



IOWA UNDERGROUND STORAGE TANK FUND

Douglas M. Beech, *Chairperson*

Dale T. Cira, *Administrator*

Board Members: Michael L. Fitzgerald Joseph D. Barry Jeff. W. Robinson Karen E. Andeweg Chuck Glipp
 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, February 27, 2015. The meeting will be held at the **State Capitol Building, 1005 East Grand Avenue, Room 15, Des Moines, IA 50319.**

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. Actuarial Study Update
 - B. Legislative Update
 - C. Cost Recovery: City of Dallas Center
 - D. Amendment to the Contract for Administration of the UST Fund
 - 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 January 23, 2015 Board Meeting
10. Other Issues as Presented
11. Correspondence and Attachments

Approval of Prior Board Minutes



IOWA UNDERGROUND STORAGE TANK FUND

Douglas M. Beech, *Chairperson*

Dale T. Gira, *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

MINUTES IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND PROGRAM

JANUARY 23, 2015

CONFERENCE ROOM
STATE CAPITOL BUILDING
1005 EAST GRAND AVENUE, ROOM 15
DES MOINES, IOWA

Doug Beech, Board Chair, called the Iowa UST Fund Board meeting to order at 10:03 A.M. A quorum was present, with the following Board members present:

Karen Andeweg
Joseph Barry
Patricia Beck
Dawn Carlson
Stephanie Devin (for Michael Fitzgerald)
Timothy Gartin
Tim Hall (for Chuck Gipp)

Also present were:

David Steward, Attorney General's Office
Dale Cira, Administrator
James Gastineau, Deputy Administrator
Elaine Douskey, Iowa Department of Natural Resources

APPROVAL OF PRIOR BOARD MINUTES

Mr. Beech inquired if the members had reviewed the minutes and if there were any items for discussion. Hearing none, Ms. Carlson motioned to approve the minutes of the December 11, 2014 meeting and Mr. Barry 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. Actuarial Study Update

Mr. Cira provided an overview of the actuarial work completed to date. He noted Taylor & Mulder, Inc. was hired to do the study and that they have been provided with current and historical program data. He noted that staff from Taylor & Mulder had been in Des Moines to complete an on-site review and that a preliminary report had been received. Mr. Cira noted a conference call was held with Taylor & Mulder on January 22 to discuss that report.

Mr. Cira remarked that Taylor & Mulder had stated they were impressed with the cash reserve process that has been done throughout the program. He also noted that Taylor & Mulder will give the Board projected estimates for the next several years for funding items and will provide some recommendations and commentary about claims handling. Mr. Cira also noted that Taylor & Mulder will have the final report available before the February Board meeting and during that meeting an hour should be set aside for a presentation about the study.

Mr. Gartin inquired what benchmarks and recommendations Taylor & Mulder might make as to ending the program. Mr. Cira noted that Taylor & Mulder would not be making such recommendations, as those decisions are the Board's to make. He did note that Taylor & Mulder's report will include some recommendations that would provide a basis for helping make a decision and that Taylor & Mulder might provide some commentary, if requested, on the possible future of the program.

B. Legislative Update

Mr. Cira noted that the 2015 Legislative session started on January 12th. He noted that, at present, there are no specific issues that are being tracked in relation to the Board; however, with ongoing discussions regarding the fuel tax, that all matters would be watched to determine if Board related matters were identified.

Mr. Beech noted that Ms. Carlson, as the representative of the Petroleum Marketer's and Convenience Stores of Iowa (PMCI) group, did have some information about a proposal that could affect the Board operations. Ms. Carlson shared that PMCI is looking to the future and with the Environmental Protection Charge (EPC) scheduled to sunset in 2016 PMCI believes the time is right to pursue a program to provide infrastructure assistance for tank owners to replace aged underground storage tank systems. She noted that PMCI intends to propose legislation to utilize

the existing statutory allocation to the UST Fund to assist claimants in meeting the primary goal of the Board, to finish the cleanup of the remaining contaminated sites while at the same time providing a mechanism to assist tank owners in fulfilling one of the original legislative intents of the program, that is to protect the rural network of service operations. She noted that PMCI would like to see a new infrastructure cost-share program be implemented and administered by the Iowa UST Fund Board, so as to provide funding to assist owners who desire to replace older tank systems with new systems that would be compatible with the newer generation of fuels.

Ms. Carlson noted that the existing tank universe has a significant number of tank systems that are approaching 20 years of age and that there are some systems now exceeding the 25-year threshold for what is believed to be the useful life of a tank system. She shared that it is estimated to cost \$320,000 to replace a two-tank system and approximately \$500,000 for a three-tank system. She noted that PMCI is in the process of asking the Legislature to extend the EPC for an additional 10 years and to keep those moneys flowing in to the Road Use Tax Fund and, at the same time, continue the allocation to the UST Fund Program. She noted that PMCI is interested in having an infrastructure grant program for owners to apply for which could provide up to 50% of the costs or \$100,000 to install new UST systems for the new generation fuels.

Ms. Carlson noted that PMCI recognizes that, as the older tanks are removed, contamination may be discovered. She noted that in cases where old releases are re-opened it is important that the Department have the resources to address those new conditions and to handle expenses for re-opened claims.

Ms. Carlson indicated PMCI believes the UST Fund Board, rather than the Renewable Fuels Infrastructure Board, is the right group to manage and oversee this new program. She noted that the primary goal is to make sure the environment is protected and that the Board claims are finalized. She noted discussions have already started with legislators, the governor's office and other interested stakeholder groups who all express interest in the concept. It was also noted that a bill has not yet been developed but would be shared once it is ready. In considering if the bill should pass, Ms. Carlson noted that rules could start to be developed this year and the program could be available by next year.

A discussion ensued regarding the length of the proposed EPC extension and whether a retailer would have the means to do an upgrade even with a proposed grant. It was noted that the bill was likely to request an extension of the program funding and not an increase to the funding. It was also recognized that, as the results of the actuarial study are finalized, it would be possible to determine if there are excess funds available and if those funds would be sufficient. It was noted that if \$12 million were available each year for a 10 year period, for a total of \$120 million, that that amount would be insufficient to provide the funding needed to upgrade all eligible tank sites. In considering who might be eligible, Ms. Carlson indicated that the program should be open and equally available to all retailers. Ms. Beck concurred with the idea noting that proposed program would be a good opportunity for all retailers.

C. FY 2015, 2nd Quarter Summary

Mr. Cira provided an overview of the program status through the end of the 2nd calendar quarter of 2015. He noted that for the current year there are no specific goals in place other than the actuarial study. He noted work still continues on the goals initiated in FY 2014 including identifying sites

with obstacles to closing and completing the Polk County pilot project for issuing No Further Action (NFA) certificates. He noted that of the 110 sites initially identified in Polk County, 85 sites have had a NFA certificates issued and filed.

Ms. Andeweg inquired as to what will be done from this point. Mr. Gastineau responded that this project probably will not be carried over to other counties due to the obstacles that were encountered in the project. He noted that often it was difficult to identify and find property owners and then it was noted that not every site owner wants a NFA certificate. Mr. Hall inquired if it would make sense to look at certain other counties in which to conduct this project. Mr. Gastineau noted that is a possibility and noted that it is the owners of the active stations who are the ones who would most likely benefit in obtaining a NFA certificate for a prior release. He noted that property owners seeking to transfer property are also likely to benefit as banks are commonly seeking verification that all required work has been completed.

In discussing the matter, Ms. Douskey noted of the 5000+ LUST sites that there are about 1,000 sites without NFA certificates. It was also noted by Mr. Gastineau, if there are property owners seeking a NFA certificate, one of the closure contractors could be mobilized to the site to assist in the well closure.

D. Aon Incentive Plan Proposal

Mr. Beech began the discussion by noting that Aon has been gracious to provide a proposal to have the opportunity to earn back some of the funds they agreed to give up for the current contract year. He noted consideration has been made as to whether the Board discussion should be held with Aon present, if Aon staff should be asked to step out of the room, or if the Board should consider going into a closed session as the matter involves contract negotiations. He noted that the Board would need to consider that as discussion ensued.

Mr. Cira provided an overview of the plan noting that the timing of the presentation is aimed at the start of the contract year, which began on January 1st. He noted that with the completion of the 2014 year, data is now available to show how many claims have been closed in the last year and in prior years as that is how the proposed goal was established. He noted that the majority of the easier claims have been addressed and as noted in prior discussions, the claims that remain are generally the more difficult to address as they include stalled sites, recalcitrant owners, and the more complex sites that will take longer to close. He also noted that Aon voluntarily reduced its fees for the current contract year as the number of claims have reduced, but noted the idea for an incentive is provided in Aon's contract and it is that provision that is intended to be used by this proposal.

