. Beech opened the meeting by noting that this meeting was being held pursuant to Section 4.2 of the Board's Agreement with Aon to replace key personnel, in this case Mr. Scott Scheidel.

Mr. Beech indicated he would call upon Mr. Arts to make a presentation for Aon and then would open the meeting to questions and a vote if the Board wished to make a recommendation today.

Mr. Arts opened his presentation by stating he has ultimate responsibility for Aon's role with the Board and noted that Aon is committed to the IUST program. He noted that Scott Scheidel's departure was amicable and that Scott had worked with Aon on choosing his replacement.

Mr. Arts noted that Scott Scheidel was a critical piece of this program but that Aon's approach has been its team. Mr. Arts noted that Dale Cira has 20 years of experience in the environmental field, the last 3 years with Aon and that he is proposed as the key person for the Administrator's role. Mr. Arts noted that Aon recognizes the needs of the program and noted that the lobbying role must still be addressed. He also noted that Mr. Scheidel had made some recommendations for that role and that Aon would be determining how to fill that part of the contract with the Board's direction.

Mr. Arts noted Aon is committed to the contract and would be working with Mr. Steward on any changes that need to be made. He also noted that Mr. Gastineau will continue doing what he is doing and would increase his role as he is an essential part of the team.

Tim Hall joined the meeting in progress at 10:10 a.m.

Mr. Arts presented Aon's three options for replacing the Administrator's position and believes Aon can make any of the three options work. The recommended option is to name Mr. Cira as Administrator and Mr. Gastineau as Deputy Administrator. An alternative would be to have Mr. Gastineau as Administrator and Mr. Cira as a key person to provide assistance, or to have Mr. Cira named as a temporary Administrator while further considerations are made to identify a permanent replacement.

Mr. Arts acknowledged his understanding that time is of the essence for the program. He also noted that Aon has sent invitations out for the working group which will meet for the first time on April 24th, with the goal to develop an outline for the program's exit strategy.

Mr. Beech asked if there any questions on the proposal and any other thoughts from the Board. Ms. Andeweg indicated that Mr. Gastineau is very knowledgeable and keeping that continuity is very important in this process. Mr. Arts concurred.

Mr. Hall asked if, under the proposal with Mr. Cira as the Administrator, Mr. Gastineau's day-to-day duties would change. Mr. Arts indicated that Aon would be providing additional support for the local office and that Mr. Gastineau would remain in the same position, albeit with more duties as he worked in conjunction with Mr. Cira. Mr. Cira noted that he couldn't imagine doing this program without working in a tandem approach and noted that Mr. Gastineau would be taking on more responsibility as the two worked together.

Mr. Barry asked if Mr. Steward had anything that the members needed to consider. Mr. Steward stated he did not have anything at this time.

Mr. Beech noted that Section 4.2 of the Board's contract with Aon would need to be amended to remove Mr. Scheidel and add Mr. Cira as the key person. He noted a Board resolution would be

needed and inquired if anyone wanted to make a recommendation. Mr. Steward indicated that if the Board votes to replace Mr. Scheidel, then he would draft a contract for the parties to approve. Ms. Andeweg asked that if the Board goes outside of Aon, would a RFP be needed. Mr. Steward indicated the given the amount of money involved, an RFP would be required.

Mr. Mumm indicated he would like to meet Mr. Cira and wondered if that was something that would be appropriate—to go with the third option with Mr. Cira as Interim Administrator. Mr. Beech indicated that is certainly a possibility if someone wants to make that motion. If so, he suggested everyone try to meet Mr. Cira and then determine if the Board wants to go outside Aon or name Mr. Cira the Administrator.

Mr. Mumm made the motion to approve the third option in Aon's proposal wherein Mr. Cira would be named as Interim Administrator. Ms. Andeweg seconded the motion and the motion was approved unanimously.

Mr. Beech asked Mr. Steward if he would need to make revisions to the contract. Mr. Steward responded that he wouldn't change the contract until a permanent solution has been made.

Mr. Beech asked those who have not had a chance to meet Mr. Cira to do so as soon as possible. He also noted that if Mr. Cira can be here on the April 25th for the Board meeting that would be great. Mr. Cira noted he had plans to attend the April meeting, as well as the remainder of the meetings for FY 2014.

A motion to adjourn the meeting was made by Mr. Hall at 10:25 a.m. and seconded by Mr. Friedrichsen. The motion passed unanimously.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'James Gastineau', written in a cursive style.

James Gastineau
Sr. Consultant

Closed Session

Public Comment

Board Issues

A. Proposal for Replacement of the Administrator

Discussion to Replace Scott Scheidel as Program Administrator

Monday, April 14, 2014

Background

Aon Risk Services (ARS) appreciates the opportunity to continue to provide service to the Iowa Comprehensive Petroleum Underground Storage Tank Fund Board (Board) over the last 14 years. We remain committed to providing a continued high level of service to help the Board reach its goals.

Over the last 14+ years, significant progress has been made toward ultimate closure of the program with a 79% reduction in claim count (over 2,300 net closed claims) and corresponding increase in sites achieving a No Action Required status at the Iowa Department of Natural Resources (IDNR). ARS will continue to provide all necessary services required to manage this program day to day through our gained efficiency, both through the closure of claims and the experience gained in working for the Board that enable us to meet the Board's needs. We are confident our handling and overall approach toward services will allow ARS to continue to fulfill that role seamlessly, as demonstrated by Aon's:

- Uninterrupted administrative services since 1999,
- Breadth of services and financial strength,
- Full understanding of the Board and Program goals,
- Commitment to the IUST program and its continued success, and
- Contract extensions through December 31, 2014 and available extensions through December 31, 2016 allow for ease of implementation.

Situation

On Friday, March 28th, Scott Scheidel, IUST Program Administrator, gave notice to the Board that he will be leaving Aon to pursue new opportunities. That change will leave the IUST Program without an Administrator. Scott has had a strong impact on the IUST Program and provided insightful leadership while assisting the Board in meeting its goals. He will be missed, but Aon stands ready to maintain the continuity and integrity of the program.

Per contract requirements and consistent with our goal of continued success, Aon has identified options and a recommendation to move forward. The departure of Scott Scheidel from this key position as Administrator is impactful, but the structure and resources necessary to successfully implement the program remain largely intact.

