



# 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

## 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 24, 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. Legislative Update
  - B. Actuarial Study Discussion
  - C. Actuarial Study – Change Order
  - D. Cost Recovery: City of Dallas Center
  - 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 27, 2015 Board Meeting
10. Other Issues as Presented
11. Correspondence and Attachments

## **Approval of Prior Board Minutes**



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## MINUTES

### IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND PROGRAM

MARCH 27, 2015

ROOM 15  
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 10:02 A.M. A quorum was present, with the following Board members present:

Karen Andeweg  
Patricia Beck (via telephone)  
Adam Phillips (for Michael Fitzgerald)  
Joseph Barry  
Dawn Carlson  
Timothy Gartin  
Tim Hall (for Chuck Gipp)  
Kurt Mumm  
Jeff Robinson

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. Ms. Carlson asked if the wording in the last paragraph of the Legislative Update was recorded correctly. Mr. Gartin indicated he believed the wording in the minutes is correct. Mr. Hall then motioned to approve the minutes of the February 27, 2015 meeting and Ms. Andeweg 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 presented a brief historical background into the actuarial review being presented at today's meeting. Mr. Cira reported that Mr. Daniel Lupton, a Consulting Actuary with Taylor & Mulder, Inc., will be presenting their findings. Mr. Lupton has seven years of experience and focuses primarily on analyzing liabilities of self-insured government agencies and municipalities and on several underground storage tank programs.

Mr. Lupton started his presentation by reviewing the scope of work for the project:

- Review and form an opinion on adequacy of current claim reserves
- Review current practices for establishing claim reserves
- Provide a projection of future claim liabilities
- Provide an analysis of impact and history of large losses

Mr. Lupton noted that claim reserve development has been very stable over time and he is very comfortable with the numbers shown in the Claim Reserve Adequacy slide. Total reserves for the program are estimated at \$34,869,000 as of November 30, 2014. Mr. Lupton indicated that number is Taylor & Mulder's best estimate of what it would cost to finalize work on the existing claims in the Program. Mr. Lupton added that the claims reserving reviewed was very good overall. When discussing claims reserving practices, Mr. Lupton stated that the option of obtaining competitive bids and no fixed price schedule seems adequate to keep costs reasonable over time and the low development of incurred losses implies reserves are reasonable. He noted the reserves for low-risk sites may be low as corrective action is now possible given the recent legislative change but added such was not reflected in the historical data.

Mr. Lupton noted that Taylor & Mulder's recommendations would include:

- Identifying the potential exposure of low risk sites for reserving purposes. This may require a review of the files to assess which sites might be candidates for corrective action.
- Identification of large loss claims. It was noted that large claim losses account for 3.3% of the overall claim count but may also account for as much as 28% of the ultimate loss amount.

- Identification of potential exposures/unknown claims.

In response to the presentation, questions were asked about the claims remaining and the nature of the funding. Ms. Carlson commented that the perception is that the remaining claims represent the most challenging and difficult sites. Mr. Lupton concurred noting that, typical of most programs, the easier sites are dealt with quicker leaving the more difficult and recalcitrant sites open for longer periods of time.

The discussion continued with Mr. Gartin inquiring if the data provides some measure of confidence to know if or when a loss portfolio transfer (LPT) should be considered. Mr. Lupton indicated that the trust in the numbers depends on the purpose. He noted if an LPT is considered, it would be best to use the \$35 million figure but if the intent is to continue the program it may be necessary to add in some for a margin of error as the claims will develop over time. He also noted that a LPT is not a simple matter of taking dollars off our ledger and putting on someone else's books. He also noted that an LPT would be based on a negotiation of what the other entity thinks they could do the work for and may also need to add 30 to 60 percent to the \$35 million number to account for administration and claims handling costs. Mr. Lupton added it is always cheaper to retain risk when sufficient funds are available and noted that Taylor & Mulder would typically not recommend a LPT.

In considering if a partial LPT is possible, Mr. Lupton noted that presently as there are adequate balances for the intended program one would typically retain the program. If funds were to be diverted or otherwise made unavailable, a partial LPT could be an option. Mr. Lupton did provide a word of caution by noting that an entity acquiring claims by a LPT may not have the same goals as the Board and thus there may be some unintended consequences. For example, a private entity may be more aggressive in denying claims where the State might be more lenient.

In regard to future claims, Mr. Lupton indicated the \$35 million reserve amount does not include future claims but only those known as of November 30, 2014. Mr. Gastineau noted that new claims are still accepted for the innocent landowner fund program and from governmental entities, and barring a legislative change such claims are likely to continue to be discovered.

Mr. Gartin raised the question of where does the Board go from here and in discussion it was agreed the study information needs to be presented in some form to the legislature. Mr. Ciria noted the proper message must be presented noting the 30-60% addition mentioned by Mr. Lupton is in the context of what might be required if a full LPT is considered. Mr. Beech agreed commenting that the \$35 million figure needs to be carefully explained noting that figure is for claims only and that with administrative and other costs, the range may be \$45 million to \$55 million. It was also noted that the some administrative costs will be required regardless if a LPT is considered. In considering the form of the message, it was also questioned as to the timing of the release of information, whether the Board should go to the legislature or if legislature comes to the Board. Ms. Carlson noted it is likely that legislative groups or individual legislators may directly ask for information on the Board matters such as why claims remain, what difficulties exist, and what can be done to remedy the matter given the bills already under consideration. Mr. Hall concurred noting that legislative requests are common during session and can be an important tool to explain the status of programs.

In a side note, Mr. Tom Norris of Petroleum Marketers Management Insurance Company (PMMIC) inquired on the 30-60% figure mentioned for a LPT. Mr. Lupton responded by noting that the range is what he would estimate are typical costs for industry but conceded that a 30% margin is more likely. Mr. Norris commented that in the two mini-LPTs completed to date, PMMIC agreed to the transfer of claims for those sites having shared liabilities, that is an open claim with PMMIC and with the Fund, for far less than the 30% projected by Taylor & Mulder. He also offered that would gladly accept a 30% margin to the existing claims to complete a LPT for the remaining program.

Ms. Carlson asked Mr. Lupton what has been seen in other states. Mr. Lupton noted that for other funds where he has worked, he has not seen any states shut their funds down. He noted others are challenged with similar cost containment issues, claims identification, and in identifying those responsible for releases. He also noted some states have restructured their programs to address goals but noted he has not seen loss transfer portfolios. He added that every state fund has challenges and every state seems to take a different path to meet their goals.

In concluding, it was consensus that further discussion is needed. Mr. Beech noted that the discussion would be planned for the April Board meeting as the information and ideas needed are important for the legislature to consider as they look at options on the sunset date and the existing Board programs.

## **B. Legislative Update**

Mr. Cira reported that House File 170 was passed by the Natural Resources Committee and is now referred to as House File 537. Mr. Cira noted the current bill does not include a change in the Board membership nor does it provide the requirement for the Board to address the question of eligibility. The bill instead would provide funding, through a new grant program, for owner or operators to access seeking a grant worth up to 50 percent of the cost to replace underground storage tank system infrastructure, with a maximum grant of \$100,000 per claim and total grants to an eligible applicant would not exceed \$1 million per year. He also noted that the bill would extend the sunset date for the collection of the EPC to June 30, 2026.

Mr. Cira noted that the bill went before the House Appropriations Committee which did not take any action but noted it may be taken under further consideration at another meeting. He also noted that there is a counter study bill in the Senate pending review.

Mr. Cira noted that the proposed bill is very important in the consideration of the results of the actuarial review and in regard to the understanding of what funding might be available for the program beyond 2016. Mr. Robinson added that the correlation between the EPC and the Fund is a general misconception that many hold true. He noted that since 1990, the Fund only has the duty to set the \$0.01/gallon fee to raise sufficient funds but noted that the Fund does not receive any of the monies associated with the EPC fee. He explained that the Board instead receives funding from the Statutory Allocations Fund which derives its monies from vehicle and license related fees. Mr. Robinson also noted a common misconception that the purpose of the fund is to respond to all releases yet the intended purpose is to respond only to the historical releases that occurred prior to 1990 and, with that in mind, the number of new claims should be minimal.