Following the overview, Mr. Beech noted that after conferring with Mr. Steward, that the option for a closed session does not appear relevant. In considering the matter further, it was decided to proceed with the discussion with Aon staff present.

In discussing the issue, it was noted that Aon's proposal would allow the opportunity for Aon to earn back some of the compensation that they voluntarily given up for the current contract year. It was also noted that, while the contract incentive option has existed for several years, an incentive agreement has never been put in place. The idea to consider this option was also derived from discussions held in prior Board meeting discussions.

Mr. Cirra noted that the proposed target of 115 claims to be closed was developed after reviewing data for the past 10 years. He noted that Mr. Gastineau has researched the data and has provided a data table in the Board packet showing the history of the claim closures. The suggested bonus payout is targeted at closing 115 claims in the statutory claims programs, i.e., remedial, retroactive, and innocent landowner claims, and no further action re-opened project claims and, if that goal is met, Aon would earn 50 percent of the compensation amount volunteered for this year. The amount of the incentive, if earned, is \$56,986. It was also noted, if earned, that this amount would be shared with Aon's partner, Cunningham Lindsey.

Mr. Gartin inquired if the State contracting rules allow incentive plans and Mr. Steward noted a familiarity with the State Contracting guide and indicated no known concerns. Mr. Steward did note that the incentive provision was a part of the contract that the Board has in place with Aon.

Ms. Carlson inquired on methods to close a claim. Mr. Gastineau noted claims are generally closed after attainment of a No Action Required classification. He also noted that claims might be closed through settlements, a loss portfolio transfer, or through a denial of benefits in those cases where the claimant fails to comply with stated requirements. It considering the closing of claims, it was noted that the Department has sole control over closure of sites through the regulatory process. It was also noted that since the mid-1990's, the State has used a risk based corrective action process which provides for closure of sites when it is demonstrated that a risk no longer exists, rather than demanding a strict adherence to cleanup of a site. It was also noted that the avenues for demonstrating a risk is removed can include use of local ordinances, environmental covenants, removal of receptors, and specialized testing. In many cases some contamination is left at the sites.

Mr. Hall also noted that claim closure is different from site closure, as a loss portfolio transfer is a shifting of responsibility from one party to another. It was noted that while the process may allow for closure of a claim from the Board's perspective, it does not provide for meeting the goal of site closure from a regulatory basis. It was also questioned if a transfer process is completed whether the number of claims transferred should count in the number of claims closed. In discussing the matter further, it was noted that should a portfolio transfer occur, that the number of sites transferred should be counted as the transfer will likely involve significant time and effort by Aon staff to negotiate the amounts to be transferred and the terms of such a transfer.

In discussing the target number for the incentive, discussion ensued on what is an appropriate target level. Mr. Gartin noted that the target should be attainable but should also be sufficient to ensure that it requires some level of effort to attain. In discussing the matter, it was noted that the 10-year average of claims closed is 138 claims and that the 5 year average is 111 claims. It was also noted, but not shown on the table, that the 3-year average for claims closed is 99 claims, thus suggesting that a target of 115 claims is a stretch goal that may be difficult to attain.

After a lengthy discussion regarding the incentive and appropriate target of claims to be closed, Mr. Gartin made a motion to accept the incentive proposal in its current form with a goal of 115 claims to be closed, subject to the Attorney General's review that this incentive is acceptable to the State. Mr. Barry seconded the motion. The motion passed on a vote of 8 to 1.

E. DNR Update

Ms. Elaine Douskey reported the DNR still has two vacant job openings in their section and are looking to fill the positions in the coming months. She noted that the Department currently has 841 open LUST sites and that for FY 2015, they have closed 44 sites. She noted that the Department has been averaging 125 to 130 sites closed for the last five years but also noted that not all sites are Fund eligible.

Ms. Douskey also reported that the RBCA software upgrade process has begun. She noted that the review staff have met internally about the web based application and believe this will be a powerful tool once completed and put into use.

PROGRAM BILLINGS

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

1. Aon Risk Services\$97,838.00
Consulting Services January 2015 -- \$58,838.00
Claims Processing Services January 2015 -- \$39,000.00
2. Aon Risk Services\$97,838.00
Consulting Services February 2015 -- \$58,838.00
Claims Processing Services February 2015 -- \$39,000.00
3. Iowa Attorney General's Office\$3,867.59
Services provided for Underground Storage Tank Program
December 2014 (FY 2015) Billing

Ms. Andeweg motioned to approve the billings as presented. Ms. Beck seconded the motion. Motion carried unanimously.

MONTHLY ACTIVITY REPORT

A. December 2014 Activities Report

Mr. Gastineau indicated that the activities report shows activities through the month of December noting that \$695,555 of claim payments were processed. He also noted a continuing decline in the number of open claims and an increase in the number of tank closure claims.

B. December 2014 Financial Report

Mr. Gastineau indicated there was nothing significant to report.

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

Mr. Gastineau indicated there was nothing significant to report.

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 8603785 – Rodney Musich, Avoca (2nd Board Report)

The site was classified as low risk for the potential vapor pathways. Vapor sampling has exceeded the vapor target levels. An excavation completed in 2012 removed much of the contamination in the source area. However, the extent of contamination was greater than expected and a second excavation appears to be necessary to remove the remaining contamination and allow for the reclassification of the site to no action required.

Mr. Gastineau noted the total costs incurred to date are \$179,740.10. Additional authority requested of \$165,000 for a total authority of \$350,000.

Mr. Barry moved to approve the request and Ms. Carlson seconded the motion. Motion carried unanimously.

2. Site Registration 9217516 – Pat Benjamin/Tuff Luck, Inc., Climbing Hill (2nd Board Report)

The site is classified high risk for the groundwater ingestion pathway. The water table is deep and contamination appears to have spread over some distance. Corrective action was completed in 2003 with the installation of two private association wells to serve the claimant and multiple affected parties. The claimant has since opted not to use the new well and has reportedly reconnected his properties to one or more of the pre-existing wells, including one designated a high risk receptor. There are no further corrective action plans at this time. Monitoring will continue for the foreseeable future.

Mr. Gastineau noted the present claim reserve is \$500,000 and costs incurred to date are \$464,520.68. Projected costs are in the range of \$25,000 to \$50,000+ for continued monitoring. Additional authority to \$500,000 was requested.

Mr. Gartin moved to approve the request and Mr. Hall seconded the motion. Motion carried unanimously.

3. Site Registration 8607575 – Valley Restaurant, Inc., Villisca (5th Board Report)

Mr. Gastineau reported this is a “carry in” claim. The site is high risk for the groundwater ingestion, vapor and water line pathways. Remedial efforts including excavation and the operation of an air sparge/vapor extraction system appear to have addressed a majority of the contamination near the site. In October 2014 petroleum contamination was identified in a city well close to the site. This well has been shut down. Efforts are underway to determine if the

contamination came solely from this site. DNR has identified a possible source which was classified NAR in 2004. That site will be investigated thru the NFA-reopener contract to assess if a contaminant pathway exists between that site and the city wells. A temporary treatment system has been proposed to treat the water from the impacted city well in the spring to help the city meet their water demand. A longer term solution will be determined after the source(s) of the contamination is determined.

Mr. Gastineau noted that the present claim reserve is \$800,000. Previous board approval in October 2014 was given for up to \$710,000. Total costs incurred to date are \$667,726.58. Total projected costs are \$50,000 to \$290,000. Total authority was requested for costs up to \$770,000.

Mr. Gartin inquired if there is another way to handle without assigning the money to this site. Mr. Gastineau responded that this site is the closest to the city well and acknowledged that there are questions as to other sources. He noted that a NFA claim will be used to look at the other sites. He noted that for the present, what is known is only about this site and it is believed that what is requested is sufficient and appropriate for the next few months.

Mr. Gartin moved to approve the request and Ms. Carlson seconded the motion. Motion carried unanimously.

Following the claim review, a brief discussion followed regarding the Board's posture on liens. Mr. Gartin noted the listing of liens was provided with the monthly activities data and inquired as to what avenues are appropriate for pursuing recovery of those monies. Mr. Steward noted that, historically the Board did not pursue cost recovery on citizens of the state and that the process for cost recovery for the past decade has been to file a lien when appropriate and then deal with it when someone wants to transfer or sell the property. He noted that while the Board may have the option to pursue taking of a property, the Board does not own property.