- **James Arts** will continue to provide Executive level contact within ARS for the Board.
- **James Gastineau**, current Assistant Vice President and Senior Consultant to the team will continue to handle contract administration and claims settlement recommendations on behalf of the UST program, in addition to providing claim supervision and adjusting support to Cunningham Lindsey. James has been integrally involved with this program since 1999.
- The claims handling will continue to be provided by **Cunningham Lindsey** and

- Full financial accounting, data management and reporting responsibilities will continue with **Aon** resources.

Aon has identified key resources and plans that will allow the Board to remain confident of success. Among those resources, **Dale Cira**, a Director in Aon's Environmental Services Group (ESG) is being recommended to take on a key role with the IUST Program as Administrator. Dale will also be leading the effort to identify solutions to achieve the sunset requirement or other options as the Board and Working Group determine to be appropriate.

Dale Cira is located in the St. Louis, Missouri Aon office and is responsible for working with Aon offices primarily in the Central United States including Omaha and Des Moines to assist clients in managing their environmental risk. He frequently works directly with clients to review and analyze their environmental exposures, structure suitable environmental insurance programs and negotiates directly with underwriters to obtain the necessary terms and conditions to meet the client's risk objectives.

Dale has been with Aon since 2011 and brings over 30 years of environmental management experience including 21 years of technical environmental consulting with international professional engineering firms and 9 years of environmental underwriting experience with AIG, a leading environmental insurance carrier. While with AIG, Mr. Cira served a 3-year term on the Missouri Petroleum Storage Tank Insurance Fund (PSTIF) Technical Advisory Team representing the insurance industry perspective to the Board. Dale earned his MS in Technology and Human Affairs-Environmental Policy and Management Emphasis, from the School of Engineering at Washington University in St. Louis and a BS in Water Resource Management and Soil Science from the University of Wisconsin Stevens Point. His resume is attached.

Aon has additional resources to draw upon as other options for the Program are considered. As the program continues on its track, Aon will identify other resources as needed, including risk management expertise, actuarial assistance, meeting facilitation and lobbying expertise.

Proposed Recommendation

Goal

As the Board moves to close the program in conjunction with the statutory Environmental Protection Charge (EPC) collection sunset date of June 30, 2016; experience, knowledge and continuity of the program will be important to meeting the Board's goals. Aon recognizes the sensitive timing of this personnel change in the life cycle of the program and acknowledges the critical nature of the Administrator position. Considering that this program has been in place for nearly 25 years with 2,300 + net closed claims; the day to day requirements of the key personnel has refocused toward successfully closing out the remaining claims and identifying and implementing a response to the planned sunset date.

Proposal

The Administrator's role will continue to adhere to its contractual overall leadership and support to the Board, as well as being responsible for supervising staff and sub-contractors by ARS. Subcontractors will continue to provide specific services for claims, potential actuarial support and data processing. The substantial majority of all program support is provided out of the West Des Moines ARS office including technical and claimant support. Claims and claim files will all be handled in Cunningham Lindsey's Des Moines office.

Recommendation: Dale Cira as Administrator, James Gastineau as Deputy Administrator

This structure recognizes the need for a separate entity as Administrator for guidance and signatory purposes but also take advantage of the long and successful history that James Gastineau has had on the program. This approach will elevate James Gastineau's responsibilities to align more closely with the operational functions of an Administrator and allow him to fill in as needed to respond to immediate needs. James has proven himself in that back-up role already.

As Administrator, Dale is committed to the IUST Program as a first priority, and be physically present in the Des Moines office on a regular, predictable schedule and to be available to the Board for consultation and meetings as needed. During the most active periods, including facilitation of the Working Group to identify solutions to achieve the sunset requirement, and during the legislative sessions, Dale will be working from the Des Moines office 3 days per week.

As with the current organizational structure, Dale will be responsible for providing overall leadership and support to the Board, and supervise day-to day activities of the Program. Dale will also be responsible for maintaining compliance with rules, regulations and statutes. He will also coordinate program issues, facilitating and coordinating work group sessions to drive the Program and Board goals and facilitate approaches in the form of recommendations to present to the Board. The Board remains the final decision-maker relative to policy for the Program.

Dale (with Aon's support) is committed to overseeing and fulfilling the contract's Scope of Services requirements as set out in Section 4.

As Deputy Administrator, James Gastineau will be responsible for supervising staff and sub-contractors to ARS. Subcontractors will be providing specific services for claims, potential actuarial support and data processing. Mr. Gastineau will continue to handle contract administration and claims settlement recommendations on behalf of the UST program, in addition to providing claim supervision and adjusting support to Cunningham Lindsey. James will provide continuity between the outgoing and incoming Administrators and be available as a substitute as needed.

Other Options for Consideration

Aon believes the recommendation put forth in this proposal is a strong solution, but we recognize that the decision on the Administrator is ultimately the Board's decision. Aon is prepared to implement other options should they be preferred. Other options that may be considered include:

- James Gastineau as Administrator, Dale Cira as a Key Personnel - Risk Management Consulting

This option will elevate James' responsibilities to Administrator, recognizing his experience with the program throughout its iterations. He has confidently met all the requirements of his role as senior consultant and has a strong grasp of the needs for continued implementation.

With this option, Dale will back up James, provide leadership on the risk transfer component and Working Group facilitation at the direction of the Administrator and Board.

This option is manageable due to the significant claims reduction implemented since 1999. The goal going forward is to manage the remaining claims effectively and create a solid solution that will survive the sunset date.

- Dale Cira as Interim Administrator as a search is conducted for a one-to-one replacement