Ms. Carlson concurred and noted that the perception is that the EPC is collected for an environmental protection purpose. She noted that although the EPC monies go into the Road Use Tax Fund, the perception is that it balances the deposit of the monies allocated to the Fund which would otherwise also go into the RUTF. She also noted that with the perception that continuation of the EPC is needed to have the ability to continue to receive funding for remedial program funding and other programs administered by the Board.

### **C. DNR Update**

Ms. Elaine Douskey reported the DNR has closed LUST 68 sites for the current federal fiscal year and noted the goal is get to 120 closed sites by next October. She also reported that the FY 2014 summary report, required by the Federal Energy Policy Act of 2005, is available on the Department's web site. The report provides basic information and statistics on Underground Storage Tank (UST) compliance and causes of releases.

### **PROGRAM BILLINGS**

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

1. Aon Risk Services ..... \$97,838.00  
Consulting Services April 2015 -- \$58,838.00  
Claims Processing Services April 2015 -- \$39,000.00
2. Iowa Attorney General's Office ..... \$3,980.91  
Services provided for Underground Storage Tank Program  
February 2015 (FY 2015) Billing

Ms. Andeweg moved to approve the billings as presented. Mr. Gartin seconded the motion. Motion carried unanimously.

### **MONTHLY ACTIVITY REPORT**

#### **A. February 2015 Activities Report**

Mr. Gastineau indicated that the activities report shows a summary of activities in February. The report continues to show a decline in open claims and noted a reduction in the number of new claims coming in, especially tank closure claims.

Mr. Gastineau commented on the DNR numbers showing that there are 828 open LUST sites. He noted in comparison that there are 560 open UST claims, including 326 claims for the high risk sites, 116 claims for low risk sites, 39 claims for NAR with free product sites, and 41 claims associated with sites already classified as a no action required site.

Mr. Gastineau noted that work continues on the stalled claims and mentioned difficulty getting access to some of the claim sites and an uncertainty in how to close the claims if unresponsive. In discussing the matter, it was noted that development of rules should be considered to allow closure

of claims, however, it was noted again that the Board's position of closing a claim does not change the status of the site or the requirements that may apply to the site from a regulatory perspective. In regard to the same sites and in particular to those added to the closure contracts, Ms. Carlson asked that information be provided about which claimants have received letters and the outcomes of those requests. Mr. Gastineau noted the information would be provided in an upcoming meeting.

Ms. Beck left the meeting at 11:45 a.m.

### **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 7910570 – Midway Oil Company, Durant (1<sup>st</sup> Board Report)**

The site is classified high risk for the groundwater ingestion and water line pathways. The site is also low risk for the potential vapor pathways. The site owner (not the RP) has removed the site building at his cost so an excavation can be completed. A successful excavation should allow for reclassification of the site to no action required status following the required monitoring period.

Mr. Gastineau noted the present claim reserve is \$80,000. Projected costs are \$30,000 to \$60,000+. Additional authority was requested for a total authority of \$100,000. Mr. Hall moved to approve the request and Ms. Carlson seconded the motion. Motion carried unanimously.

#### **2. Site Registration 8608664 – Wieck Brothers Oil, Traer (2<sup>nd</sup> Board Report)**

The site is classified high risk for contamination in proximity to a water line; free product is also present. Excavation is not feasible as this is an active station and the contamination plume covers a large area. Two chemical injection events have already been completed and a third event is proposed to address the risks. The water line will also be replaced.

Mr. Gastineau noted the present claim reserve is \$375,000 and costs incurred to date are \$203,604.64. Projected future costs are in the range of \$150,000 to \$250,000+. Additional authority was requested for a total authority of \$500,000. Ms. Carlson moved to approve the request and Mr. Gartin seconded the motion. Motion carried unanimously.

#### **3. Site Registration 8605536 – Casey's General Store, Minden (2<sup>nd</sup> Board Report)**

This site is classified as low risk for the potential groundwater ingestion and potential vapor pathways; free product is also present. Previous work was completed to connect the site and adjacent property owners to the rural water distribution system. Soil excavation is now proposed

to coincide with the removal and replacement of the underground storage tank system by the current owner. Excavation may result in the reclassification of the site to no action required following post-excavation monitoring.

Mr. Gastineau reported the present claim reserve is \$550,000. Previous Board approval of \$475,000 was granted in April 2004. Total costs incurred to date are \$399,880.30. Total projected future costs are \$100,000 to \$200,000+. Additional authority was requested for a total authority of \$600,000. Ms. Carlson moved to approve the request and Mr. Gartin seconded the motion. Mr. Beech abstained. Motion carried with a vote of 6 – 0.

#### **4. Site Registration 8608656 – Casey’s Marketing Co., Zearing (1<sup>st</sup> Board Report)**

The site is classified high risk for the soil leaching to protected groundwater source pathway and low risk for potential vapor and the groundwater ingestion pathway. The consultant proposes an excavation to remove the free product and allow for claim closure. The site is vacant and the buildings have been removed.

Mr. Gastineau reported the present claim reserve is \$75,000. Total projected costs are \$40,000 to \$280,000+. Total authority requested is \$325,000. Mr. Hall moved to approve the project and Ms. Andeweg seconded the motion. Mr. Beech abstained. Motion carried with a vote of 6 – 0.

#### **5. Site Registration 8602050 – Casey’s Marketing Co., Victor (2<sup>nd</sup> Board Report)**

The site is classified as low risk for the potential groundwater vapor and protected groundwater source pathways. This is an active gas station. An excavation was completed during a tank removal in 1990. The remaining contamination is mostly in the right-of-way and potentially beneath the street. The consultant is recommending low risk remediation by excavation.

Mr. Gastineau reported the present claim reserve is \$125,000. Previous Board approval was granted in May 2013 for \$125,000. Total costs incurred to date are \$88,210.79. Additional authority recommended of \$125,000 for a total authority of \$250,000. Ms. Carlson moved to approve the project and Mr. Barry seconded the motion. Mr. Beech abstained. Motion passed with a vote of 6 – 0.

### **CONTRACTS ENTERED INTO SINCE THE FEBRUARY 27, 2015 BOARD MEETING**

The Board entered into an amendment to the Administrator’s contract for calendar year 2015 providing for an incentive payment if stated goals are met.

### **OTHER ISSUES**

Mr. Gastineau presented two items for consideration. The first issue regards work on non-fund eligible State Lead Closure contract sites. He noted the Board adopted a cost recovery policy that provides for recovery for costs on sites where a landowner is not eligible and may or may be a responsible party. He noted that several such sites have been identified as possible candidates for

corrective action but presented the question as to whether the Board should pursue corrective action on these non-funded sites where there is basically little chance to recover any funds. In considering the matter, Mr. Gartin indicated he would seek to have this question deferred to a later date contingent on a legal review from Mr. Steward as to whether funding for non-eligible sites is legal. Mr. Steward noted he would review the matter.

Mr. Gastineau also provided notice of the upcoming Board meetings scheduled for April 24, May 28, and Tuesday, July 14, for the annual meeting. Mr. Gastineau will send a note with the dates so members may check their calendars to confirm availability for the meetings. It was noted that the Capitol location will continue to be used for the April and May meetings, and that the July meeting will be held at an offsite location to be determined in the near future.

### **CORRESPONDENCE AND ATTACHMENTS**

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

Ms. Andeweg motioned to adjourn the meeting at 12:02 P.M. and Mr. Barry seconded the motion. The measure passed with a unanimous vote.

Respectfully Submitted.



James Gastineau  
Deputy Administrator

**Closed Session**

**Discussion of Pending and Imminent Litigation**

## Public Comment

## **Board Issues**

## **A. Legislative Update**



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## MEMORANDUM

**TO:** UST Board  
**FROM:** Dale T. Cira  
**DATE:** April 15, 2015  
**RE:** 2015 Legislative Session

### Bills of Interest

**House File 537** is a bill for an act relating to Underground Storage Tanks. The bill, as discussed previously, creates an underground storage tank cost share grant program and fund, provides an appropriation for the grant program, modifies funding for the existing programs, and extends the environmental protection surcharge for an additional 10-year period, through June 30, 2026. No further actions have been recorded for HF 537 since the posting of the Fiscal Note on March 18<sup>th</sup>.