CONTRACTS ENTERED INTO SINCE THE DECEMBER 11, 2014 BOARD MEETING

The Board entered into a contract extension with Geotek Engineering & Testing Services, Inc. for continued work on the State Lead project, CRPCA 1007-40: Akron.

OTHER ISSUES

Mr. Reinders of Cunningham Lindsey US, Inc. reported that Ms. Sandi Porter is no longer employed with the firm and will be replaced. He noted that Mr. Tom Severson is now more fully involved in the claims handling processes as well.

CORRESPONDENCE AND ATTACHMENTS

Mr. Beech indicated the correspondence and attachments could be read after the meeting adjourns.

Mr. Hall motioned to adjourn the meeting at 11:32 A.M. and Mr. Carlson seconded the motion.
The measure passed with a unanimous vote.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'J. Gastineau', with a long horizontal flourish extending to the right.

James Gastineau
Deputy Administrator

Public Comment

Board Issues

A. Actuarial Study Update



IOWA UNDERGROUND STORAGE TANK FUND

Douglas M. Beech, *Chairperson*

Dale T. Cira, *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: Dale Cira
DATE: February 19, 2015
SUBJECT: Actuarial Study Update #3

The actuary firm of Taylor & Mulder, Incorporated ("T&M"), contracted by the Board in November, has completed its study and submitted preliminary and final reports for Board consideration. T&M was requested by Iowa Comprehensive Petroleum Underground Storage Tank Fund ("the Fund") to conduct an actuarial review of its loss reserves as of November 30, 2014.

The Administrator learned that several Board members would be unavailable for the February meeting. Based on this information, the Board Chair and Fund Administrator agreed that because of the importance of the findings of the actuary study it would be best to postpone the presentation by T&M planned for February to March. However, the main body of the report is attached for review by the Board members in advance of a presentation by T&M for the March Board meeting. Below is a brief overview of some of the key findings.

T&M analyzed loss reserves for remedial, retroactive, innocent landowner, and reopened claims. This review indicates that as of November 30, 2014, the total reserves for claims that have been reported to the Fund is \$26,642,000

Claim Type	Case Outstanding	IBNR Reserve	Total
Remedial	\$19,980	\$6,142	\$26,121
Retroactive	\$1,477	\$214	\$1,692
Innocent Landowner	\$4,808	\$1,527	\$6,335
Reopened Claims	\$377	\$344	\$721
Total	\$26,642	\$8,227	\$34,869

This amount represents the case reserves, which are defined as the best estimate by claims personnel of the total amount required to close all currently reported claims. In addition to this amount, \$8,227,000 may be required to cover future development.

These projections of future development on known claims are based on patterns of development on known claims that the Fund has experienced in the past. In general, claims have a tendency to develop adversely over time as additional information on each

claim becomes available and claims adjusters increase their estimates. Therefore, the ultimate cost to close all currently reported claims is estimated at \$34,869,000.

T&M observed that the estimated reserve levels at all evaluations are very accurate. While paid losses showed typical variability over time, the incurred losses were exceptionally stable, indicating that the claims adjusters are very accurate in estimating the ultimate claim costs very early on in the adjusting process. It was noted that the performance of the adjusters is well above the industry norms.

Cash flow projections through Fiscal Year 2019 are summarized in the report and indicate the Fund will have sufficient resources to address expected claims and expenses, assuming the revenue flow established for the program remain intact.

B. Legislative Update



IOWA UNDERGROUND STORAGE TANK FUND

Douglas M. Beech, *Chairperson*

Dale T. Cira, *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
FROM: Dale T. Cira
DATE: February 20, 2015
RE: 2015 Legislative Session

The 2015 Legislative Session which began January 12th is now completing the 6th week of the session and is moving along quickly. 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 continue to monitor bills and committees and report any issues that arise that may materially affect the Board.

C. Cost Recovery: City of Dallas Center

AGREEMENT

COME NOW the BOARD OF SUPERVISORS FOR DALLAS COUNTY, Iowa (hereinafter "County"), an Iowa county, the CITY OF DALLAS CENTER, Iowa (hereinafter "City"), a municipal corporation, and the IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND PROGRAM (hereinafter "Program") and state the following:

WHEREAS, the County has within its boundaries a property (hereinafter "Property") which is identified for leaking petroleum underground tank (hereinafter "UST") purposes as UST site registration number 9417720, as registered with the Iowa Department of Natural Resources (hereinafter "DNR"); and

WHEREAS, there are property taxes which have been assessed on the Property which are delinquent; and

WHEREAS, the County intends to take title to the Property; and

WHEREAS, the County intends to transfer title to the Property from the County to the City; and

WHEREAS, the County intends to assign its rights to file a claim for remedial account benefits for the Property with the Program pursuant to Iowa Code section 455G.9(1)"d" (hereinafter "Claim") to the City after taking title to the Property; and

WHEREAS, the City intends to accept the County's transfer of title to the Property from the County; and

WHEREAS, the City intends to hold the County harmless from any environmental liability associated with the Property; and

WHEREAS, the City intends to accept assignment of the County's rights to file a Claim for the Property; and

WHEREAS, the City intends to file a Claim for the Property with the Program;
and

WHEREAS, Iowa Code section 455G.6(15) provides statutory authority for the Program to enter into agreements such as this Agreement (hereinafter "Agreement");
IT IS THEREFORE AGREED AS FOLLOWS BETWEEN THE PARTIES:

1. The County shall take title to the Property for delinquent property taxes. The title to the Property obtained by the County must be free and clear of all encumbrances, including but not limited to mortgages, liens, and rights of redemption.
2. When the County has obtained the title to the Property free and clear of all encumbrances, the County will transfer title to the Property to the City.
3. The County will assign its rights to file a Claim for the Property with the Program.
4. The City will accept both the County's transfer of title to the Property and the County's assignment of its rights to file a Claim for the Property.
5. The City will hold the County harmless for any environmental liability associated with the Property.
6. After the City obtains title to the Property and accepts the County's assignment, the Program will extend remedial account benefits for the Property to the City pursuant to Iowa Code sections 455G.9(1)"d" and 455G.6(15) and this Agreement.
7. The City will use the remedial account benefits to perform DNR required corrective action related to the USTs associated with the Property.
8. If the City sells the Property at any time before the tenth anniversary of the date the City last received remedial account benefits, the City or successor in

interest to the City agrees that the sale must be an arm's-length transaction with the sales price approximating the then current fair market value of the Property. The City agrees that the net proceeds from any such sale will be used to reimburse the Program for all remedial account benefits the City received related to the Property, with any amount in excess of the amount of these benefits to be retained by the City.

9. If the City leases the Property, or any portion thereof, at any time before the tenth anniversary of the date the City last received remedial account benefits, the lease must be an arm's-length transaction with the rent approximating the then current market for rent on property similar to the Property. The City or a successor in interest to the City agrees that the net proceeds from any such lease will be used to reimburse the Program for all remedial account benefits the City received related to the Property, with any amount in excess of the amount of these benefits to be retained by the City.

10. In addition, if the City uses the Property in any other manner so as to derive a monetary gain for that use at any time before the tenth anniversary of the date the City last received remedial account benefits, the City or successor in interest to the City agrees that the net proceeds will be used to reimburse the Program for all remedial account benefits the City received related to the Property, with any amount in excess of the amount of these benefits to be retained by the City.

11. The City agrees that any sale or lease or other use of the Property will include provisions consistent with this Agreement, binding all successors in interest to the provisions of this Agreement.

12. The County and the City assign any rights, title, and interest to cost recovery pursuant to Iowa Code section 455G.13 for the Property to the Program.

The Program shall receive all proceeds from former owners and operators of the Property and the tanks on the Property and other potentially responsible parties obtained pursuant to the cost recovery authority of Iowa Code section 455G.13.

13. This Agreement is entered into under the provisions of the laws of the State of Iowa and it shall be governed by the laws of this State.

14. This Agreement shall become effective upon ratification of a resolution by the County and the City, authorizing the chairperson and mayor, respectively, to execute this Agreement and execution by the Administrator of Iowa's Comprehensive Petroleum Underground Storage Tank Fund Program.

15. This Agreement is not intended to affect any party's rights to pursue causes of action they may possess against any other person on account of the release at the site except as otherwise provided in this Agreement.

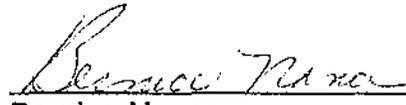
16. This Agreement comprises the entire understanding between the parties and no other representations of any type are being relied upon by either party.