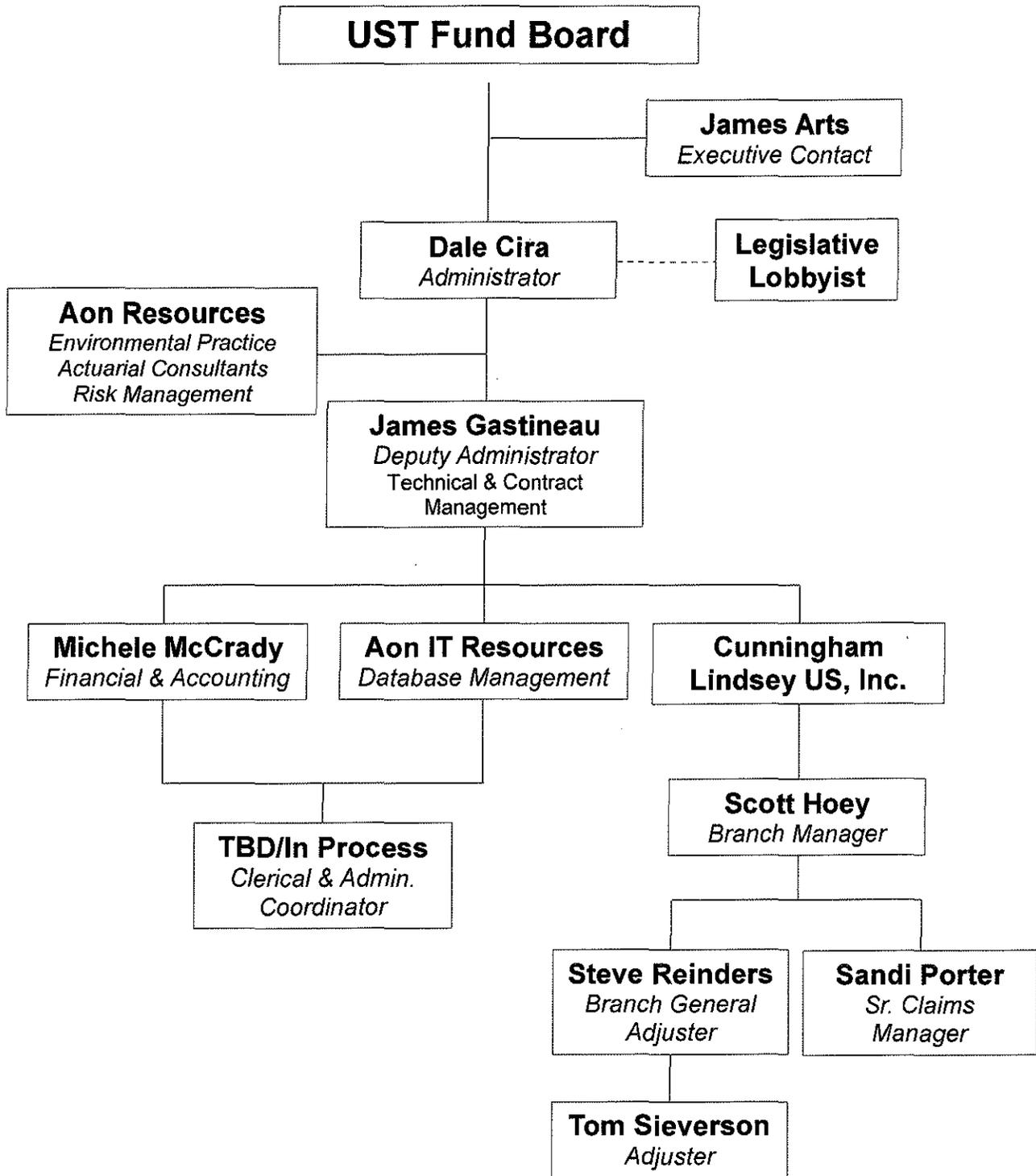
Aon is prepared to offer an option that will place Dale Cira as an Interim Administrator while a search is undertaken to identify a suitable replacement for the outgoing Administrator. This may take several months and during this time, emphasis will be placed on the Working Group and structuring a sunset solution. Dale Cira will remain committed to this Program as a resource and leader during the time a suitable replacement can be identified.

Next Steps

Attached are the resumes of the key personnel identified herein and the organization chart reflecting the structure proposed in Aon's Recommendation. The Board will consider its options and vote to accept the Aon recommendation or recommend an alternative during its Board meeting on April 25th.

Also during this time, Aon has sent invitations to join the Working Group wherein alternatives and recommendations will be made toward EPC collection termination and a strategy for claims handling thereafter. This remains a high priority for Aon and its IUST team.

Recommended Organizational Structure



Background and Experience

Dale Cira Director Environmental Practice



Scope of Responsibilities

Dale Cira is a Director in Aon Risk Solutions' Environmental practice, and located in the St. Louis office. As part of Aon's Environmental practice, Mr. Cira is responsible for working with Aon offices primarily in the Central United States including Omaha, Des Moines, Kansas City, Chicago, Minneapolis to assist clients in managing their environmental risk. Mr. Cira frequently works directly with clients to review and analyze their environmental exposures, structure suitable environmental insurance programs and negotiates directly with underwriters to obtain the necessary terms and conditions to meet the client's risk objectives.

Qualifications

Dale comes to Aon with a unique combination of technical environmental consulting and environmental insurance underwriting. He brings over 30 years of environmental management experience: including 21 years of environmental consulting experience with international professional engineering firms and 9 years of environmental underwriting experience with a leading environmental insurance carrier. This combination of professional environmental consulting and insurance industry experience offers genuine insight into the operational, financial and liability issues clients face when dealing with environmentally-impacted properties and risk transfer issues.

His consulting experience focused on successful closure of complicated environmentally impacted sites, enforcement action resolution; technical, regulatory and risk transfer insurance solutions. This experience included regulated sites, voluntary cleanup, Brownfield and underground storage tank sites. He worked on complicated property redevelopment transactions; implementation of remedies for contaminated soil and groundwater, and negotiated risk-based solutions, enabling clients to achieve financially favorable solutions.

Mr. Cira was Regional Manager and Senior Risk Analyst with AIG/Chartis Environmental Division, where he managed a team and underwrote risks with various environmental exposures with underground storage tank portfolios, manufacturers, contractors, and consultants. These risks include fixed facilities with clear environmental liability, real estate transactions of historically impacted Brownfield properties, prudent risk management of common commercial or industrial property, and for broader portfolio management.

While with AIG, Mr. Cira was nominated to and served a 3-year term on the Missouri Petroleum Storage Tank Insurance Fund (PSTIF) Technical Advisory Team representing the insurance industry perspective.

Education/Designations

Dale earned his MS in Technology and Human Affairs -Environmental Policy and Management Emphasis, from the School of Engineering at Washington University in St. Louis and a BS in Water Resource Management and Soil Science from the University of Wisconsin Stevens Point.

Mr. Cira holds insurance brokerage licenses in MO, IL, KS, IA, WI, MN, NE and NY.



James Gastineau, CSP, ARM

Current Title and Position:

Asst. Vice President – Client Support
Aon Risk Services, Iowa – Des Moines
James.Gastineau@aon.com
tel: 515.440.7016 fax: 515.267.9045

Experience/Qualifications:

James was an Environmental Specialist / Senior with the Iowa Department of Natural Resources, prior to joining Aon in 1999. He has more than 25 years of experience in environmental work, primarily working with underground storage tank sites. James also works with Aon in client support activities in the areas of general safety and industrial hygiene. He has completed graduate level educational courses, OSHA and military training in these fields.