**Senate File 489:** This is the Senate version of HF 537 and the successor to Senate Study Bill 1267. SF 489 was introduced on April 13<sup>th</sup> in the Senate Ways and Means Committee and approved by the committee on the same date, on a vote of 12 -2.

The current version of the bills provides:

- A change in the disbursement to the UST Fund from \$3.5 million per quarter to \$1.75 million per quarter for continuing Fund expenditures
- Establishment of a UST cost share grant program funded by an allocation of \$1.75 million per quarter, to be administered by the Board.
- Board to establish a grant program and develop applicable rules to award grants to eligible applicants to replace UST infrastructure, including but not limited to tanks, lines, pipes, hoses, connections, seals, and pumps.
- Eligible applicants include any owner or operator of a location where petroleum is marketed in this state.
- An eligible applicant may be awarded a grant worth up to fifty percent of the cost to replace infrastructure, with a maximum grant of \$100K. The total grants awarded to an eligible applicant shall not exceed \$1M per calendar year.

We will continue to watch HF 537 and SF 489 and will provide communication on these and any other bills that may materially affect the Board throughout the Session.

## **B. Actuarial Study Discussion**



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## MEMORANDUM

TO:            UST Board Members  
FROM:        Dale Cira  
DATE:        April 16, 2015  
SUBJECT:    Actuarial Study

In 2014, the Board initiated a plan to have an actuarial review of the open claims completed. The Board subsequently retained the services of the actuary firm of Taylor & Mulder, Inc. In March 2015, Mr. Daniel Lupton from Taylor & Mulder, Inc. gave a presentation to the Board of their findings and recommendations.

Mr. Lupton noted T&M's review was designed to assess the need and adequacy of the claim programs relating to historic releases open as of November 30, 2014, review practices for establishing claim reserves, provide a projection of future claim liabilities, and provide an analysis of impact and history of large losses.

Based on information provided, their analysis of the loss reserves for remedial, retroactive, innocent landowner, and reopened no action required claims known as of November 30, 2014, indicated the total reserves for open claims was \$26,642,000. T&M's analysis and projections suggest that in addition to this amount, \$8,227,000 might be required to cover future development of these same claims. Therefore, the ultimate cost to close all currently reported claims is estimated at \$34,869,000.

In the presentation of findings, it was explained that in general, claims have a tendency to develop adversely over time as additional information becomes available and claims adjusters adjust their estimates.

Taylor & Mulder's recommendations for the program would include:

- Identifying the potential exposure of low risk sites for reserving purposes.
- Identification of large loss claims. It was noted that large claim losses account for 3.3% of the overall claim count but may also account for as much as 28% of the ultimate loss amount, and
- Identification of potential exposures / unknown claims.

## Discussion

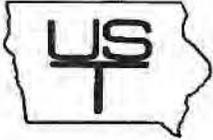
In considering the recommendations as a starting point for discussion, it should be noted the Board's mission is reactive rather than proactive. The Board's mission is to ASSIST owners and operators, and more recently innocent landowners, in their effort to comply with the Department requirements for addressing pre-existing releases. Historically, the Board has relied on the Department to enforce regulatory matters which in turn prompts a claimant to seek reimbursement for the necessary work.

**Review of the reserving practices of the low risk sites.** Historically, reserves are based on that work which is required. State regulations prior to 2010 provided that in those cases where the Department allowed monitoring rather than remediation, the cost of any cleanup beyond that required was the responsibility of the person contracting for the work. Since 2010, the Board is allowed to provide reimbursement for cleanup in those cases where the costs are determined to be cost-effective relative to the Department accepted monitoring plan. However it is the duty of a claimant to pursue corrective action if so desired.

**Review of the large-loss claims.** Based on a review of the open files as of 3/31/2015, 8 claims have an outstanding reserve balance greater than \$250,000 and 17 claims have an outstanding reserve balance greater than \$200,000. The 17 claims account for approximately 18% of the total outstanding reserves of the open retro, remedial, ILO, and re-opened no action required claims. A review of these claims is in progress.

The question has been asked, where does the Board go from here?

## **C. Actuarial Study – Change Order**



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## MEMORANDUM

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TO:            UST Board Members  
FROM:        Dale Cira  
DATE:        April 16, 2015  
SUBJECT:    Actuarial Study – Change Order

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At the August 28<sup>th</sup> meeting, the Board requested Aon to obtain bids from qualified firms to conduct an actuarial analysis of the current program to establish a third-party estimation of Fund obligations, including current eligible claims and claim development as well as likelihood of future claims. Following State purchasing requirements, the Board retained the services of Taylor & Mulder, Inc. to complete the study.

The original intent of the project was to have a review and report completed within 60 days of the contract start date of November 11, 2014. However due to the holiday season and change in scheduling requested due to planned absences, the presentation by Taylor & Mulder, Inc. staff was delayed in part beyond their control which required certain unexpected costs to be incurred on their part.

It is requested that the Board authorize the Administrator's office to expend up to \$680 for settlement of the costs incurred by Taylor & Mulder, Inc. for changes incurred in travels plans.

**D. Cost Recovery: City of Dallas Center**



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Chuck Gipp  
N. Kurt Mumm

## MEMORANDUM

**TO:** UST Board Members  
**FROM:** James Gastineau  
**DATE:** April 16, 2015  
**SUBJECT:** Cost Recovery: City of Dallas Center

### Background

In 1998, the City of Dallas Center acquired title to the former Smith Service Station (UST # 9417720) in Dallas Center, Iowa. The property was transferred from Dallas County who acquired the property by obtaining title to the property through a tax sale. The Iowa UST Fund Board entered into an agreement with Dallas County and the City of Dallas Center to provide the City with access to Iowa UST Fund benefits for work at the site to comply with Department requirements.

The Agreement provides that if the City sells the property before the 10<sup>th</sup> anniversary of the date that the City last received remedial account benefits, the City will use the net proceeds to reimburse the Board for remedial account benefits that were paid. The City received \$47,506.50 in benefits with the last payment in April 2008.

The City has reportedly attempted to sell the property many times in the last 15 years and successfully negotiated a sale in December 2014 for \$10,000.

Since acquiring the site, the City reported has reported costs of approximately \$19,902 in maintaining and marketing the property, including:

<u>Expense</u>	<u>Amount</u>	<u>Date (if known)</u>
Publishing	\$25.31	2/7/2008
Publishing	\$31.67	11/27/2014
Rock to fill holes	\$1,169.50	4/9/2009
Snow Removal	\$6,776.00	*
Mowing, weeds	\$11,900.00	**

\* Snow removal since 2010, involving 88 snow events: 2009-10 (15), 2010-11 (11), 2011-12 (9), 2012-13 (18), 2013-14 (23); 2014-15 (8). Standard rate for this equipment is \$77/hr. \*88=\$6,776

\*\*Mowing and weed eating estimated at 17 years, seven months per year, twice each month at \$50/hr = \$11,900. This does not include any chemicals that may have been sprayed for weeds.

The City also notes that the City Attorney has devoted a significant amount of time to ensure all applicable requirements are met regarding the property. The attorney is on retainer at the current rate of \$1925/month.

Request for Consideration

The City has submitted a request, requesting the Board approval, to retain the \$10,000 received for the purchase of the property rather than submitting it to the Board for reimbursement of expenses as required by the 1998 agreement.

## 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.

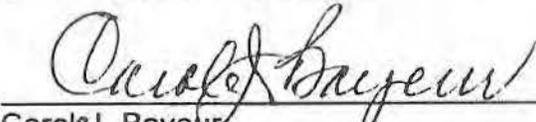
15. This Agreement is not intended to affect any party's rights to pursue causes of action they may possess against any other person on account of the release at the site except as otherwise provided in this Agreement.

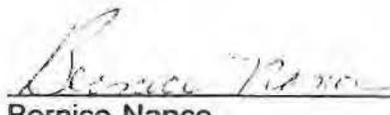
16. This Agreement comprises the entire understanding between the parties and no other representations of any type are being relied upon by either party.