Dated this 29th day of December, 1998.


Marvin Shirley, Chair
BOARD OF SUPERVISORS FOR
DALLAS COUNTY, IOWA


William T. Stammerman, Mayor
CITY OF DALLAS CENTER, IOWA


Carol J. Bayeur
DALLAS COUNTY AUDITOR


Bernice Nance
DALLAS CENTER CITY CLERK


Patrick Rounds, Administrator
IOWA COMPREHENSIVE PETROLEUM
UNDERGROUND STORAGE TANK FUND PROGRAM

R:\12\DALLASCC.STL

**D. Amendment to the 3rd Contract
Extension for Administration
of the UST Fund**

**AMENDMENT TO THIRD EXTENSION OF CONTRACT FOR THE
ADMINISTRATION OF THE IOWA COMPREHENSIVE PETROLEUM
UNDERGROUND STORAGE TANK FUND BOARD**

WHEREAS, Section 5.2 of the Contract entered into by the Parties on December 10, 2010, provides the "Board may, in its discretion, provide for incentive compensation to Aon in any extensions of this Contract."; and

WHEREAS, effective January 1, 2015, the Parties entered into the Third Extension of the Contract for a term ending December 31, 2015; and

WHEREAS, Aon waived the automatic annual 3.5% rate increase provided for in Section 5.1 of the Contract (amounting to a monthly flat fee of \$108,220 during the Third Extension of the Contract), and agreed to a reduced monthly flat fee of \$97,838 during the Third Extension of the Contract, resulting in an annual savings of \$124,584 to the Board; and

WHEREAS, the Board voted at its January 23, 2015 regular board meeting to provide Aon with the opportunity to receive incentive pay during the Third Extension of the Contract;

THEREFORE, pursuant to Section 5.2 (Incentive Compensation) of the Contract, the Parties hereby amend Section IV (Aon's Compensation) of the Third Extension of Contract for the Administration of the Iowa Comprehensive Petroleum Underground Storage Tank Fund Board by inserting the following paragraph:

If, during the term of this Third Extension of the Contract, Aon closes, and does not reopen, no less than a combined total of 115 Statutory Claims (i.e., remedial, retroactive, innocent landowner, and no-further-action claims), the Board will pay Aon a one-time incentive payment of \$56,986 within thirty (30) days of the Board meeting at which the Board (1) confirms to its satisfaction Aon successfully met this goal, and (2) votes to authorize disbursement of the incentive payment to Aon.

The Parties agree the provisions of this Amendment shall be fully incorporated into the Contract, and the terms used in this Amendment shall have the same meanings as under the Contract. This Amendment is effective as of the date it is fully executed by all Parties.

**IOWA COMPREHENSIVE PETROLEUM AON RISK SERVICES CENTRAL, INC.
UNDERGROUND STORAGE TANK
FUND BOARD**

BY: _____
Douglas Beech, Chairperson

BY: _____
Dave McCue, Resident Managing Director

DATE: _____

DATE: _____

**THIRD EXTENSION OF
CONTRACT FOR THE ADMINISTRATION
OF THE IOWA COMPREHENSIVE PETROLEUM
UNDERGROUND STORAGE TANK FUND
PROGRAM**

I. PARTIES

Iowa Comprehensive Petroleum Underground Storage Tank Fund Board c/o David S. Steward, Iowa Assistant Attorney General, Lucas State Office Building, 321 E. 12th St., Des Moines, Iowa 50319 (hereinafter referred to as "UST Fund Board"); and

Aon Risk Services Central, Inc., 11213 Davenport Street, Suite 201, Omaha NE 68154-2604 (hereinafter referred to as "Aon").

II. BACKGROUND

On December 10, 2010, the UST Fund Board and Aon entered into a contract for the administration of Iowa's petroleum underground storage tank fund program (hereinafter referred to as the "Contract").

The initial term of the Contract was from January 1, 2011, through December 31, 2012. Section 3 of the Contract grants the UST Fund Board the option to extend the term of the Contract for up to four terms of one (1) year each. At its regular board meeting on September 25, 2014, the UST Fund Board voted to exercise its option to extend the term of the Contract through December 31, 2015.

III. EXTENSION OF TERM

Pursuant to Section 3 of the Contract, the UST Fund Board has determined to exercise its option to extend the term of the Contract and timely gave Aon notice of its election to do so. Therefore, the parties hereby enter into this Third Extension of the Contract, and agree to extend the term of the Contract to run through December 31, 2015, unless terminated or extended pursuant to the terms of the Contract.

IV. AON'S COMPENSATION

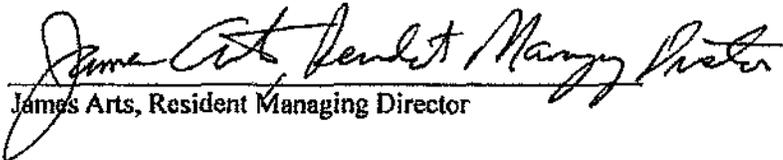
Notwithstanding the language contained in Section 5.1 of the Contract providing Aon's compensation is to be increased by an amount equal to the fixed fee in existence at the time of the exercise of the option to extend the Contract, plus a three and one-half percent (3.5%) increase per extension or renewal, the parties mutually agreed at the September 25, 2014 regular board meeting that Aon's compensation for the term of this Third Extension of the Contract shall be a flat fee of \$97,838.00 per month, subject to the exceptions contained in Section 5 of the Contract.

V. INCORPORATION

The parties agree that all provisions of the Contract, and of this Third Extension thereto, are incorporated herein as if set forth in full. The Parties also agree that terms used in this Third Extension shall have the same meanings as under the Contract, unless otherwise noted in this Third Extension.

IN WITNESS WHEREOF, the UST Fund Board and Aon have entered into this Third Extension to the Contract effective the date it is fully executed by their duly authorized representatives.

AON RISK SERVICES CENTRAL, INC.

By: 
James Arts, Resident Managing Director

Date: 9/25/14

IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND BOARD

By: 
Douglas Beech, Chairperson

Date: 9/29/14

Approval of Program Billings



IOWA UNDERGROUND STORAGE TANK FUND

Douglas M. Beech, *Chairperson*

Dale T. Cira, *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: February 20, 2015
SUBJECT: Summary of Bills for Payment

NOTICE

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

1. Aon Risk Services \$97,838.00
 Consulting Services March 2015 -- \$58,838.00
 Claims Processing Services March 2015 -- \$39,000.00

2. Iowa Attorney General's Office \$4,236.65
 Services provided for Underground Storage Tank Program
 January 2015 (FY 2015) Billing

3. Iowa Department of Revenue..... \$3,964.41
 Services provided for 2nd Quarter FY 2015 EPC billing
 February 2015 (FY 2015) Billing

Monthly Activity Report and Financials Reviewed

A. January 2015 Activities Report

Jan-15

Claims	Open Claims December Ending	Monthly Net Changes	Open Claims January Ending	Open & Closed Totals since Inception
RETROACTIVE				
number	30	0	30	447
reserve	\$1,445,341.00	\$82,949.17	\$1,528,290.17	\$1,528,290.17
paid	\$6,368,181.28	\$86,361.57	\$6,454,542.85	\$17,679,528.44
	\$7,813,522.28	\$169,310.74	\$7,982,833.02	\$19,207,818.61
REMEDIAL				
number	378	0	378	4,459
reserve	\$20,234,695.18	(\$198,059.44)	\$20,076,639.74	\$20,076,639.74
paid	\$71,280,201.31	\$364,006.58	\$71,644,207.89	\$212,414,798.78
total	\$91,514,896.49	\$205,951.14	\$91,720,847.63	\$232,491,438.52
INNOCENT LANDOWNER				
number	134	0	134	1,129
reserve	\$4,962,111.41	(\$357,122.68)	\$4,594,988.93	\$4,594,988.93
paid	\$11,053,376.16	\$38,692.10	\$11,092,068.26	\$29,866,706.83
total	\$16,015,487.57	(\$328,430.58)	\$15,687,057.19	\$34,461,695.76
GLOBAL OPT-IN				
number	87	0	87	1,303
reserve	\$401,881.50	(\$2,923.10)	\$398,958.40	\$398,958.40
paid	\$717,890.14	\$2,923.10	\$720,813.24	\$9,727,606.05
total	\$1,119,771.64	\$0.00	\$1,119,771.64	\$10,126,564.45
UNASSIGNED REVENUE FUND PROJECTS				
number	53	8	61	259
reserve	\$1,411,138.44	\$203,530.00	\$1,614,668.44	\$1,614,668.44
paid	\$344,861.56	\$6,470.00	\$351,331.56	\$2,815,111.70
total	\$1,756,000.00	\$210,000.00	\$1,966,000.00	\$4,429,780.14
NFA RE-EVALUATIONS				
number	17	1	18	55
reserve	\$346,670.45	\$14,480.80	\$361,151.25	\$361,151.25
paid	\$493,329.55	\$35,519.20	\$528,848.75	\$1,110,338.54
total	\$840,000.00	\$50,000.00	\$890,000.00	\$1,471,489.79
TANK PULLS				
number	51	(7)	44	374
reserve	\$673,408.00	(\$102,000.00)	\$571,408.00	\$ 571,408.00
paid		\$0.00		\$ 3,950,053.38
total	\$673,408.00	(\$102,000.00)	\$571,408.00	\$4,521,461.38