Areas of Strength:

James Gastineau joined Aon in December of 1999 having primary responsibilities as the special projects manager in support of Aon's administration of the Iowa Comprehensive Petroleum Underground Storage Tank Fund Program. His background included more than 10 years of environmental regulation experience, most recently with the Iowa Department of Natural Resources. James' background and knowledge of environmental regulations enables him to work closely with the regulatory compliance community in Iowa.

Education and Professional Memberships:

James' educational pursuits have earned him a master's degree in Environmental Studies and a bachelor's degree in Physical Science. James is also an Iowa certified groundwater professional and licensed Property and Casualty agent. James has completed the Associate in Risk Management (ARM) program and has earned the Certified Safety Professional (CSP) designation. James is a professional member in the American Society of Safety Engineers (ASSE).

B. Legislative Update



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

TO: UST Board Members
FROM: James Gastineau
DATE: April 18, 2014
SUBJECT: 2014 Legislative Session

The 2014 Legislative Session continues to move along quickly as was anticipated. Currently there are not any bills that would appear to have a meaningful impact on the Board or their mission.

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

C. FY 2014 Goals Update



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

TO: UST Board Members
FROM: James Gastineau
DATE: April 18, 2014
SUBJECT: Fiscal Year 2014 Goals Update

This memo is presented as a summary of items discussed during recent FY14 Board meetings and will be tracked for reference in the current fiscal year. These include:

- No Further Action Certificate Issuance
 - Pilot Project – The Polk County pilot project has started. Contractors have already issued most letters seeking access and work has started on well closures. It is anticipated that approximate 100 NFA certificates will be issued.
- Identify Sites with Projected Obstacles to Closing within 2016 Time Frame
 - A request seeking input or ideas on modifications to the Department's and Fund programs was issued in December 2013. Comments to the request received through January 15, 2014, compiled into one listing, and provided to all parties. No actions have been initiated as of this time however it is expected the results will be discussed in the workgroup being established to consider post-Fund matters.

Goal	Progress	Planned
NFA Issuance	<ul style="list-style-type: none"> • Agreed upon Polk Co Pilot • Contractors have reviewed files and issued access letters • Work has started on closures • NFA certificates to be filed in groups. 	<ul style="list-style-type: none"> • Contractors following up on letters sent seeking access. • Complete well searches, closures and NFA issuance
ID Obstacles	<ul style="list-style-type: none"> • Files review to sort by 3 main obstacles completed resulted in 235 identified • Main categories <ul style="list-style-type: none"> ○ Site Conditions ○ Institutional Controls ○ Access/RP ○ Funding challenges • Sought input and commitment of meeting time from DNR and consultants for rule review focused on obstacle elimination and site closure 	<ul style="list-style-type: none"> • Seek finite monitoring plan on low risk sites • Seek rule accommodations on difficult sites or macro scenarios (ie bedrock) • Schedule CA meetings for funding challenged sites • Identify claimants with 3 or more open claims for possible claim closure settlements of entire group of sites
Claims Closures (as of 3/31/2014)	<ul style="list-style-type: none"> • 77 claims closed • 7 new claims • 16 claims re-opened 	<ul style="list-style-type: none"> • Identify number of claims closed • Identify number of new or re-opened claims • Identify number of claims pending closure • Increase follow up for closure after NAR classification
DNR Stats	<ul style="list-style-type: none"> • 114 NAR classifications approved • 166 NFA certificates issued (includes 3 re-issued certs) 	<ul style="list-style-type: none"> • Identify number of NAR classifications approved • Identify number of NFA certificates issued
Post Close Funds	<ul style="list-style-type: none"> • Board discussion initiated March 2014. 	<ul style="list-style-type: none"> • Evaluate potential options to provide NFA safety net and/or emergency response for DNR post Fund closure

D. Lien Renewal - Ida Grove



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

TO: UST Board Members
FROM: James Gastineau
DATE: April 16, 2014
SUBJECT: Lien Renewal - # 0404010 Robin Hill Trust, Ida Grove

In 1997, the Iowa DNR requested the Iowa UST Fund initiate activities on the subject site to address contamination at the site. The owner of the site, Wunschel Oil Company, was determined ineligible for UST Fund benefits.

Due to identification of petroleum contaminants in the municipal water wells, three State Lead projects were completed consecutively in the City of Ida Grove. Work at the subject site was limited to assessment, free product recovery and monitoring. A remediation system had been installed to remove free product however the system was vandalized on more than one occasion. In 2004, the system was abandoned.

Due to the identification of low levels of contaminants in the municipal water supply wells, a separate contract was in place for addressing the risk to the water supply. Following several years operating a carbon filtration system, the city wells were subsequently replaced with two new drinking water wells placed outside of the simulated contaminant plumes. The costs for the filtration system, new wells, and abandonment of the former city water wells were shared equally among the four LUST sites in the area.

The lien on the subject site includes one-fourth of the well treatment and replacement costs (i.e., \$188,622.98) and the costs with the remediation efforts at the subject site (\$141,508.42). The lien was placed on the site in 2004 following the installation of the new city water wells and cessation of activities at the site. Since 2004, no new activities have been completed.

As the site remains high risk, additional corrective actions are necessary. It is possible the DNR may select the site for further work using the current State Lead closure contract. If such is requested, any additional costs incurred would be subject to cost recovery.

The attached worksheet provides more information on the site and is intended so that the Board may make an informed decision on whether to renew the lien for an additional 10-year time period.

Parcel Summary

Ida County Assessor's Office

PDF 4 WORKING

PIN 18-06-1410
 Deed ROBIN HILL TRUST
 Contract Section 14 Deeded Acres 0.000
 Address 602 W HWY 175 Township 87 Lot
 Map Area IDA GROVE-C Range 40 Block
 Route Number 200-050-110 Plat Map Loc. / Class Urban / Commercial
 Legal PT NW1/4 (100 X 177)

Land Basis	Front	Rear	Side 1	Side 2	R. Lot	SF	Acres
FF Main	100.00	100.00	177.00	177.00	0.00		
Sub Total						17,700.00	0.406
Grand Total						17,700.00	0.406



Residential Dwelling	
Occupancy	Service Station
Year Built	1965
TLA/GLA	Ttl Rms
Bsmnt/Attic	
Heat/AC	
Bsmnt Finish	
Ttl Bdrms	Above Below
Ttl Fireplaces	
Plumbing	Garage

Sale Amount	Sale Date	Recording
\$0	09/20/1996	17-699

Assessor File Print date: 04/09/2014 User Name: assessor1

Parcel Number:18-06-1410 Taxing District:IGINC Status:A Legal Description
 PT NW1/4 (100 X 177)