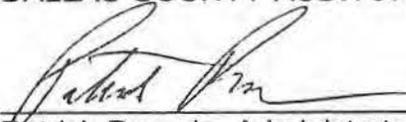
Dated this 8<sup>th</sup> day of December, 1998.

  
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:112DALLASCC.STL

## **E. DNR Update**

## **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

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TO:            UST Board Members  
FROM:        James Gastineau  
DATE:        April 16, 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 May 2015 -- \$58,838.00  
      Claims Processing Services May 2015 -- \$39,000.00
  
2.    Iowa Attorney General's Office ..... \$6,207.19  
      Services provided for Underground Storage Tank Program  
      March 2015 (FY 2015) Billing

**IOWA ATTORNEY GENERAL'S OFFICE**

Hoover State Office Bldg - 2nd Floor  
Des Moines, Iowa 50319-0141

APR 2015

Invoice Date: 04/08/15

**Buyer:** Aon Risk Services  
2700 Westown Pkwy, Ste 320  
West Des Moines, IA 50266  
Attn: Dale Cira

**Seller:** Iowa Attorney General's Office  
Hoover State Office Bldg - 2nd Floor  
Des Moines, IA 50319-0141

Services For: Assistant Attorneys General  
Period of Service: March FY15

---

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

Document Number	Account Coding				Rev Source	Description	Amount
	Fund	Agency	Org	Sub Org			
112AG040815042	0001	112	2301		0302		\$ 6,207.19

---

Please direct billing questions to Vicki Bahe at 515-281-0853

## Iowa Comprehensive Petroleum

Invoice No. 9500000119419

Iowa Comprehensive Petroleum  
Underground Storage Tank Fund  
2700 Westown Pkwy. #320  
West Des Moines IA 50266 USA

MAR 2015  
AON RISK SERVICES CENTRAL, INC.  
WEST DES MOINES, IA

Aon Risk Services Central, Inc  
Aon Risk Insurance Services Central, Inc  
West Des Moines IA Office  
CA License # 0D04043  
2700 Westown Parkway, Suite 320  
West Des Moines IA 50266  
(515) 267-9101 FAX (515) 267-9045

**Client Account No.** 10756349      **Invoice Date** Mar-16-2015      **Currency** US DOLLAR      **Account Executive** James Gastineau

Named Insured	Service Term	Trans. Eff. Date	Description	Amount
Iowa Comprehensive Petroleum	Jan-01-2015 - Jan-01-2016	May-01-2015	Renewal - Service Fee	
<b>Comments</b>			Service Fee	58,838.00
Installment 5 of 12 Monthly Fee			Consulting Expense	39,000.00
Payment due 21 days after Transaction Effective Date				
Thank you for your business				
<b>TOTAL INVOICE AMOUNT DUE</b>				<b>97,838.00</b>

**TO AVOID POTENTIAL DISRUPTION IN YOUR COVERAGE, PAYMENT IS DUE UPON RECEIPT.  
Please Make Payable to Aon Risk Services**

*FATCA Notice. Please go to Aon.com/FATCA to obtain the appropriate W-9.*

*Please see reverse side for statement regarding Aon compensation.*

Page 1 of 2

*Please detach here. Top portion is for your records, bottom portion to be returned with your payment.*

Client Account No.	Invoice No.	Invoice Date	Currency	Amount Due
10756349	9500000119419	Mar-16-2015	US DOLLAR	97,838.00

Iowa Comprehensive Petroleum  
Underground Storage Tank Fund  
2700 Westown Pkwy. #320  
West Des Moines IA 50266 USA

**Remit to:**

Aon Risk Services Central, Inc  
Aon Risk Services Companies, Inc  
75 Remittance Drive - Suite 1943  
Chicago IL 60675-1943

## **Monthly Activity Report and Financials Reviewed**

**A. March 2015 Activities Report**

Mar-15

Claims	Open Claims February Ending	Monthly Net Changes	Open Claims March Ending	Open & Closed Totals since Inception
<b>RETROACTIVE</b>				
number	29	(2)	27	447
reserve	\$1,505,831.07	\$38,114.38	\$1,543,945.45	\$1,543,945.45
paid	\$6,322,691.21	(\$425,114.88)	\$5,897,576.83	\$17,735,705.19
	\$7,828,522.28	(\$387,000.50)	\$7,441,522.28	\$19,279,650.64
<b>REMEDIAL</b>				
number	378	(2)	375	4,457
reserve	\$19,736,146.30	(\$264,721.52)	\$19,451,424.78	\$19,451,424.78
paid	\$71,932,649.18	\$43,221.53	\$71,975,870.71	\$212,950,975.68
total	\$91,668,795.48	(\$241,499.99)	\$91,427,295.49	\$232,402,400.46
<b>INNOCENT LANDOWNER</b>				
number	131	(2)	129	1,130
reserve	\$4,545,052.21	(\$70,538.73)	\$4,474,498.68	\$4,474,498.68
paid	\$11,062,499.98	(\$90,945.47)	\$11,011,553.51	\$30,957,171.64
total	\$15,607,552.19	(\$121,500.00)	\$15,486,052.19	\$35,431,670.32
<b>GLOBAL OPT-IN</b>				
number	83	0	83	1,303
reserve	\$426,908.90	(\$2,540.92)	\$424,367.98	\$438,367.98
paid	\$703,039.98	\$2,540.92	\$705,580.88	\$9,746,170.00
total	\$1,129,948.86	\$0.00	\$1,129,948.86	\$10,184,537.98
<b>UNASSIGNED REVENUE FUND PROJECTS</b>				
number	66	2	68	274
reserve	\$1,817,204.44	\$582.00	\$1,817,786.44	\$1,817,786.44
paid	\$368,795.56	\$29,418.00	\$398,213.56	\$2,861,993.70
total	\$2,186,000.00	\$30,000.00	\$2,216,000.00	\$4,679,780.14
<b>NFA RE-EVALUATIONS</b>				
number	18	(3)	15	55
reserve	\$311,137.75	(\$19,340.54)	\$300,194.81	\$300,194.81
paid	\$543,862.25	(\$34,000.00)	\$489,805.19	\$1,126,931.11
total	\$855,000.00	(\$53,340.54)	\$790,000.00	\$1,427,125.92
<b>TANK PULLS</b>				
number	40	(1)	39	377
reserve	\$490,408.00	\$20,999.00	\$511,407.00	\$511,407.00
paid	\$11,232.34	\$0.00	\$11,232.34	\$4,032,742.98
total	\$501,640.34	\$20,999.00	\$522,639.34	\$4,544,149.98

Corrective Action Meetings (03/13/2015)	
Scheduled:	13
Completed:	1,241
MOA's	488

UST Operator Training	
UST Operators (A/B)	2,960
A/B/C (FY2011-15)	\$343,210

2015 Discretionary Incentive Goal	115	Net Closed YTD	16
Claims closed - March (RT, RM, ILO, NFA)	10	Re-Open <30 days	1
Claims closed YTD	20	Re-Open YTD <30 d	4