Corrective Action Meetings (01/16/2015)	
Scheduled:	7
Completed:	1,231
MOA's	487

UST Operator Training	
UST Operators (A / B)	2,945
A/B/C (FY2011-15)	\$347,050.00

2015 Discretionary Incentive Goal	115	Net Closed YTD	1
Claims closed - Jan (RT, RM, ILO, NFA)	3	Re-Open < 30 days	2
Claims closed YTD	3	Re-Open YTD < 30 days	2

RT Claims	#
New	0
Reopened	0
Closed	0

RM Claims	#
New	0
Reopened	1
Closed	1

ILO Claims	#
New	0
Reopened	1
Closed	1

GS Claims	#
New	2
Reopened	1
Closed	2

USTCA	#
New	8
Reopened	0
Closed	0

NFA Re-Eval	#
New	2
Reopened	0
Closed	1

Tank Pull	#
New	1
Reopened	0
Closed	8

DNR @ 12-2014	
Open LUST	857
High Risk	476
Low Risk	183
NAR-FP	77
Not Class.	121

Open Claims	#
(RM,RT,IL,NFA)	560

Invoice Type Totals	JAN	FYTD	Program to Date
Aon - Admin	\$ -	\$ 394,439.57	
Aon - Claims	\$ -	\$ 234,000.00	
Government	\$ 28,945.12	\$ 246,811.90	
2004 Tank Pull	\$ -	\$ -	\$ 1,761,013.44
2010 Tank Pull	\$ 108,981.45	\$ 505,220.05	\$ 4,014,080.02
American Soils	\$ -	\$ -	\$ 5,678,422.58
AST Removal	\$ -	\$ -	\$ 3,306,435.24
AST Upgrade	\$ -	\$ -	\$ 7,911,496.87
CADR Charges	\$ -	\$ 54,726.11	\$ 4,572,278.95
Corrective Action	\$ 28,000.00	\$ 80,194.03	\$ 52,411,273.41
Expenses / OT	\$ 800.00	\$ 17,500.00	\$ 284,260.00
Free Prod Recover	\$ 75,809.90	\$ 376,075.67	\$ 10,920,489.82
Monitoring	\$ 120,237.58	\$ 925,627.65	\$ 30,181,123.88
Operations/Maint	\$ 39,060.63	\$ 176,010.05	\$ 10,069,824.45
Over-excavation	\$ 150,956.43	\$ 1,420,196.90	\$ 31,797,691.82
Water Lines	\$ -	\$ 202,437.73	\$ 2,416,742.63
Post RBCA Evals	\$ 1,300.00	\$ 7,489.55	\$ 223,762.86
RBCA	\$ 44,081.00	\$ 232,218.70	\$ 26,368,535.72
Remed Imp/Const.	\$ 44,045.93	\$ 486,281.43	\$ 28,633,165.04
SCR Charges	\$ -	\$ -	\$ 54,217,410.26
Site Check	\$ -	\$ 2,433.73	\$ 142,486.32
Soil Disposal	\$ -	\$ -	\$ 738,386.66
Tank (UST) Pull	\$ -	\$ 18,350.00	\$ 3,979,734.25
Tank (UST) Upgrade	\$ -	\$ -	\$ 3,440,849.83
Tier III	\$ 2,410.00	\$ 30,020.58	\$ 1,354,183.02
Utilities	\$ 9,816.79	\$ 75,679.08	\$ 2,043,776.41
Well Closure	\$ 1,619.00	\$ 155,750.59	\$ 3,768,704.69
Total Invoice Types	\$ 627,118.71	\$ 4,766,211.85	\$ 289,285,832

Remediation Budgets Approved to Date		
last month (Jan 2015)	0	\$0
Trailing 12 mos	38	\$2,528,826
Prev Trail 12 mos	57	\$3,439,680
Total Since Jan 2003	1,152	\$47,823,775

Project Contracts	Open	Closed	Pending
CRP's	7	38	0
Tank Closure	2	5	0
Plastic Water Line	0	2	0

B. January 2015 Financial Report

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FOR THE MONTH ENDING JANUARY 31, 2015**

0471 - UST REVENUE FUND (Bonding)

Balance of Fund, January 1, 2015		\$7,528,668.09
Receipts:		
Motor Vehicle Use Tax (IDOT - vehicle registration)	\$0.00	
Intra State Fund Transfers Received	\$0.00	
Interest Income	\$1,344.93	
Interest Income - Capital Reserve Fund	\$0.00	
		\$1,344.93
Disbursements:		
Bond Interest Payment	\$0.00	
Bond Principal Payment	\$0.00	
EPC Charges	\$0.00	
Adjustments	\$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, January 31, 2015		\$7,530,013.02

0450 - UST UNASSIGNED REVENUE FUND (Non-Bonding)

Balance of Fund, January 1, 2015		\$10,727,622.07
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	\$9,452.68	
		\$9,452.68
Disbursements:		
UST Administrator's Fees	\$0.00	
Adjustment	\$0.00	
Attorney General's Fees	\$3,867.59	
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	\$1,026.60	

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FOR THE MONTH ENDING JANUARY 31, 2015**

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	\$6,470.00	
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 2014	\$0.00	
Appropriation 2015	\$24,050.93	
Transfer of Funds to Innocent Land Owners	\$0.00	
		\$36,215.12
Balance of Fund, January 31, 2015		\$10,700,859.63
 0208 - UST REMEDIAL NON-BONDING FUND		
		\$5,081,567.72
Balance of Fund, January 1, 2015		
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	\$17,050.83	
Remedial Claims	\$473,357.03	
Adjustment	\$0.00	
28E Agreement - NFA Claims	\$36,523.70	
Transfer to ILO/GS Fund	\$0.00	
Transfer to Unassigned Revenue Fund	\$0.00	
Balance of Outdated Warrants & Cancelled Warrants	\$2,640.82	
		\$529,572.38
Balance of Fund, January 31, 2015		\$4,551,995.34
 0478 - UST MARKETABILITY FUND		
		\$768,977.86
Balance of Fund, January 1, 2015		
Receipts:		
Interest	\$4,662.66	
Use Tax	\$0.00	
		\$4,662.66
Disbursements:		
Intra State Fund Transfer	\$0.00	
Transfer to Innocent Landowners Fund	\$0.00	
		\$0.00
Balance of Fund, January 31, 2015		\$773,640.52

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FOR THE MONTH ENDING JANUARY 31, 2015**

0485 - UST INNOCENT LANDOWNERS FUND

Balance of Fund, January 1, 2015		\$8,205,795.55
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	\$105.00	
		\$105.00
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	\$30,923.10	
Innocent Landowner Claims	\$55,087.10	
Transfer to Remedial Fund (0208)	\$0.00	
Balance of Outdated Warrants	\$0.00	
		\$86,010.20
Balance of Fund, January 31, 2015		\$8,119,890.35

0238 - UST LOAN GUARANTEE FUND (Non-Bonding)

Balance of Fund, January 31, 2015		\$0.00
--	--	---------------

0614 - UST CAPITAL RESERVE FUNDS (Bonding)

Balance of Fund, January 31, 2015		\$0.00
--	--	---------------

Combined UST Capital Reserve Fund Balances, January 31, 2015		\$0.00
---	--	---------------

TOTAL FUND BALANCES, January 31, 2015		\$31,676,398.86
--	--	------------------------

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 January 31, 2015

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FISCAL YEAR TO DATE ENDING JANUARY 31, 2015**