Name:ROBIN HILL TRUST Type:Deed

BOX 113
 IDA GROVE IA 51445 Zip: Addr Num:

Tax acct:00020975 Bank Code: Loan #
 Ref Number:190 Alt Dist:IGINC Alt Parc:PLAT 67
 Misc Codes 1:BP 2: 3: 4: Change Flag:
 Legal Info

House/Street: 602 HWY 175
 City/township: 18 Addnum /Sect:
 Block/township: 87 Lot/Range: 40 S-T-R:14/87/40

	Current Year	Last Year
Land:	13,130	13,130
Building:	12,960	12,960
Dwelling:	00	00
Taxable Tot:	26,090	26,090
Exempt Value:	0	
Tot Assessed:	26,090	
Military:	0	0 Code: 0
Homestead:	0	0 Code: 0
Agland:	0	
Family Farm:	0	Owner: Appr:
DSC:% OF USE: 000 Credit % Class:C SUB:		
Gross Acres:.00 Net acres: .00 Exempt:.00		
CSR Points: .00 Average CSR per acre: 0.0		
Parcel Counts Units:01 Bldg:01 Dwell:00		

	Date	Book	Page	Year	Seq
Deed:	09201996	17	699		
Contract:					

Comments: TIF:
 Orig Total: 00

E. 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

TO: UST Board Members
FROM: James Gastineau
DATE: April 18, 2014
SUBJECT: Summary of Bills for Payment

NOTICE

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

1. Aon Risk Services\$104,560.00
 Consulting Services May 2014 -- \$65,560.00
 Claims Processing Services May 2014 -- \$39,000.00

2. Iowa Attorney General's Office\$4,048.15
 Services provided for Underground Storage Tank Program
 March 2014 (FY 2014) Billing

A. March 2014 Activity Report

Iowa UST Fund
Monthly Activities Report

Mar-14

Claims	Open Claims February Ending	Monthly Net Changes	Open Claims March Ending	Open & Closed Totals since Inception
RETROACTIVE				
number	33	0	33	447
reserve	\$1,880,043.67	(\$50,532.00)	\$1,829,511.67	\$1,829,511.67
paid	\$6,714,817.99	\$20,532.00	\$6,735,349.99	\$17,251,315.47
	\$8,594,861.66	(\$30,000.00)	\$8,564,861.66	\$19,080,827.14
REMEDIAL				
number	434	0	434	4,456
reserve	\$20,345,454.78	\$757,463.82	\$21,102,918.60	\$21,102,918.60
paid	\$76,181,959.53	\$314,524.95	\$76,496,484.48	\$209,722,903.85
total	\$96,527,414.31	\$1,071,988.77	\$97,599,403.08	\$230,825,822.45
INNOCENT LANDOWNER				
number	147	1	148	1,120
reserve	\$5,006,428.60	(\$30,444.99)	\$4,975,983.61	\$4,975,983.61
paid	\$12,281,503.77	\$35,444.99	\$12,316,948.76	\$29,230,067.28
total	\$17,287,932.37	\$5,000.00	\$17,292,932.37	\$34,206,050.89
GLOBAL OPT-IN				
number	102	1	103	1,299
reserve	\$520,836.88	\$7,151.47	\$527,988.35	\$527,988.35
paid	\$837,184.55	\$6,848.53	\$844,033.08	\$9,562,600.66
total	\$1,358,021.43	\$14,000.00	\$1,372,021.43	\$10,090,589.01
UNASSIGNED REVENUE FUND PROJECTS				
number	33	5	38	230
reserve	\$673,691.89	\$113,779.00	\$787,470.89	\$787,470.89
paid	\$257,308.11	\$36,221.00	\$293,529.11	\$2,671,530.96
total	\$931,000.00	\$150,000.00	\$1,081,000.00	\$3,459,001.85
NFA RE-EVALUATIONS				
number	18	0	18	47
reserve	\$446,726.84	\$2,682.06	\$449,408.90	\$449,408.90
paid	\$248,273.16	(\$2,682.06)	\$245,591.10	\$744,652.19
total	\$695,000.00	\$0.00	\$695,000.00	\$1,194,061.09
TANK PULLS				
number	30	(2)	28	307
reserve	\$383,971.00	\$2,709.00	\$386,680.00	\$386,680.00
paid	\$5,667.00	\$0.00	\$5,667.00	\$3,252,550.13
total	\$389,638.00	\$2,709.00	\$392,347.00	\$3,639,230.13

Corrective Action Meetings (3/15)	
Scheduled:	11
Completed:	1,198
MOA's	486

UST Operators (A / B)	2,712
UST Operators (C)	267
A/B (FY2011-13)	\$255,160.00
A/B (FY2014)	\$9,000.00
C (to date)	\$40,460.00

RT Claims	#
New	0
Reopened	0
Closed	0

RM Claims	#
New	1
Reopened	0
Closed	3

ILO Claims	#
New	0
Reopened	1
Closed	0

GS Claims	#
New	0
Reopened	1
Closed	0

USTCA	#
New	5
Reopened	1
Closed	1

NFA Re-Eval	#
New	1
Reopened	0
Closed	1

Tank Pull	#
New	5
Reopened	0
Closed	7

DNR @ 3-31-14	
Total LUST	6599
High Risk	499
Low Risk	225
NAR-FP	80
Not Class.	167