RT Claims	#
New	0
Reopened	0
Closed	2

RM Claims	#
New	0
Reopened	0
Closed	3

ILO Claims	#
New	0
Reopened	0
Closed	2

GS Claims	#
New	0
Reopened	1
Closed	1

USTCA	#
New	2
Reopened	0
Closed	0

NFA Re-Eval	#
New	0
Reopened	1
Closed	3

Tank Pull	#
New	2
Reopened	1
Closed	4

Invoice Type Totals	MARCH	FYTD	Program to Date
Non - Claims	\$ 58,888.00	\$ 58,888.00	
Non - Claims	\$ 59,800.00	\$ 59,800.00	
Government	\$ 242,884.68	\$ 242,884.68	
2004 Tank Pull	\$ -	\$ -	\$ 1,761,013.44
2010 Tank Pull	\$ 16,825.57	\$ 16,825.57	\$ 4,096,769.62
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	\$ 11,500.00	\$ 11,500.00	\$ 52,423,154.11
Expenses / OT	\$ 1,060.00	\$ 1,060.00	\$ 285,420.00
Free Prod Recover	\$ 46,489.00	\$ 46,489.00	\$ 11,038,142.78
Monitoring	\$ 122,779.63	\$ 122,779.63	\$ 30,439,490.35
Operations/Maint	\$ 8,958.21	\$ 8,958.21	\$ 10,096,644.38
Over-excavation	\$ 243,571.02	\$ 243,571.02	\$ 32,229,143.12
Water Lines	\$ -	\$ -	\$ 2,532,238.29
Post RBCA Evals	\$ 214.00	\$ 214.00	\$ 226,399.34
RBCA	\$ 23,434.00	\$ 23,434.00	\$ 26,418,802.13
Remed Imp/Const	\$ 33,301.83	\$ 33,301.83	\$ 28,741,870.82
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	\$ -	\$ 32,601.58	\$ 1,356,764.02
Utilities	\$ 948.81	\$ 948.81	\$ 2,050,316.29
Well Closure	\$ 15,252.87	\$ 15,252.87	\$ 3,793,602.04
<b>Total Invoice Types</b>	<b>\$ 524,334.94</b>	<b>\$ 524,334.94</b>	<b>\$ 290,526,976</b>

Remediation Budgets Approved to Date		
last month (MAR 2015)	2	\$79,043
Trailing 12 mos	41	\$2,862,469
Prev Trail 12 mos	53	\$3,286,129
Total Since Jan 2003	1,154	\$48,233,432

Project Contracts	Open	Closed	Pending
CRP's	6	38	0
Tank Closure	2	5	0
Plastic Water Line	0	2	0

DNR @ 3-25-2015		USTF @ 3-31-15	
Open LUST / Claims	823	540	
High Risk	459	322	
Low Risk	180	117	
NAR-FP	70	37	
Not Class.	114	23	
No Action Required		41	

## **B. March 2015 Financial Report**

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

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

<b>Balance of Fund, March 1, 2015</b>		<b>\$531,233.67</b>
<b>Receipts:</b>		
Motor Vehicle Use Tax (IDOT - vehicle registration)	\$3,500,000.00	
Intra State Fund Transfers Received	\$0.00	
Interest Income	\$565.20	
Interest Income - Capital Reserve Fund	\$0.00	
		<b>\$3,500,565.20</b>
<b>Disbursements:</b>		
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	
		<b>\$0.00</b>
<b>Balance of Fund, March 31, 2015</b>		<b>\$4,031,798.87</b>

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

<b>Balance of Fund, March 1, 2015</b>		<b>\$10,482,516.04</b>
<b>Receipts:</b>		
Request for Proposal Fees	\$0.00	
Copying/Filing Fees	\$0.00	
Fines & Penalties	\$0.00	
Refund/Overpayment	\$0.00	
Transfer From UST Revenue Fund (0471)	\$0.00	
Compensation for Pooled Money Investments	\$0.00	
Amort / Accretion	\$0.00	
Buy/s/ Sells	\$0.00	
Interest Income	\$2,396.13	
		<b>\$2,396.13</b>
<b>Disbursements:</b>		
UST Administrator's Fees	\$97,838.00	
Adjustment	\$0.00	
Attorney General's Fees	\$4,236.65	
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	\$3,964.41	

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND  
STATEMENT OF FUND BALANCES  
FOR THE MONTH ENDING MARCH 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	\$1,060.00	
Rebate	\$0.00	
Special Project Claims - Closure Contract Project	\$27,224.00	
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)	\$253,888.57	
Appropriation 2014	\$0.00	
Appropriation 2015	\$0.00	
Transfer of Funds to Innocent Land Owners	\$0.00	
		\$388,211.63
<b>Balance of Fund, March 31, 2015</b>		<b>\$10,096,700.54</b>

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

<b>Balance of Fund, March 1, 2015</b>		<b>\$11,541,925.61</b>
<b>Receipts:</b>		
Remedial Refunds	\$0.00	
Misc. Income (i.e. eligibility settlements)	\$0.00	
Interest Income	\$0.00	
Transfer From UST Revenue Fund (0471)	\$0.00	
		\$0.00
<b>Disbursements:</b>		
Retroactive Claims	\$45,121.91	
Remedial Claims	\$334,924.84	
Adjustment	\$0.00	
28E Agreement - NFA Claims	\$1,579.07	
Transfer to ILO/GS Fund	\$0.00	
Transfer to Unassigned Revenue Fund	\$0.00	
Balance of Outdated Warrants & Cancelled Warrants	(\$3,752.36)	
		\$377,873.46
<b>Balance of Fund, March 31, 2015</b>		<b>\$11,164,052.15</b>

**0478 - UST MARKETABILITY FUND**

<b>Balance of Fund, March 1, 2015</b>		<b>\$776,424.89</b>
<b>Receipts:</b>		
Interest	\$1,247.38	
Use Tax	\$0.00	
		\$1,247.38
<b>Disbursements:</b>		
Intra State Fund Transfer	\$0.00	
Transfer to Innocent Landowners Fund	\$0.00	
		\$0.00
<b>Balance of Fund, March 31, 2015</b>		<b>\$777,672.27</b>

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

**0485 - UST INNOCENT LANDOWNERS FUND**

<b>Balance of Fund, March 1, 2015</b>		<b>\$7,430,349.25</b>
<b>Receipts:</b>		
Cost Recovery (i.e. lien settlements)	\$0.00	
ILO Refunds	\$0.00	
Transfer From UST Revenue Fund (0471)	\$0.00	
Transfer From Loan Gaurantee Fund (0238)	\$0.00	
Outdated Warrants	\$0.00	
Miscellaneous Income	\$19,494.60	
		<b>\$19,494.60</b>
<b>Disbursements:</b>		
Cost Recovery Reimbursement	\$0.00	
Cost Recovery Global Settlement	\$0.00	
Adjustment	\$0.00	
Intra State Fund Transfers Paid (to Unassigned Revenue)	\$0.00	
Other Contractual Services	\$0.00	
Global Settlement Claims	\$14,040.92	
Innocent Landowner Claims	\$128,076.12	
Transfer to Remedial Fund (0208)	\$0.00	
Balance of Outdated Warrants	(\$24,867.93)	
		<b>\$117,249.11</b>
<b>Balance of Fund, March 31, 2015</b>		<b>\$7,332,594.74</b>

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

<b>Balance of Fund, March 31, 2015</b>		<b>\$0.00</b>
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**0614 - UST CAPITAL RESERVE FUNDS (Bonding)**

<b>Balance of Fund, March 31, 2015</b>		<b>\$0.00</b>
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<b>Combined UST Capital Reserve Fund Balances, March 31, 2015</b>		<b>\$0.00</b>
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<b>TOTAL FUND BALANCES, March 31, 2015</b>		<b>\$33,402,818.57</b>
--	--	------------------------

**FOOTNOTES:**

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

**C. Year-to-Date Financials as of March 31, 2015**

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

		FISCAL 2015 BUDGET
<b>0471 - UST REVENUE FUND (Bonding)</b>		
<b>Balance of Fund, July 1, 2014</b>		\$524,210.38
<b>Receipts:</b>		
Motor Vehicle Use Tax (IDOT - vehicle registration)	\$10,500,000.00	\$14,000,000.00
Intra State Fund Transfers Received	\$47,842.43	
Interest Income	\$6,607.33	\$100,000.00
Interest Income - Capital Reserve Fund	\$0.00	
	\$10,554,449.76	\$14,100,000.00
<b>Disbursements:</b>		
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)	\$7,000,000.00	\$14,000,000.00
	\$7,046,861.27	\$14,000,000.00
<b>Balance of Fund, March 31, 2015</b>	\$4,031,798.87	\$624,210.38
<b>0450 - UST UNASSIGNED REVENUE FUND (Non-Bonding)</b>		
<b>Balance of Fund, July 1, 2014</b>		\$11,681,366.83
<b>Receipts:</b>		
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	\$44,723.94	\$125,000.00
	\$44,823.94	\$130,000.00
<b>Disbursements:</b>		
UST Administrator's Fees	\$922,041.32	\$1,240,000.00
Adjustment	\$0.00	
Attorney General's Fees	\$33,412.77	\$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	\$15,489.71	\$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, 2015**

