

January 22, 2016

Board of Directors

**Iowa Comprehensive Petroleum
UST Fund Board**



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, January 22, 2016. 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. Aon Incentive Plan
 - C. FY 2016, 2nd Quarter Legislative Update
 - D. DNR Update
5. Approval of Program Billings
6. Monthly Activity Report and Financials Reviewed
7. Attorney General's Report
8. Claim Payment Approval
9. Contracts Entered Into Since December 10, 2015 Board Meeting
10. Other Issues as Presented
11. Correspondence and Attachments

Approval of Prior Board Minutes



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N. Kurt Mumm

Chuck Gipp
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MINUTES

IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND PROGRAM

DECEMBER 10, 2015

**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
Timothy Gartin
Tim Hall (for Chuck Gipp)
Kurt Mumm (via telephone)
Adam Phillips (for Michael Fitzgerald)

Also present were:

Dale Cira, Administrator
David Steward, Attorney General's Office
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 there were any items for discussion. Ms. Carlson motioned to approve the minutes of the October 29, 2015 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. Update to the Conceptual Plan for Termination of the ICPUST Fund

Mr. Cira provided a status report on the progress of the conceptual plan for termination of the fund. He noted the Board had instructed the Administrator to implement three tasks proposed in the Plan; these are:

1. Contact Claimants of Inactive and Stalled Claims for Participation
2. Develop a Loss Portfolio Transfer (LPT) with Petroleum Marketers Management Insurance Corp. (PMMIC) for Claims with Shared Liability Concerns
3. Identify and Offer Settlement Agreements to Eligible Claimants

Mr. Cira reported that, of the 86 previously identified stalled sites, letters have been sent to 49 claimants seeking their participation in the Program. To date, 13 have been reactivated in some degree and for 4 claims the landowners are considering the option to assume the role of claimant. Twenty-five claims will be closed before the end of the calendar year unless further responses are submitted.

In regard to shared liability claims, Mr. Cira indicated a conversation with PMMIC has been initiated on 13 claim sites having shared liabilities. Information on projected costs to complete work at the sites will be obtained from the incumbent consultants working with the sites before a plan can be presented to the Board for consideration.

Mr. Cira noted that Mr. Steward has developed a settlement agreement to be used for eligible claimants seeking to settle their claims. The agreement, included in the Board packet, provides that the agreement is between the State of Iowa on behalf of the Board and the claimant thus providing an avenue for enforcement should the Board cease to exist. The agreement also includes wording that the claimant intends to use all funds provided to perform those actions required by the Department until a No Further Action certificate is issued.

In considering the plan, it was noted that there are some future action items that need to be considered as the process moves forward. These include handling of the community remediation projects, State Lead Closure Contract project sites, and the Environmental Support Services Project (NFA Re-Opener Project).

Mr. Gastineau reported that of the five community remediation projects still in place, several have been ongoing since the 1990s. He noted that the claimants associated with the project sites will be contacted to seek their participation in managing their claims. If the claimants choose not to participate, the claims would be administratively closed before June 30, 2016.

Mr. Gastineau noted that the State Lead Closure Contract project originates from a 28E agreement and provides for the completion of work on those sites where action is needed but there is no known responsible party available. He noted that in order to define a list of eligible claims for the possible LPT, it is recommended all eligible claims with an involved claimant be removed from the project by June 30, 2016. Those sites without an involved claimant may be administratively closed. He also noted that work could continue on the State Lead Closure Contract project through the end of the vendor contracting period so as to address the priority sites and the non-eligible sites where action is needed.

In regard to the Environmental Support Services project for NFA Re-Opened sites, Mr. Gastineau noted the project is intended as a safety net for sites that achieve a NAR classification. He noted there are two contracts with vendors expiring at the end of the month and that continuation of the Project would to be covered later in the meeting.

Mr. Gastineau reported the Board also provides assistance through two other programs, the UST Operator Training Program and the Tank Removal Program. He noted the UST Operator Training Program costs about \$25,000 annually and that the tank removal program accounts for about \$900,000 annually in expenditures. It was noted that the actuarial study did not include the costs for either of these programs as the costs are not tied to a primary claim.