Invoice Type Totals	MARCH	FYTD	Program to Date
Admin	\$ 65,560.00	\$ 507,763.36	
Claims	\$ 39,000.00	\$ 312,000.00	
Government	\$ 54,556.57	\$ 1,962,481.20	
2004 Tank Pull	\$ -	\$ -	\$ 1,761,013.44
2010 Tank Pull	\$ 66,290.00	\$ 741,331.28	\$ 3,311,659.24
American Soils	\$ -	\$ -	\$ 5,678,422.58
AST Removal	\$ -	\$ -	\$ 2,121,637.24
AST Upgrade	\$ -	\$ -	\$ 5,460,478.50
CADR Charges	\$ 5,242.00	\$ 193,392.60	\$ 4,498,752.00
Corrective Action	\$ 6,404.38	\$ 1,032,267.17	\$ 52,320,573.99
Expenses / OT	\$ 1,600.00	\$ 11,300.00	\$ 261,980.00
Free Prod Recover	\$ 45,470.21	\$ 485,779.67	\$ 10,388,069.77
Monitoring	\$ 158,063.07	\$ 1,449,627.27	\$ 28,919,636.27
Operations/Maint	\$ 36,818.32	\$ 346,598.62	\$ 9,818,670.41
Over-excavation	\$ 34,479.98	\$ 2,284,757.68	\$ 30,184,015.53
Water Lines	\$ 5,714.38	\$ 190,942.55	\$ 2,213,578.41
Post RBCA Evals	\$ 2,221.70	\$ 8,759.52	\$ 213,169.01
RBCA	\$ 37,601.00	\$ 243,525.60	\$ 26,026,414.12
Remed Imp/Const.	\$ 4,737.41	\$ 1,315,117.16	\$ 27,790,341.92
SCR Charges	\$ -	\$ 9,071.85	\$ 54,217,410.26
Site Check	\$ -	\$ -	\$ 140,052.59
Soil Disposal	\$ -	\$ 53,680.40	\$ 738,386.66
Tank (UST) Pull	\$ -	\$ -	\$ 5,146,329.59
Tank (UST) Upgrade	\$ -	\$ -	\$ 5,891,868.20
Tier III	\$ 1,516.50	\$ 50,104.20	\$ 1,321,545.46
Utilities	\$ 17,257.16	\$ 121,416.72	\$ 1,938,697.09
Well Closure	\$ 3,675.00	\$ 191,710.42	\$ 3,517,592.19
Total Invoice Types	\$ 425,091.11	\$ 8,729,382.71	\$ 282,929,978.30

Remediation Budgets Approved to Date		
last month (Mar. '14)	0	\$0
Trailing 12 mos	53	\$3,283,985
Prev Trail 12 mos	41	\$3,056,999
Total Since Jan 2003	1,115	\$45,313,305

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

B. March 2014 Financial Report

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FOR THE MONTH ENDING MARCH 31, 2014**

0471 - UST REVENUE FUND (Bonding)

Balance of Fund, March 1, 2014 \$7,518,028.48

Receipts:

Motor Vehicle Use Tax (IDOT - vehicle registration)	\$3,500,000.00	
Intra State Fund Transfers Received	\$0.00	
Interest Income	\$300.69	
Interest Income - Capital Reserve Fund	\$0.00	
		\$3,500,300.69

Disbursements:

Bond Interest Payment	\$0.00	
Bond Principal Payment	\$0.00	
EPC Charges	\$0.00	
Transfer to General Fund	\$0.00	
Transfer to Unassigned Revenue Fund (0450)	\$0.00	
Transfer to Innocent Landowner Fund (0485)	\$0.00	
Transfer to Remedial Non-Bonding Fund (0208)	\$0.00	
		\$0.00

Balance of Fund, March 31, 2014 **\$11,018,329.17**

0450 - UST UNASSIGNED REVENUE FUND (Non-Bonding)

Balance of Fund, March 1, 2014 \$8,827,944.16

Receipts:

Request for Proposal Fees	\$0.00	
Copying/Filing Fees	\$0.00	
Fines & Penalties	\$0.00	
Refund/Overpayment	\$0.00	
Transfer From UST Revenue Fund (0471)	\$0.00	
Compensation for Pooled Money Investments	\$0.00	
Amort / Accretion	\$0.00	
Buys/ Sells	\$0.00	
Interest Income	\$1,338.61	
		\$1,338.61

Disbursements:

UST Administrator's Fees	\$104,560.00	
Adjustment	\$0.00	
Attorney General's Fees	\$4,108.39	
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	\$1,271.73	

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FOR THE MONTH ENDING MARCH 31, 2014**

Innovative Technology	\$0.00	
Inspection & Appeals Service Fees	\$63.50	
Legal and Professional Fees	\$0.00	
Postage / Printing / Miscellaneous	\$0.00	
Professional Admin Services (Investments)	\$0.00	
Professional Services - Owner/Operator Training	\$1,600.00	
Rebate	\$0.00	
Special Project Claims - Closure Contract Project	\$45,203.50	
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	\$49,112.95	
Transfer of Funds to Innocent Land Owners	\$0.00	
		\$205,920.07
Balance of Fund, March 31, 2014		\$8,623,362.70

0208 - UST REMEDIAL NON-BONDING FUND

Balance of Fund, March 1, 2014		\$4,019,004.08
Receipts:		
Remedial Refunds	\$0.00	
Misc. Income (i.e. eligibility settlements)	\$0.00	
Interest Income	\$0.00	
Transfer From UST Revenue Fund (0471)	\$0.00	
		\$0.00
Disbursements:		
Retroactive Claims	\$20,532.00	
Remedial Claims	\$312,396.87	
Adjustment	\$0.00	
28E Agreement - NFA Claims	\$12,862.00	
Transfer to ILO/GS Fund	\$0.00	
Transfer to Unassigned Revenue Fund	\$0.00	
Balance of Outdated Warrants & Cancelled Warrants	(\$1,987.50)	
		\$343,803.37
Balance of Fund, March 31, 2014		\$3,675,200.71

0478 - UST MARKETABILITY FUND

Balance of Fund, March 1, 2014		\$749,835.64
Receipts:		
Interest	\$526.75	
Use Tax	\$0.00	
		\$526.75
Disbursements:		
Intra State Fund Transfer	\$0.00	
Transfer to Innocent Landowners Fund	\$0.00	
		\$0.00
Balance of Fund, March 31, 2014		\$750,362.39

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FOR THE MONTH ENDING MARCH 31, 2014**

0485 - UST INNOCENT LANDOWNERS FUND

Balance of Fund, March 1, 2014		\$4,718,388.57
Receipts:		
Cost Recovery (i.e. lien settlements)	\$0.00	
ILO Refunds	\$0.00	
Transfer From UST Revenue Fund (0471)	\$0.00	
Transfer From Loan Gaurantee Fund (0238)	\$0.00	
Outdated Warrants	\$0.00	
Miscellaneous Income	\$0.00	
		\$0.00
Disbursements:		
Cost Recovery Reimbursement	\$0.00	
Cost Recovery Global Settlement	\$0.00	
Adjustment	\$0.00	
Intra State Fund Transfers Paid (to Unassigned Revenue)	\$0.00	
Other Contractual Services	\$0.00	
Global Settlement Claims	\$3,904.38	
Innocent Landowner Claims	\$37,528.36	
Transfer to Remedial Fund (0208)	\$0.00	
Balance of Outdated Warrants	(\$622.50)	
		\$40,810.24
Balance of Fund, March 31, 2014		\$4,677,578.33

0238 - UST LOAN GUARANTEE FUND (Non-Bonding)