		FISCAL 2015 BUDGET
0471 - UST REVENUE FUND (Bonding)		
Balance of Fund, July 1, 2014	\$524,210.38	\$524,210.38
Receipts:		
Motor Vehicle Use Tax (IDOT - vehicle registration)	\$7,000,000.00	\$14,000,000.00
Intra State Fund Transfers Received	\$47,842.43	
Interest Income	\$4,821.48	\$100,000.00
Interest Income - Capital Reserve Fund	\$0.00	
	\$7,052,663.91	\$14,100,000.00
Disbursements:		
Bond Interest Payment	\$0.00	
Bond Principal Payment	(\$981.16)	
EPC Charges	\$0.00	
Adjustments	\$47,842.43	
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	\$14,000,000.00
	\$46,861.27	\$14,000,000.00
Balance of Fund, January 31, 2015	\$7,530,013.02	\$624,210.38
0450 - UST UNASSIGNED REVENUE FUND (Non-Bonding)		
Balance of Fund, July 1, 2014	\$11,681,366.83	\$11,681,366.83
Receipts:		
Request for Proposal Fees	\$0.00	
Copying/Filing Fees	\$0.00	
Fines & Penalties	\$0.00	\$5,000.00
Refund/Overpayment	\$100.00	
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	\$36,903.37	\$125,000.00
	\$37,003.37	\$130,000.00
Disbursements:		
UST Administrator's Fees	\$628,527.32	\$1,240,000.00
Adjustment	\$0.00	
Attorney General's Fees	\$29,176.12	\$50,000.00
Attorney's Fees: Cost-Recovery Administration	\$0.00	
Cost Recovery Expense (i.e. Lien Filing, Overpayment Refund)	\$0.00	\$150.00
Actuarial Fees	\$0.00	
Auditor of the State Fees	\$4,404.75	\$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	\$11,525.30	\$37,500.00
Innovative Technology	\$0.00	

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FISCAL YEAR TO DATE ENDING JANUARY 31, 2015**

		FISCAL 2015 BUDGET
Department of Inspection & Appeals Service Fees	\$0.00	\$500.00
Legal and Professional Fees	\$2,371.12	
Postage / Printing / Miscellaneous	\$0.00	\$500.00
Professional Admin Services (Investments)	\$0.00	
Professional Services - Owner/Operator Training	\$17,500.00	\$100,000.00
Rebate	\$0.00	
Special Project Claims - Closure Contract Project	\$124,758.80	\$800,000.00
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
Statutory Transfer to IDOT (railway study)	\$0.00	\$500,000.00
Appropriations FY 2014	\$92,768.29	
Appropriations FY 2015	\$106,478.87	
Transfer of Funds to Innocent Land Owners	\$0.00	
	\$1,017,510.57	\$3,184,450.00
Balance of Fund, January 31, 2015	\$10,700,859.63	\$8,626,916.83
0208 - UST REMEDIAL NON-BONDING FUND		
Balance of Fund, July 1, 2014	\$8,681,846.71	\$8,681,846.71
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	\$14,000,000.00
	\$0.00	\$14,000,000.00
Disbursements:		
Retroactive Claims	\$356,921.60	\$700,000.00
Remedial Claims	\$3,534,568.82	\$6,000,000.00
Adjustment	\$0.00	
28E Agreement - NFA Claims	\$238,360.95	\$500,000.00
Transfer to ILO/GS Fund	\$0.00	
Transfer to Unassigned Revenue Fund	\$0.00	
Balance of Outdated Warrants	\$0.00	
	\$4,129,851.37	\$7,200,000.00
Balance of Fund, January 31, 2015	\$4,551,995.34	\$15,481,846.71
0478 - UST MARKETABILITY FUND		
Balance of Fund, July 1, 2014	\$755,308.99	\$755,308.99
Receipts:		
Interest	\$18,331.53	\$25,000.00
Use Tax	\$0.00	
	\$18,331.53	\$25,000.00
Disbursements:		
Intra State Fund Transfer	\$0.00	
Transfer to Innocent Landowners Fund	\$0.00	
	\$0.00	\$0.00
Balance of Fund, January 31, 2015	\$773,640.52	\$780,308.99

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FISCAL YEAR TO DATE ENDING JANUARY 31, 2015**

		FISCAL 2015 BUDGET
0485 - UST INNOCENT LANDOWNERS FUND		
Balance of Fund, July 1, 2014	\$8,604,467.48	\$8,604,467.48
Receipts:		
Cost Recovery (i.e. lien settlements)	\$4,556.20	\$25,000.00
ILO Refunds	\$105.00	
Transfer From UST Revenue Fund (0471)	\$0.00	
Transfer From Loan Gaurantee Fund (0238)	\$0.00	
Outdated Warrants	\$0.00	
Miscellaneous Income	\$630.00	
	\$5,291.20	\$25,000.00
Disbursements:		
Cost Recovery Reimbursement	\$0.00	
Cost Recovery Global Settlement	\$0.00	
Adjustment	\$0.00	
Intra State Fund Transfers Paid (to Unassigned Revenue)	\$0.00	
Other Contractual Services	\$0.00	
Global Settlement Claims	\$118,789.87	\$80,000.00
Innocent Landowner Claims	\$381,966.92	\$2,000,000.00
Transfer to/from Remedial Fund (0208)	\$0.00	
Balance of Outdated Warrants	(\$10,888.46)	
	\$489,868.33	\$2,080,000.00
Balance of Fund, January 31, 2015	\$8,119,890.35	\$6,549,467.48
0238 - UST LOAN GUARANTEE FUND (Non-Bonding)		
Balance of Fund, January 31, 2015	\$0.00	\$0.00
0614 - UST CAPITAL RESERVE FUNDS (Bonding)		
Combined UST Capital Reserve Fund Balances, January 31, 2015	\$0.00	\$0.00
TOTAL FUND BALANCES, January 31, 2015	\$31,676,398.86	\$32,062,750.39

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.

D. Lien Status Update

Iowa Underground Storage Tank Fund Liens Filed
(Updated 02-20-2015)

Lien #	County	Site #	Claim #	Site Address	Property Owner	Owner Address	Cost Recovery Lease	Cost Rec. LD - RCR# date	Lien Fee Requested	Mid Notice & Fee	Lien Amount	Lien Filed Date	Book & Page	Request Release Fee	Lien Relevant
0310004	Palo Alto	8916647	13007	510 Inman Ave, Mallard	Theodore J and Norma J Larson	510 Inman Ave, Mallard 50562	10/1/2003		10/2/2003	10/24/2003	\$59,055.50	10/30/2003 ; renewed 10/30/2013			
0404009	Butler	8608131	12039	12682 Highway 3, Dumont	Dave Dohman	11794 195th St, Dumont 50625-7504	1/20/2004		3/24/2004	4/12/2004	\$13,650.00	4/14/2004; renewed 3/17/2014	2004- 1676, 2014-		
0404010	Ida	8710293	73001 & 73013	Hwy 59 & 175, Ida Grove	Robin Hill Trust, %Vernus Wunschel	Box 113, Ida Grove 51445			4/19/2004	4/29/2004	\$330,131.40	4/30/2004; renewed 6/24/14	6-349		
0605012	Keokuk	8609694	73040 / 11003	407 South Barnes St, What Cheer 50268	Melvin & Karen Foubert	601 N. Barnes St, What Cheer 50268- 1033	2/2/2006	3/31/2006	4/24/2006	5/15/2006	\$82,373.75	5/16/2006	2006- 0962		
0610017	Jefferson	8601629	11023 & 14009	206 West Main St, Lockridge 52635	Richard & Connie Richardson	206 West Main St, Lockridge 52635- 9705	7/13/2006	8/30/2006	10/13/2006	10/24/2006	\$35,202.00	10/25/2006	2006- 2472		
0611018	Taylor	300033	13053 & 15001	NE Corner Adams & 3rd St, Gravity 50848	Terry J Smith	PO Box 133, Gravity IA 50848	7/6/2006	8/15/2006	10/18/2006	11/7/2006	\$52,090.00	11/9/2006	6-265,266		
0611019	Clay	8915566	15012	502 North Main St, Evely, 51338	Roger Ginger	Box 347, Evely, IA 51338	5/26/2006		10/18/2006	11/7/2006	\$14,932.00	11/13/2006	2006- 3529		
0701022	Van Buren	8600890	11032 / 14002	SW Corner Hwy. 1 & 180th St., Keosauqua	Henry Robbins	102 Greenvale Drive, Mansfield, TX 76063-5556	10/20/2006	11/30/2006	12/22/2006	1/16/2007	\$32,980.90	1/19/2007	136-856		
0702023	Montgomery	8607574	15013	Tenville IA 50864	Marvin G. Shipley	2048 Tennville Avenue, Villisca 50864	10/30/2006	11/30/2006	1/23/2007	2/13/2007	\$2,795.00	2/16/2007	302- 663,664		
0704025	Tama	9017159	14005	TJ's Gas & Bait, 100 Jacobs St., Chelsea 52215	Tony J. & Christie Jacobi	2772 370th Street, Chelsea, IA 52215	12/7/2006	1/30/2007	4/25/2007	5/15/2007	\$17,839.00	5/17/2007	43-474		
0706029	Woodbury	9217516	73002	29 Deer Run Trail, Climbing Hill 51015	Pat Benjamin	7 Merville Blacktop, PO Box 25, Climbing Hill 51501	3/27/2007	4/30/2007	6/1/2007	8/1/2007	\$14,400.00	8/7/2007	692 - 10744, 10745		
0801030	Cass	8608073	82102	Griswold Custom Classics, LC 802 Main St., Griswold, IA	Griswold Custom Classics LC	Clifford Speck, 802 Main St., Griswold, IA 51535	10/12/2007	11/30/2007	1/11/2008	1/31/2008	\$6,580.50	2/1/2008	2008 - 223		Payment plan started 9/2013