		<b>FISCAL 2015 BUDGET</b>
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	\$18,660.00	\$100,000.00
Rebate	\$0.00	
Special Project Claims - Closure Contract Project	\$169,446.80	\$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)	\$370,895.47	\$250,000.00
Statutory Transfer to IDOT (railway study)	\$0.00	\$500,000.00
Appropriations FY 2014	\$92,768.29	
Appropriations FY 2015	\$0.00	
Transfer of Funds to Innocent Land Owners	\$0.00	
	\$1,629,490.23	\$3,184,450.00
<b>Balance of Fund, March 31, 2015</b>	<b>\$10,096,700.54</b>	<b>\$8,626,916.83</b>
<b>0208 - UST REMEDIAL NON-BONDING FUND</b>		
<b>Balance of Fund, July 1, 2014</b>	\$8,681,846.71	\$8,681,846.71
<b>Receipts:</b>		
Remedial Refunds	\$0.00	
Misc. Income (i.e. eligibility settlements)	\$0.00	
Interest Income	\$0.00	
Transfer From UST Revenue Fund (0471)	\$7,000,000.00	\$14,000,000.00
	\$7,000,000.00	\$14,000,000.00
<b>Disbursements:</b>		
Retroactive Claims	\$413,098.35	\$700,000.00
Remedial Claims	\$4,403,832.51	\$6,000,000.00
Adjustment	\$0.00	
28E Agreement - NFA Claims	\$254,953.52	\$500,000.00
Transfer to ILO/GS Fund	(\$550,337.46)	
Transfer to Unassigned Revenue Fund	\$0.00	
Balance of Outdated Warrants	(\$3,752.36)	
	\$4,517,794.56	\$7,200,000.00
<b>Balance of Fund, March 31, 2015</b>	<b>\$11,164,052.15</b>	<b>\$15,481,846.71</b>
<b>0478 - UST MARKETABILITY FUND</b>		
<b>Balance of Fund, July 1, 2014</b>	\$755,308.99	\$755,308.99
<b>Receipts:</b>		
Interest	\$22,363.28	\$25,000.00
Use Tax	\$0.00	
	\$22,363.28	\$25,000.00
<b>Disbursements:</b>		
Intra State Fund Transfer	\$0.00	
Transfer to Innocent Landowners Fund	\$0.00	
	\$0.00	\$0.00
<b>Balance of Fund, March 31, 2015</b>	<b>\$777,672.27</b>	<b>\$780,308.99</b>

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

		FISCAL 2015 BUDGET
<b>0485 - UST INNOCENT LANDOWNERS FUND</b>		
<b>Balance of Fund, July 1, 2014</b>	\$8,604,467.48	\$8,604,467.48
<b>Receipts:</b>		
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	\$20,229.60	
	<u>\$24,890.80</u>	<u>\$25,000.00</u>
<b>Disbursements:</b>		
Cost Recovery Reimbursement	\$0.00	
Cost Recovery Global Settlement	\$0.00	
Adjustment	\$0.00	
Intra State Fund Transfers Paid (to Unassigned Revenue)	\$0.00	
Other Contractual Services	\$0.00	
Global Settlement Claims	\$137,353.82	\$80,000.00
Innocent Landowner Claims	\$1,195,166.11	\$2,000,000.00
Transfer to/from Remedial Fund (0208)	\$0.00	
Balance of Outdated Warrants	(\$35,756.39)	
	<u>\$1,296,763.54</u>	<u>\$2,080,000.00</u>
<b>Balance of Fund, March 31, 2015</b>	<u>\$7,332,594.74</u>	<u>\$6,549,467.48</u>
<b>0238 - UST LOAN GUARANTEE FUND (Non-Bonding)</b>		
<b>Balance of Fund, March 31, 2015</b>	<u>\$0.00</u>	<u>\$0.00</u>
<b>0614 - UST CAPITAL RESERVE FUNDS (Bonding)</b>		
<b>Combined UST Capital Reserve Fund Balances, March 31, 2015</b>	<u>\$0.00</u>	<u>\$0.00</u>
<b>TOTAL FUND BALANCES, March 31, 2015</b>	<u>\$33,402,818.57</u>	<u>\$32,062,750.39</u>

**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 04-15-2015)

Liens #	County	Site #	Chem #	Site Address	Property Owner	Owner Address	Lease Begin	Lease End	Last Year Revised	Multimedia in File	Last amount	Last Date	UIC No.	UIC Status	Last Comments
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 Dohlman	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, Everly, 51338	Roger Ginger	Box 347, Everly, 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 Tenville 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 Movable 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	\$6,470.50	2/1/2008	2008 - 223		Payment plan started 9/2013

## **Attorney General's Report**

**IOWA UNDERGROUND STORAGE TANK PROGRAM  
SECOND BOARD REPORT  
APRIL 13, 2015  
KRAUSE GENTLE CORP.  
24 SOUTH LINN  
NEW HAMPTON  
SITE REGISTRATION NUMBER: 8608180  
LUST NUMBER: 7LTN29**

RISK CLASSIFICATION:

HIGH

LOW

PRESENT CLAIM RESERVE:

\$ 550,000.00

PREVIOUS BOARD APPROVAL:

\$ 500,000.00

Number and Date of each previous Board Report: 1st: July 19, 2000

PREVIOUS COSTS INCURRED:

\$ 86,134.86

COSTS INCURRED SINCE LAST BOARD APPROVAL:

1. Site monitoring reports	66,793.25
2. Free product recovery	13,785.01
3. CADR	1,790.00
4. Remediation (MPE)	166,675.78
5. Operation and maintenance	63,646.23
6. Utilities	1,719.18
7. Over-excavation	66,089.62
8. Corrective action teleconference	946.95
<b>TOTAL COSTS INCURRED TO DATE:</b>	<b>\$ 467,580.88</b>

PROJECTED COSTS:

❖ Site Monitoring Report

❖ Water Line Replacement

TOTAL PROJECTED COSTS:

\$ 75,000.00 to 200,000.00+

ADDITIONAL AUTHORITY RECOMMENDED:

\$ 150,000.00

TOTAL AUTHORITY:\*

\$ 650,000.00

COMMENTS:

This former Kum & Go station is now a Napa Auto Parts store. Extensive corrective action has been completed which has mostly removed the on-site contamination. The remaining contamination is beneath the city streets and an adjacent elementary school property. The site is high risk for a water main, residential sewers, and for the basement of the school. The water main will be replaced and additional vapor intrusion assessment will be conducted in an attempt to show that the sewers and basement are not at risk. If this does not succeed, additional corrective action may be necessary. Affected population could exceed 500 due to risk associated with school basement.

\*Previous approval + additional recommended

### Site Timeline

- 1990 - Contamination discovered during tank tightness testing in April of 1990.
- 1993 - Free product was discovered during assessment work.
- 1995 - SCR submitted. DNR issues 'not accepted' letter.
- 1996 - Revised SCR submitted and accepted as high risk. CADR due in 120 days.
- 1998 - RBCA Tier 2 submitted and accepted as high risk. CADR due in 120 days.
- 2000 - CADR recommending a MPE system is submitted and accepted by the DNR.
- 2002 - DPE system becomes operational in January of 2002.
- 2006 - DPE system shut down due to mechanical failure.
- 2007 - First corrective action teleconference is held on October 16<sup>th</sup>. Site is no longer a gas station and as a result excavation deemed to be a better solution than repairing the DPE system.
- 2008 - Second corrective action teleconference is held on March 11<sup>th</sup> to define the area to be excavated.
- 2008 - An excavation of the former UST basin area is completed in August of 2008.
- 2014 - Third corrective action teleconference is held on January 23<sup>rd</sup> to address the remaining issues at the site. It is agreed that the remaining contamination is beneath the street and on adjacent properties. More plume delineation is needed.
- 2014 - Fourth corrective action teleconference is held on October 9<sup>th</sup> to discuss the delineation results and agree on the appropriate length of water main to replace with petroleum resistant materials.