Balance of Fund, March 1, 2014		\$0.00
Receipts:		
Loan Application Fees	\$0.00	
Interest Income	\$0.00	
		\$0.00
Disbursements:		
Transfer to Innocent Landowners Fund	\$0.00	
		\$0.00
Balance of Fund, March 31, 2014		\$0.00

0614 - UST CAPITAL RESERVE FUNDS (Bonding)

Balance of Fund, March 31, 2014		\$0.00
 Combined UST Capital Reserve Fund Balances, March 31, 2014		\$0.00
TOTAL FUND BALANCES, March 31, 2014		\$28,744,833.30

FOOTNOTES:

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

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

C. Year-to-Date Financials as of March 31, 2014

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FISCAL YEAR TO DATE ENDING MARCH 31, 2014**

		FISCAL 2014 BUDGET
0471 - UST REVENUE FUND (Bonding)		
Balance of Fund, July 1, 2013	\$14,470,480.24	\$14,470,480.24
Receipts:		
Motor Vehicle Use Tax (IDOT - vehicle registration)	\$10,500,000.00	\$14,000,000.00
Intra State Fund Transfers Received	\$0.00	
Interest Income	\$47,848.93	\$150,000.00
Interest Income - Capital Reserve Fund	\$0.00	
	\$10,547,848.93	\$14,150,000.00
Disbursements:		
Bond Interest Payment	\$0.00	
Bond Principal Payment	\$0.00	
EPC Charges	\$0.00	
Transfer to General Fund	\$0.00	
Transfer to Unassigned Revenue Fund (0450)	\$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
Balance of Fund, March 31, 2014	\$11,018,329.17	\$620,480.24
0450 - UST UNASSIGNED REVENUE FUND (Non-Bonding)		
Balance of Fund, July 1, 2013	\$8,133,085.03	\$8,133,085.03
Receipts:		
Request for Proposal Fees	\$0.00	
Copying/Filing Fees	\$0.00	
Fines & Penalties	\$0.00	\$10,000.00
Refund/Overpayment	\$19,550.41	
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	\$36,104.99	\$125,000.00
	\$3,555,655.40	\$7,135,000.00
Disbursements:		
UST Administrator's Fees	\$819,763.36	\$1,240,000.00
Adjustment	\$0.00	
Attorney General's Fees	\$34,121.08	\$50,000.00
Attorney's Fees: Cost-Recovery Administration	\$0.00	
Cost Recovery Expense (i.e. Lien Filing, Overpayment Refund)	\$26.00	\$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	\$5,147.18	\$37,500.00
Innovative Technology	\$0.00	

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FISCAL YEAR TO DATE ENDING MARCH 31, 2014**

		FISCAL 2014 BUDGET
Inspection & Appeals Service Fees	\$243.95	
Legal and Professional Fees	\$0.00	
Postage / Printing / Miscellaneous	\$0.00	\$500.00
Professional Admin Services (Investments)	\$0.00	
Professional Services - Owner/Operator Training	\$11,100.00	\$100,000.00
Rebate	\$0.00	
Special Project Claims - Closure Contract Project	\$253,464.17	\$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	\$1,888,560.54	
Transfer of Funds to Innocent Land Owners	\$18,543.00	
	\$3,065,377.73	\$2,383,950.00
Balance of Fund, March 31, 2014	\$8,623,362.70	\$12,884,135.03
0208 - UST REMEDIAL NON-BONDING FUND		
Balance of Fund, July 1, 2013	\$4,347,071.02	\$4,347,071.02
Receipts:		
Remedial Refunds	\$0.00	\$0.00
Misc. Income (i.e. eligibility settlements)	\$0.00	
Interest Income	\$0.00	
Transfer From UST Revenue Fund (0471)	\$6,000,000.00	\$12,000,000.00
	\$6,000,000.00	\$12,000,000.00
Disbursements:		
Retroactive Claims	\$442,319.82	\$700,000.00
Remedial Claims	\$6,402,616.20	\$6,000,000.00
Adjustment	\$0.00	
28E Agreement - NFA Claims	\$91,833.46	\$500,000.00
Transfer to ILO/GS Fund	(\$252,640.28)	
Transfer to Unassigned Revenue Fund	\$6,912.00	
Balance of Outdated Warrants	(\$19,170.89)	
	\$6,671,870.31	\$7,200,000.00
Balance of Fund, March 31, 2014	\$3,675,200.71	\$9,147,071.02
0478 - UST MARKETABILITY FUND		
Balance of Fund, July 1, 2013	\$742,024.35	\$742,024.35
Receipts:		
Interest	\$8,338.04	\$25,000.00
Use Tax	\$0.00	
	\$8,338.04	\$25,000.00
Disbursements:		
Intra State Fund Transfer	\$0.00	
Transfer to Innocent Landowners Fund	\$0.00	
	\$0.00	\$0.00
Balance of Fund, March 31, 2014	\$750,362.39	\$767,024.35

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FISCAL YEAR TO DATE ENDING MARCH 31, 2014**

		FISCAL 2014 BUDGET
0485 - UST INNOCENT LANDOWNERS FUND		
Balance of Fund, July 1, 2013	\$2,176,164.40	\$2,176,164.40
Receipts:		
Cost Recovery (i.e. lien settlements)	\$1,375.00	\$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	\$0.00	
	\$4,501,375.00	\$9,025,000.00
Disbursements:		
Cost Recovery Reimbursement	\$0.00	
Cost Recovery Global Settlement	\$0.00	
Adjustment	\$0.00	
Intra State Fund Transfers Paid (to Unassigned Revenue)	(\$18,543.00)	
Other Contractual Services	\$0.00	
Global Settlement Claims	\$85,076.86	\$100,000.00
Innocent Landowner Claims	\$1,943,675.91	\$1,500,000.00
Transfer to Remedial Fund (0208)	\$0.00	
Balance of Outdated Warrants	(\$10,248.70)	
	\$1,999,961.07	\$1,600,000.00
Balance of Fund, March 31, 2014	\$4,677,578.33	\$9,601,164.40
0238 - UST LOAN GUARANTEE FUND (Non-Bonding)		
Balance of Fund, March 31, 2014	\$0.00	\$0.00
0614 - UST CAPITAL RESERVE FUNDS (Bonding)		
Combined UST Capital Reserve Fund Balances, March 31, 2014	\$0.00	\$0.00
TOTAL FUND BALANCES, March 31, 2014	\$28,744,833.30	\$33,019,875.04

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.