Attorney General's Report

Claim Payment Approval

**IOWA UNDERGROUND STORAGE TANK PROGRAM
 SECOND BOARD REPORT
 FEBRUARY 10, 2015
 LAND O'LAKES, INC.
 32035 120TH STREET
 FREMONT
 SITE REGISTRATION NUMBER: 8710556
 LUST NUMBER: 7LTV22**

RISK CLASSIFICATION:

HIGH LOW UNDETERMINED

PRESENT CLAIM RESERVE: \$ 95,000.00

PREVIOUS BOARD APPROVAL: \$ 100,000.00
 Number and Date of each previous Board Report: 1st: August 15, 2014

PREVIOUS COSTS INCURRED: \$ 82,314.47

COSTS INCURRED SINCE LAST BOARD APPROVAL:
 1. Site monitoring reports 7,611.53
 2. Free product recovery 416.56

TOTAL COSTS INCURRED TO DATE: \$ 90,342.56

PROJECTED COSTS:

❖ Site Monitoring Report ❖ Excavation

TOTAL PROJECTED COSTS: \$ 35,000.00 to 100,000.00+

ADDITIONAL AUTHORITY RECOMMENDED:

TOTAL AUTHORITY:* \$ 160,000.00

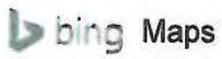
COMMENTS:

The site is low risk for the potential groundwater vapor pathways. Free product has not been present for two years and as a result all free product recovery and inspection activities have ceased. In addition, recent soil sampling has reclassified the soil pathways to no action required. However, the vapor target levels were exceeded at the groundwater source location when an attempt was made to clear the groundwater vapor pathways in late August. The consultant is recommending that this area be excavated. A large range has been provided in the authority request to accommodate unknown conditions if encountered. Population affected likely less than 50.

*Previous approval + additional recommended

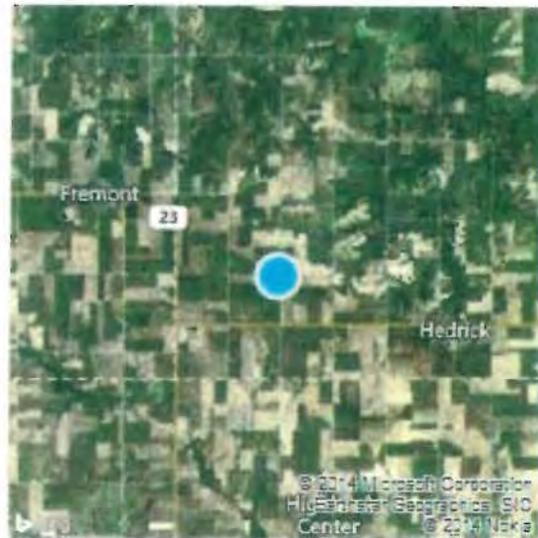
Site Timeline

- 1990 - The only known UST at this site is removed. Contamination is discovered and additional investigation is required.
- 1993 - The site cleanup report (SCR) is submitted. DNR issues 'not accepted' letter on November 24, 1993.
- 1994 - Revised SCR is submitted and accepted as high risk in a DNR letter dated March 25, 2005. CADR due in 120 days.
- 1995 - Requirement to submit CADR withdrawn until RBCA rules are implemented.
- 2000 - Tier 2 submitted and accepted as high risk in a DNR letter dated September 11, 2000. CADR due in 120 days.
- 2002 - Site reclassification to low risk recommended, rejected in a DNR letter dated December 29, 2003. Monitoring approach is accepted in lieu of a CADR.
- 2002 – 2005 – Annual SMRs continue to recommend site reclassification to low risk. A low risk classification is accepted in a DNR letter dated September 26, 2005.
- 2012 - During annual monitoring event, a small amount of free product is observed in three monitoring wells. This is the only time that free product has been observed.
- 2014 - First board authority request was approved on August 15, 2014. The recommendation was continued monitoring in an attempt to reclassify the site to no action required.
- 2015 - The 2014 SMR and a request to conduct an excavation were received in late January. The SMR documented that vapor sampling completed in an attempt to reclassify the site, failed.



32035 120th Ave, Fremont, IA 52561

My Notes



On the go? Use m.bing.com to make directions easier and more



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

**IOWA UNDERGROUND STORAGE TANK PROGRAM
FIRST BOARD REPORT
FEBRUARY 18, 2015
FIRST COOP ASSOCIATION
100 E. HWY 3
CLEGHORN
SITE REGISTRATION NUMBER: 8607205
LUST NUMBER: 9LTP50**

RISK CLASSIFICATION:

HIGH LOW UNDETERMINED

PRESENT CLAIM RESERVE: \$ 75,000.00

ELIGIBILITY: Contamination was discovered on this property in 2011 during a site check for the current UST system. A claim for benefits was denied due to an inability to document that the contamination was from a pre-10/26/90 release. The denial of benefits was appealed, and a settlement of 70% funding subject to the copay requirements was worked out. This is an eligible ILO claim.

COST INCURRED TO DATE:

1. RBCA Tier II report	16,652.54
2. Site monitoring report	1,820.80
3. Corrective action teleconference	<u>700.00</u>
TOTAL COST TO DATE	\$ 19,173.34

PROJECTED COSTS:

❖ Site Monitoring Report	❖ Water line replacement
<u>TOTAL PROJECTED COSTS:</u>	\$ <u>55,000.00 to 105,000.00+</u>

TOTAL AUTHORITY RECOMMENDED:

\$100,000.00

COMMENTS:

The site is high risk for a water main with non-petroleum resistant gaskets. Replacement of this water main with petroleum resistant materials will allow for the site to be reclassified to no action required.

Affected population likely less than 50.

Site Timeline

2011 – Contamination found during sampling associated with a product piping replacement.

2013 – A claim was filed. The claim was denied as there is no past sampling showing that contamination existed prior to 10/26/1990. During the appeals process, affidavits were provided from past employees of the former site owner providing testimony that releases had occurred in the 1980's from the former UST system, which was removed and replaced in 1988. A settlement of 70%, subject to the copay requirement, was reached with the Fund.

2013 – In a corrective action teleconference held on November 5, 2013, all parties agreed that the best approach to closing this claim would be to replace the high risk water line with petroleum resistant materials.