**Contracts Entered Into  
Since March 27, 2015 Board Meeting**



# IOWA UNDERGROUND STORAGE TANK FUND

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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

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TO:            UST Board Members  
FROM:        Dale T. Cira  
DATE:        April 24, 2015  
SUBJECT:     Contracts Entered Into Since March 27, 2015 Board Meeting

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The Board has not entered into any contracts since the March 27, 2015 Board meeting.

**Other Issues as Presented**

## **Correspondence and Attachments**

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

**Held:** Thursday, April 2, 2015 at 1:30 in 5W of the Wallace building  
**Site:** Sierra Food/TPI 9029, Cedar Rapids  
**LUST No.** 8LTG13  
**Status:** This was the second corrective action conference; no further meetings are scheduled.  
**Synopsis:** The site is high risk only for soil vapor to enclosed space. The certified groundwater professional will evaluate the pathway in Tier 3 with soil gas sampling at two locations (VP-1 and SV-5) twice at least 30 days apart. The analytical results will be presented in a letter report by 7/1/15. It is possible this could reclassify the site to no action required (NAR).

**Participating:**

RP: Tim Mauntel with MRP Properties (by phone)  
Funding: Steve Reinders of Cunningham Lindsey (by phone)  
CGP: Gayle Hiesterman of Cardno ATC (by phone)  
DNR (UST): Jeff White, Project Manager; and Tammy Vander Bloemen, Conference Facilitator (both in person)

**Funding Report** by Steve Reinders, Cunningham Lindsey (CL)

- \$54,059 has been spent to date.
- \$6,471 of \$14,400 copay has been met.

**Background** by Gaylen Hiesterman, CGP

- This is a standard LUST site with a release discovered in 1990.
- The tanks are located in back of the building, in an area of grass and gravel.
- The site was high risk for soil, groundwater, and failed soil gas sampling.
- The USTs were pulled in 2006 and one soil sample was above the Tier 1 level.
- Soil and groundwater contamination have decreased over time to less than the site specific target levels (SSTLs).
- Soil gas sampling failed almost every year until 2011, when it started passing. How do we close out the vapor pathway?

**Discussion**

DNR: Bulk Petroleum bought & operated the site; a new release was found in 2010. This site got a second LUST number: 9LTO91. But that release apparently happened on another part of the site.

I agree that the soil and groundwater pathways are cleared and the site is high risk or low risk only for soil vapor to confined space.

I received the Tier 3 Work Plan that proposes to evaluate the pathway with soil gas sampling at three locations marked on the attached map. I think we only need to sample at two locations: VP-1 and SV-5. We need two additional vapor samples from each location, at least a month apart.

RP: Are you concerned with water levels?

DNR: We should sample once as soon as possible, while water levels are relatively low. Sample again when they are hopefully still low. If they all pass, I will look at reclassification. I can't guarantee reclassification; there are too many variables. But I think we have a good shot at it.

Install confirmation wells for the second sampling event, but please allow the wells to stabilize at least 24 hours before sampling.

CGP: What if the soil source is submerged? The soil source at SB1 was at about 7 feet and the water table isn't much deeper.

DNR: Conduct the sampling when the water table is more than 7 feet deep. Soil sample T4 from the tank pull in 2006 was 15 feet deep, so it won't be above the water table.

CGP: If the first sampling event fails, we will let everyone know. Otherwise we will provide a letter report with the results and a request for reclassification.

DNR: Please provide a copy of the Tier 2/SMR software with the vapor sampling results. We don't need a site monitoring report (SMR), but we need the results in the software.

Also, please let me know the status of the site.

**Proposed Actions and Schedule:**

- DNR sends out conference notes by 4/7/15.
- By 4/8/15, CGP provides a proposal and budget for evaluating the risk at the site with soil gas sampling and providing a letter report.
- CL evaluates the proposal and budget by 4/15/15.
- GGP provides a letter report by 7/1/15 with boring logs, sampling results, and other relevant material. It is possible the report could recommend reclassification to no action required (NAR).

Everyone agreed to these actions 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 Sixth Corrective Action Conference

Iowa Department of Natural Resources (DNR)

**Held:** Thursday, April 9, 2015 at 9:30 in room 5W of the Wallace building  
**Site:** Seaton's Flag Foods in Brooklyn, Iowa  
**LUST No.** 8LTM37  
**Status:** This was the sixth conference; the next meeting is scheduled for Thursday, October 15, 2015 at 9:30 in room 5W.  
**Synopsis:** A basement and a deep sanitary sewer main are high risk for soil and groundwater vapor. A remediation system operated at the site from 2008 until 2015, but soil and groundwater concentrations remain above the site specific target levels (SSTLs). The certified groundwater professional (CGP) will conduct soil and groundwater sampling; provide a letter report with recommendations by 8/17/15; submit a site monitoring report (SMR) with brief revised Tier 2 and a Tier 3 Work Plan by 9/15/15; and we will hold another conference to discuss the sampling results and the Tier 3 Work Plan. The Tier 3 will likely involve alternative methods of vapor sampling.

### Participating

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

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

- \$359,596 spent to date.
- We have spending authority to \$500,000.

### Comment by Shelly Nellesen, DNR Project Manager:

In the 3/12/15 SMR, the soil leaching to groundwater section of the water line evaluation was not accurate. For soil leaching, if the maximum soil and groundwater concentrations exceed an applicable target level for a water line receptor, you must evaluate all water line receptors within 200 feet of the largest contoured plume (either soil or groundwater). However, the SMR evaluated water lines within 200 feet of the groundwater source, not from the largest contoured plume.

### Background and Recommendations by Mark Diehl, CGP

- The deep sanitary sewer and the basement of the city electrical building are high risk for soil vapor and groundwater vapor.
- Since our last conference in November of last year, we collected soil samples from three boreholes, conducted PID and elevation surveys, revised and updated the cross sections, and got estimates for carbon injection from two contractors. The fourth borehole could not go below 8 feet or so, presumably because of the old buried road bed.
- The new soil data indicates the soil contamination plume is smaller than previously thought.
- I'm not a big fan of remediation through injection. The proposal from BIOX was the low bidder.

### Discussion

Cunningham Lindsey (CL): I would prefer if we could evaluate this site through a vapor intrusion study in Tier 3, similar to what was done at Wortman Brothers in George (9LTI28).

DNR: Before we do vapor sampling we need to define the soil plume better, horizontally and vertically, and establish risk. The soil sampling will need to be conducted six months after remediation system shutdown. The sampling results will need to be put into the Tier 2 software. The groundwater results will be in the SMR. Then we can use the plume data to conduct soil gas sampling at selected points throughout the soil and groundwater plumes.

CGP: The high risk basement once held backup generators, but it's empty now. All PID readings were zero in the basement and the sanitary sewer main. Soil gas sampling was conducted adjacent to the basement in 2002.

DNR: The basement would need to be better evaluated with a couple more sampling locations and the sampling depths would need to be carefully checked. The water table elevation in relation to the soil contamination plume would be critical. Will the old road surface be a problem in soil borings?

CGP: No, that shouldn't be a problem from now on.

CL: Yes, I agree that we need to establish technologies to work out alternative methods and locations for soil gas sampling to evaluate risk in Tier 3. We have a number of sites that we can't easily address any other way. We acknowledge that this will take some research and planning.

CGP: Do we need to re-drill all the boreholes we sampled while the system was operating and before the six months post-system period?

DNR: No, but you can't use the sampling results in risk classification. You should resample the areas of highest known concentrations. Multiple samples should be collected to define the plume vertically.

CGP: I will send you a map of proposed borehole locations.

DNR: That would be great. Once the soil samples establish the soil plume and the risk, we will need a Tier 3 Work Plan. We will get the Tier 3 Work Plan and Tier 3 Report from the 9LTI28 site digitized and email it to you.

CGP: I would prefer to get the new soil and groundwater results, provide a letter report with results and recommendations, study alternative sampling techniques, then discuss with everyone before I provide a revised Tier 2 and a preliminary Tier 3 Work Plan. We could meet again to discuss the Work Plan.