Attorney General's Report

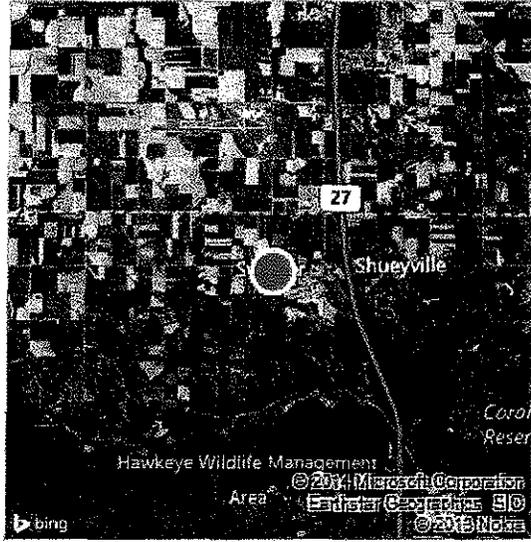
Claim Payment Approval

bing Maps

127 Rose Ave SW, Swisher, IA 52338

City of Swisher - Park at NW corner of Rose Avenue & 2nd Street SW

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 Bird's eye view maps can't be printed, so another map view has been substituted.

**IOWA UNDERGROUND STORAGE TANK PROGRAM
FIRST BOARD REPORT
APRIL 14, 2014
CASEY'S GENERAL STORE
707 SOUTH MAIN STREET
NEW SHARON
SITE REGISTRATION NUMBER: 8606574
LUST NUMBER: 7LTP90**

RISK CLASSIFICATION:

HIGH LOW UNDETERMINED

PRESENT CLAIM RESERVE: \$ 230,000.00

ELIGIBILITY: Contamination was discovered during a site check in July of 1990 and was reported to the IDNR. A timely claim was filed. This is an eligible remedial claim.

COST INCURRED TO DATE:

1. Initial site investigation and site clean-up report (SCR)	\$ 20,807.27
2. Site monitoring reports	34,036.93
3. RBCA Tier II report	13,570.29
4. NDWW abandonment	<u>2,905.00</u>
TOTAL COST TO DATE	\$ 71,319.49

PROJECTED COSTS:

❖ Site Monitoring Report	❖ Over-excavation
<u>TOTAL PROJECTED COSTS:</u>	<u>\$ 125,000.00 to 225,000.00+</u>

TOTAL AUTHORITY RECOMMENDED:

\$250,000.00

COMMENTS:

The site is classified as high risk due to proximity to residential sewers and a water main. The site is low risk for the potential vapor pathways. The site is no longer an active gas station and is open to excavation. Proposed actions include soil excavation combined with replacing the water main with petroleum resistant materials. If the excavation is successful in removing the soil contamination, this site may be reclassified to no action required following post-excavation monitoring to confirm that contaminant levels have been reduced to and remain below the target levels. Affected population likely less than 20.

bing Maps

707 S Main St, New Sharon, IA 50207

Former Casey's Store, New Sharon, IA - US Hwy 63 abuts site to east.

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**IOWA UNDERGROUND STORAGE TANK PROGRAM
 SECOND BOARD REPORT
 APRIL 15, 2014
 FAITH IN GOD, LLC
 1103 4TH AVENUE SOUTH
 CLEAR LAKE
 SITE REGISTRATION NUMBER: 8608149
 LUST NUMBER: 8LTC28**

RISK CLASSIFICATION:

HIGH LOW UNDETERMINED

PRESENT CLAIM RESERVE: \$ 450,000.00

PREVIOUS BOARD APPROVAL: \$ 395,000.00
 Number and Date of each previous Board Report: 1st: May 2, 2002

PREVIOUS COSTS INCURRED: \$ 20,861.74

COSTS INCURRED SINCE LAST BOARD APPROVAL:

1. Site monitoring reports	30,140.14
2. Free product recovery	18,749.07
3. Over-excavation	142,447.20
4. RBCA Tier 2	13,842.29
5. Corrective action teleconferences	<u>1,000.00</u>
TOTAL COSTS INCURRED TO DATE:	\$ 227,040.44

PROJECTED COSTS:

- ❖ Site Monitoring Report
 - ❖ Completion of over-excavation
- TOTAL PROJECTED COSTS: \$ 200,000.00 to 250,000.00 +

ADDITIONAL AUTHORITY RECOMMENDED: \$ 105,000.00

TOTAL AUTHORITY:* \$ 500,000.00

COMMENTS:

The site is high risk for residential basements and sewers, and for gasketed water mains. The site is low risk for the potential vapor pathways. A large excavation completed in 2003 did not extend deep enough due to groundwater infiltration. Contamination also remained in the right of way and beneath the street. The consultant is recommending re-excavating a portion of the same area but to a deeper depth which will require dewatering. The excavation will also extend into the street. The city has granted permission. Population affected likely less than 20.

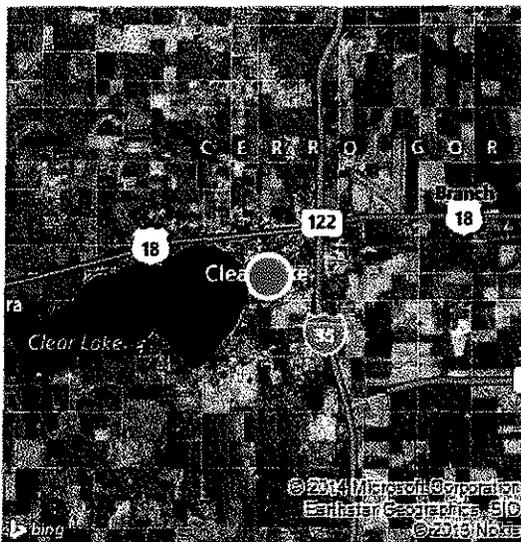
*Previous approval + additional recommended

bing Maps

1103 4th Ave S, Clear Lake, IA 50428

Faith in God, LLC

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 Bird's eye view maps can't be printed, so another map view has been substituted.

bing Maps

137 2nd St, Pulaski, IA 52584

Jet Gas Corp.
137 N. 2nd Street, Pulaski, IA
NW corner of 2nd & Main

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 Bird's eye view maps can't be printed, so another map view has been substituted.

**Contracts Entered Into
Since March 28, 2014 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

TO: UST Board Members
FROM: James Gastineau
DATE: April 18, 2014
SUBJECT: Contracts Entered Into Since March 28, 2014 Board Meeting

The Board has not entered into any agreements since the March 28, 2014 meeting.