A discussion ensued regarding what needs to be done regarding the future action items. In considering the options, Mr. Gastineau noted letters are being sent to the claimant of record for the CRP and State Lead Closure Contract project sites and also to the property owner to inquire if they wish to assume the role of the claimant, otherwise, the claims associated with the sites may be administratively closed.

Mr. Cira noted that as the program winds down, a determination on the time frame for accepting new claims needs should be made. In consideration of this, he noted a draft bill was sent to Board members for review. The draft bill does not include a timeline for stopping claims but noted consideration on that idea may be needed.

Mr. Cira noted that the proposed bill is still in draft form but that the document was provided for the Board's awareness of what is planned for the upcoming legislative session. He noted the proposed bill provides for the ending of the current allocation to the Fund and also provides for the creation of a new Iowa Tanks Financing Program. Mr. Hall also noted that the bill was prepared in conjunction with the Iowa Finance Authority (IFA), Department of Transportation (DOT) and DNR so this is a collaborative effort and impacts all three agencies. The agencies were asked to look at it as a way of putting language down that takes the recommendations and strategy of the Board in consideration. He noted there is a lot of detail in the bill and it has the spirit of what the Board has been talking about for the last several months.

Mr. Hall noted that there is a brief opportunity to comment on the bill after it comes out of drafting, and other that that, comments will have to come in during the legislative session. He

noted there may be entities with different thoughts and those will need to be hashed out. Mr. Beech indicated that, if this process is going to go in any type of orderly fashion, then cooperation from all potential stakeholders will be needed. In lieu of an in-depth discussion on the material, Mr. Beech noted that a conversation on the bill may be a topic for the next month's meeting.

Ms. Carlson commented that she is surprised that the bill includes a whole new bureaucracy to which Mr. Hall responded that a program is needed for the funding that remains and for the sites yet to be discovered. Ms. Carlson added that she did not see any guarantees for NFA re-openers and that it appears there is work left to be done. Mr. Hall responded that DNR wants to listen to stakeholders and that comments on the bill would be considered as it moves into the legislative session.

Mr. Beech commented it might be good idea for interested parties to meet and come to a consensus on what is envisioned for the future and whether that should include an entirely new Fund program or be a transition of the existing program as provided in Chapter 455G. In considering the draft bill, it was suggested that instead of trying to convene a special meeting when the draft is released, that the Board members should be able to make comments at the January meeting.

Mr. Beech also commented that the Board needs to have a plan as others are driving a certain strategy at this point. It was commented that the Board needs to think about the future, what it should look like, and then be able to bring the idea to the legislature. Mr. Beech suggested that if any Board member has comments on the proposed bill they should get those ideas to Mr. Cira who will collect the comments and pull them together to aid in the next step in the process. Mr. Beech added that he appreciates the agencies working on the bill and trying to come up with a solution for bringing the program to a close.

B. Iowa UST Operator Training Agreements

Mr. Gastineau presented an overview of the existing program in place for the reimbursement to vendors for the training of Iowa Class A-B UST Operators. He noted that since the program inception more than 3,000 individuals have been trained as a UST Operator.

Mr. Gastineau noted that the current vendor reimbursement agreements allow for work to continue through December 2015 and that the agreements provide \$100 per person trained as a Class A & B Operator or \$80 for a person trained as a Class A or B Operator. He also noted that continued training events were needed, thus recommended the Board authorize an extension of the agreements to allow continued training to be reimbursable at the same rate as in the past

Ms. Carlson moved to approve the request and Mr. Hall seconded the motion. The motion was approved unanimously.

C. RFP: RBCA 1509-01 Environmental Support Services

Mr. Gastineau reported this is the continuation of the NFA Re-Opener Program for which two contractors have been retained to do the work at sites re-opened for evaluation. Those vendor contracts expire at the end of this month after 6 years. An RFP was issued in September and 6 responses to the RFP have been received. The bids reviews were evaluated on technical basis and a cost basis. The experience of the consultant and financial backing were also considered in the

evaluation process. Costs were very close. Based on the technical merits and cost review, the Administrator recommends contracts be awarded to Seneca Companies and Geode Environmental, Inc., the two firms evaluated to have the highest overall scores.