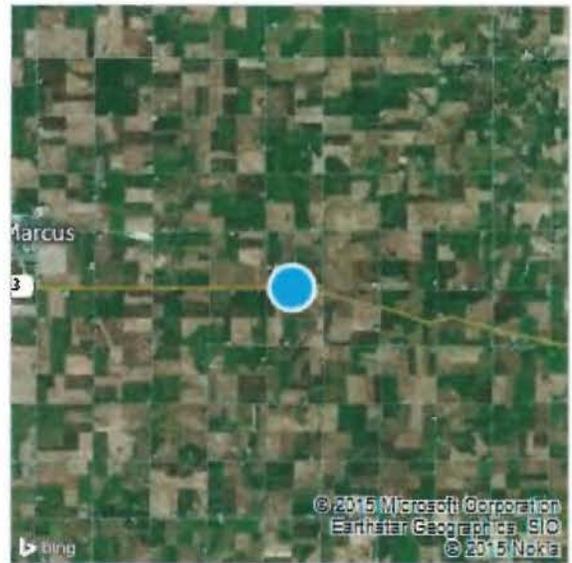


100 Highway 3, Cleghorn, IA 51014

My Notes



On the go? Use m.bing.com to find maps, directions, businesses, and more



**Contracts Entered Into
Since January 23, 2015 Board Meeting**

Other Issues as Presented

Correspondence and Attachments

Notes of First Corrective Action Conference Iowa Department of Natural Resources (DNR)

Held: Thursday, February 5, 2015 at 9:30 in room 5W of the Wallace building
Site: Former Country Store in Viola
LUST No. 8LTL49
Status: First conference; no further meetings are scheduled. Another could be held after the DNR reviews the results and recommendations of the next report.
Synopsis: The bedrock site is high risk for groundwater drinking water wells (DWWs). An over-excavation (OE) was conducted in 2002 and a multi-phase extraction remediation system was installed and started in 2005, but groundwater contamination persists in one monitoring well (MW9). The CGP will conduct soil sampling outside the excavated area to determine if additional excavation might speed the reclassification of the site. CGP will provide the sampling results and recommendations in a site monitoring report (SMR) by 5/3/15. DNR will review the recommendations by 6/5/15.

Participating

RP: Did not participate
Funding: Steve Reinders of Cunningham Lindsey (by phone)
CGP: Mark Diehl of Seneca Environmental (by phone)
DNR: Jeff White, Project Manager, & Tammy Vander Bloemen, Facilitator (in person)

Funding Report by Steve Reinders of Cunningham Lindsey by (CL)

- \$600,302 spent to date.
- Copay has been met with the aid of the Global Settlement.
- Pre-approved expenses will be reimbursed to a cap of \$1,000,000.

Background and Recommendations by Mark Diehl, CGP

- The USTs were removed from the site in 1993 but there was free product in several wells.
- Petroleum contamination showed up in a nearby private DWW.
- We conducted an over-excavation (OE) in 2002. We dug to top of bedrock at 16' or 17' and got most of it.
- We installed and started a 5-well multi-phase extraction (MPE) remediation system in bedrock extraction wells in 2005. We added an additional extraction well in 2010 at a location under the tank basin.
- In 2014 the benzene in MW9 was 922 ppb and the site specific target level (SSTL) is 7, so the contamination is lingering. There must still be a decent amount of contamination in fractures and voids. In 2009 we drilled replacement borings SS3 and SS4 and did not find really hot soil above the bedrock.

Discussion

DNR: I emailed out color photograph of the site. Where is MW9 on the photograph? Please provide a boring log for the replacement of MW9.

CGP: MW9 is located a few feet northwest of the power pole. You can see the blemish in the asphalt.

DNR: The Post Tier 2 Worksheet states the RP is the spouse of deceased RP, does not own the site, has no family, and wants to know what happens when she dies, also if there can be anything done to remove her from involvement in the site sooner than her death. Could this site be handled under the Closure Contract?

CL: I don't know. You should talk with James at Aon.

DNR: We have to do something to speed up the cleanup. We may be able to reach an agreement to use Tier 3 to close the site before we have to reduce benzene to the lowest SSTL, but it could take years get to the point where we can close the site.

I see several possibilities. We could investigate the possibility of over-excavating contaminated soil. In 2002, the OE skipped a 10' by 20' area in the southeast corner of the site around MW9 and the power pole. I think this was a mistake, that there could still be soil contamination outside the extent of the OE that is leaching into the groundwater. The soil sampling from MW9 and the OE was likely too shallow; a sample from borehole SS3R in 2009 found 0.58 ppm benzene outside the OE.

In addition, that grassy 10 by 20 area receives a lot of surface water, both runoff from the site and from a storm sewer/culvert. This surface water could be leaching the benzene down into the bedrock. I recommend we conduct soil sampling to determine if soil contamination is still present outside the extent of the 2002 OE.

If soil sampling shows an OE would not help, injection of chemical oxidants, surfactants, or activated carbon slurry should be evaluated. We have an existing MPE system that provides hydraulic control and would prevent any contaminants released by the injectants from leaving the site.

CL: I would agree to some soil sampling.

CGP: Yes, we can conduct the sampling.

DNR: Four to six boreholes should be sufficient. It will be important to determine the extent of the soil contamination as well as the extent of the backfill of the OE.

If the soil contamination appears to be the cause of the groundwater contamination, a small OE could be sufficient; no additional conferences might be necessary. If no OE is planned, we will want to meet again to discuss options for further remediation.

CGP: I can drill in March and have the results and recommendations with the spring semi-annual site monitoring report (SMR).

Selected Actions and Schedule

- DNR sends out conference notes on 2/6/15.
- CGP submits a budget for drilling, sampling, and recommendations in an SMR by 2/6/15.
- CL evaluates the budget by 2/13/15.
- CGP provides an SMR with sampling results and recommendations by 5/3/15.
- DNR will review the recommendations by 6/5/15.

Everyone agreed to this approach and schedule.

Jeff White, DNR Project Manager

Note: These notes are generalizations of ideas and comments made by participants in the meeting. They were not recorded verbatim or transcribed. If you have any questions or suggestions, please contact Jeff White at the UST Section of the DNR.

Notes of Fourth Corrective Action Conference Iowa Department of Natural Resources (DNR)

Held: Thursday, January 29, 2015 at 1:30 in room 5W
Site: Former Kum & Go #90, Monroe, Iowa
LUST No. 7LTJ22
Status: Fourth conference; no further meetings are scheduled.
Synopsis: The site has undergone a large over-excavation and several years of remediation system operation, but petroleum contamination causing high risk conditions persists at the edges and off the property. The certified groundwater professional (CGP) will conduct additional drilling and sampling to better define the soil and soil gas contamination plumes and provide a report with results and recommendations by 4/15/15.

Participating

RP: Did not participate
Funding: Steve Reinders of Cunningham Lindsey (by phone)
James Gastineau of Aon Risk Services (by phone)
CGP: Leslie Nagel of Seneca Environmental (in person)
DNR: Jeff White, Project Manager, & Tammy Vander Bloemen, Conference Facilitator (in person)

Funding Report by Steve Reinders of Cunningham Lindsey (CL)

- \$620,720 spent to date.
- Copay has been met with the aid of the Global Settlement.
- The site has funding authorization to \$700,000 with a spending cap of \$1,000,000.

Background and Recommendations by Leslie Nagel, CGP

- This site has been classified high risk for a long time.
- In 2002, a dual-phase extraction system was installed and operated through 2006.
- The USTs and UST system were removed in 2003.
- Almost the whole site was excavated in 2007.
- In 2010, the city did a water line upgrade and installed iron pipe with nitrile gaskets.
- The site is still high risk for groundwater to non-drinking water well (NDWW), groundwater vapor, soil vapor, and soil leaching.
- The NDWW is a cistern that may already be plugged. If it is not, the owners said they would let us plug it.
- Several of the receptors can be evaluated with soil gas sampling if the water table drops.
- The soil contamination plume on the west side of the former Maid Rite property is not well defined. We need to know if the plume extends under the bowling alley or the shed beside the Mustang Diner.
- I recommend we conduct additional soil sampling to completely define the soil plume before deciding what to do next.

Discussion

DNR: We agree with additional soil sampling. And if groundwater levels don't drop low enough for soil gas sampling, we can potentially use some alternative soil gas sampling methods in Tier 3. This might involve multiple sampling events over time.

CL: Yes, additional direct push sampling could help. In addition, some of the earlier soil sample locations should be re-sampled.

CGP: I will talk with the owners of the Diner and the bowling alley and open the concrete lid from the cistern. If the cistern hasn't been plugged, we will do it. We will conduct the soil sampling in March and have a letter report out in April.

DNR: Depending upon the results of the soil plume definition, you might recommend conducting a small soil over-excavation or holding another corrective action conference to discuss options.

Selected Actions and Schedule

- DNR sends out conference notes by 2/2/15.
- CGP submits a budget for sampling and reporting by 2/12/15.
- CL evaluates the budget by 2/19/15.
- CGP conducts direct push plume definition in March 2015.
- CGP provides a letter report of sampling activities with recommendations by 4/15/15.

Everyone agreed to this approach and schedule.

Jeff White, DNR Project Manager

Note: These notes are generalizations of ideas and comments made by participants in the meeting. They were not recorded verbatim or transcribed. If you have any questions or suggestions, please contact Jeff White at the UST Section of the DNR.