DNR: We would like to hear more details about the plastic lining of the high risk sanitary sewer main. With more data, it may be possible to evaluate the submerged sanitary sewer main receptor by conducting soil gas sampling above the water table. If groundwater treatment is necessary for the groundwater to sanitary sewer pathway, carbon injection might be applicable. Both of the proposals from contractors were for carbon injection, including the one from BIOX.

We would like for soil gas sampling to begin this year, if possible.

### **Selected Actions and Schedule**

- DNR sends out conference notes by 4/15/15.
- CGP provides a map and description of proposed soil sampling by 5/8/15.
- DNR and CL provide feedback by 5/15/15.
- By 5/29/15, CGP provides a proposal and estimated budget for the following: soil and groundwater sampling, letter report with recommendations, preliminary work on a Tier 3 Work Plan, submittal of an SMR with a brief revised Tier 2 (new soil samples, water line evaluation), Tier 3 Work Plan, and another conference.
- CL evaluates the proposal and estimated budget by 6/5/15.
- CGP provides the letter report with recommendations by 8/17/15.
- CGP provides the SMR with brief revised Tier 2 and preliminary Tier 3 Work Plan by 9/15/15.
- We will meet again to discuss the Tier 3 Work Plan on Thursday, October 15, 2015 at 9:30 in room 5W of the Wallace building.

Everyone agreed to this approach and schedule.

Jeff White, Conference Facilitator

Shelly Nellesen, 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 Shelly Nellesen at the UST Section of the DNR.

## Notes of Seventh Corrective Action Conference

Iowa Department of Natural Resources (DNR)

**Held:** Thursday, April 16, 2015 in room 5W of the Wallace building  
**Sites:** Two commingled sites in New Albin, Iowa  
Al's Auto Clinic LUST No. 7LTT33  
Darlings DX LUST No. 8LTP30  
**Status:** This was the seventh conference; no further conferences are scheduled.  
**Synopsis:** Both sites are high risk for groundwater and soil leaching to groundwater to drinking water wells and have low site-specific target levels (SSTLs). An air sparge/soil vapor extraction (AS/SVE) system has been operating at the sites since 2006 and was significantly retrofitted in 2010. Contaminant concentrations are greatly reduced, but the low SSTLs for the DWW receptors have not been reached. By 9/15/15, the certified groundwater professional (CGP) will conduct soil and groundwater sampling and provide an addendum to the corrective action design report (CADR Addendum) for injection of activated carbon.

### Participating

**RP:** Did not participate  
**Funding:** Steve Reinders of Cunningham Lindsey (by phone)  
**CGP:** Mark Diehl of Seneca Environmental (by phone)  
**DNR:** Ruth Hummel, Project Manager; and Jeff White, Facilitator (in person)

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

- 7LTT33 has spent \$262,980 to date; there is funding authority to \$375,000.
- 8LTP30 spent \$190,661 to date; funding authority extends to \$250,000.
- Additional spending authority from the UST Fund Board should not be necessary at this time.

### Background and Recommendation by Mark Diehl, CGP with Seneca Environmental

- The AS/SVE system was started in 2006. In 2010 we retrofitted it to work deeper and to focus on the 7LTT33 (Al's) site at the former tank basin.
- The groundwater contamination has decreased by 90%, but not as fast as expected given the clean alluvial sand. We believe we are likely approaching the limit of the effectiveness of the AS/SVE to finish the cleanup at this site.
- The Darling's site (8LTP30) is closer to SSTLs for benzene than Al's, which is high risk for both benzene and toluene.
- The highest and just about the only hot soil sample (8.18 ppm benzene at MW18) was found at the former tank basin at Al's.
- Recommend: Injection of activated carbon slurry to complete the cleanup.

### Discussion

CGP: The design of the injection presumes high soil sample of 8.18 ppm benzene is likely down to 1 or 2 ppm by now. We got bids from two turn-key contractors for carbon injection: AST Environmental using Bos 200 and Biox Services using CarbonOx. AST was the low bidder with \$70,000 for 34 injection holes. Biox proposed \$106,000 for 88 injection holes.

CL: We agree to the injection idea but think you should shut down the AS/SVE system. The cost of the injection will need to be divided appropriately given the differing amounts of effort and materials needed for each site. Should these sites be separated again instead of treated as commingled?

DNR: We are not opposed to treating them separately at some point, particularly if one meets target levels and exit monitoring criteria before the other, but we would like to keep them moving forward together for now. The AST proposal includes injecting hundreds of pounds of gypsum to supply sulfates for electron acceptors for stimulating biodegradation of contaminants. There is an existing sparge system that can supply oxygen to the groundwater for aerobic degradation, a more efficient process. Could we save some time and money by continuing to use the air sparge system for oxygen instead of injecting sulfates?

CGP: I will talk with AST about using oxygen from the AS system. AST wants to do some soil and groundwater sampling prior to the injection. We will do the sampling and send the samples to the AST lab for laboratory analysis.

CL: Please discuss the options (continuing to use the air sparge system versus injecting sulfates along with the carbon) in the proposal.

DNR: The AST proposed injection in Areas A, B, and C on the AI's site. We are concerned that the AST proposal recommends too little injection in Areas A and B and maybe too much injection in the southern end of the site in Area C. We think the groundwater contamination persists because of the soil contamination at the former tank pit leaching into the groundwater, mostly from Area A. In addition, B24 is located outside of Area A and it had soil contamination at more than 1 ppm benzene. The area northwest of Area A should be treated also.

CGP: Yes, I agree. I will discuss this with AST and amend the proposal as necessary. Some injection is also proposed in treatment area D at the Darling's site.

DNR: For closure sampling, we may have to re-install some monitoring wells. Carbon injection technology is relatively new. One recent issue with post-injection monitoring has been the propensity for the injected carbon slurry to follow permeability and flow into porous volumes, including monitoring wells. The carbon could concentrate in the filter pack and screen/casing of a monitoring well, filtering out any contaminants that enter the monitoring well so samples are clean while the groundwater outside the monitoring well remains contaminated. One solution AST recommends is using a downhole pump to redevelop the well and remove accumulated solids. This could work in some or most situations. However, to test this method, DNR recommends that redevelopment be conducted as necessary but that some monitoring well(s) should be reinstalled after the injection event so the sample results can be compared with redeveloped wells located nearby.

By when can you complete pre-injection borings and present the finalized injection design in a CADR addendum?

CGP: We will need about five months to conduct drilling, sampling, lab analyses by AST, and prepare a CADR Addendum.

Should we leave the existing system running, maybe on low-flow biosparge mode?

DNR: Since it looks like it is going to be more than six months before injection will be done, at a minimum the AS portion of the system should continue to run. You can turn it down to a trickle to supply oxygen for biodegradation.

We would really like for the injection to be conducted this year, if possible. Copy EPA Underground Injection Control in all documents and proposals. EPA and DNR will need a corrective action plan (CADR Addendum) descriptive of what you are proposing to inject and where, as well as a monitoring plan. Samples which are strictly being collected for remediation monitoring, as opposed to the minimum annual Tier 2 monitoring plan sampling, can be analyzed by OA-1 only; Tier 2/third quarter monitoring should follow the Tier 2 monitoring plan and use OA1/OA2. We will evaluate the CADR Addendum within 30 days. EPA should complete a review by then also.

**Selected Actions and Schedule**

- DNR sends out conference notes by 4/22/15.
- By 4/24/15, CGP will submit a proposal for additional soil and groundwater sampling and for preparation and submittal of a CADR Addendum.
- GAB will evaluate the proposal by 5/1/15.
- CGP will prepare and provide a CADR Addendum by 9/15/15 which includes the results of the soil and groundwater sampling; locations, justification for locations, method and composition of proposed injections; and a monitoring plan.
- DNR will review the CADR Addendum within 30 days, by 10/15/15.
- DNR would prefer another conference not be held and the injections be conducted in 2015.

Everyone agreed to this approach and schedule.

Ruth Hummel, DNR Project Manager

Jeff White, Conference Facilitator

*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 Ruth Hummel at the UST Section of the DNR.*