Ms. Andeweg moved to retain the services of Seneca Companies and Geode Environmental, Inc. for the next 12 months. Mr. Gartin seconded the motion. The motion was approved unanimously.

D. DNR Update

Ms. Douskey reported the DNR has drafted changes to Chapter 135 rules which deal with UST operational requirements as well as assessment and clean-up requirements at LUST sites. The goal of the changes is to bring the recent federal changes into state rules. She noted a link to the draft rules will be sent out and that meetings have been scheduled on December 18, January 12 and January 19 to review the changes. If more meetings are needed, they will be scheduled.

Ms. Douskey noted that details of the changes will be released on December 11th. She noted most of the federal rules codify the guidelines that were in the Federal Energy Act of 2005, and since Iowa adopted rules following that, Iowa is ahead of the game as it comes to rulemaking. She did note though that there are some new task that will be incorporated in rule, such as the need for walk-through inspections, but wasn't sure how that would be phrased in the rule or how soon the new requirements would be phased in. She encouraged all interested parties to attend one of the upcoming meetings to hear more information.

APPROVAL OF PROGRAM BILLINGS

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

1. Aon Risk Services \$101,262.00
Consulting Services January 2016 -- \$62,262.00
Claims Processing Services January 2016-- \$39,000.00
2. Aon Risk Services \$101,262.00
Consulting Services February 2016 -- \$62,262.00
Claims Processing Services February 2016-- \$39,000.00
3. Iowa Department of Revenue..... \$649.32
FY 2016 EPC Collection, 1st quarter
4. Iowa Attorney General's Office \$4,518.48
Services provided for Underground Storage Tank Program
October 2015 (FY 2016) Billing
5. Office of Auditor of State..... \$619.13
Audit Services, FY 2016, 1st quarter

Mr. Barry moved to approve the billings and Ms. Andeweg seconded the motion. The motion was passed unanimously.

MONTHLY ACTIVITY REPORT AND FINANCIALS REVIEWED

Mr. Gastineau noted both October and November activity reports were provided in the Board Packet. He noted an increase in reimbursements from corrective actions being completed and noted that reimbursements were over \$900,000 in October and near \$1.1 million in November. Mr. Gastineau also noted the overall fund balance was approximately \$33.8 million for the November month ending report and that is anticipated that the balance will increase to \$36.7 million by the fiscal year end.

ATTORNEY GENERAL'S REPORT

Mr. Steward noted there was nothing to report.

CLAIM PAYMENT AUTHORITY

Mr. Gastineau presented the following claim authority requests:

1. Site Registration 7910603 – Cecil L. Goettsch Revocable Trust, Monticello (1st Board Report)

Mr. Gastineau reported that this site is high risk for the vapor and water line pathways. The site is also low risk for the potential vapor pathways. The building basement on-site has been filled in to remove it as a receptor however the costs for that action have not yet been submitted for reimbursement. The water main will be replaced pending board approval and an environmental covenant will be placed on the property prohibiting the installation of new receptors within the area of contamination. This should result in the reclassification of the site to no action required.

Mr. Gastineau noted the present claim reserve is \$150,000. Total projected costs are \$125,000 to \$150,000+. Additional authority requested of \$175,000.

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

2. Site Registration 7910582 – Union Pacific Railroad, Estherville (2nd Board Report)

Mr. Gastineau reported that this site is classified as No Action Required with free product. The consultant is proposing the injection of PetroCleanze, which acts as a surfactant as well as a chemical treatment. The treatments will be followed by vacuum extraction events in an effort to remove the recoverable free product. Once it can be shown that the free product has been recovered to the maximum extent practicable, the wells and the claim can be closed.

Mr. Gastineau noted the present claim reserve is \$200,000. Projected costs are \$75,000 to \$150,000+ for new activities. Additional authority of \$100,000 was requested for a total authority of \$250,000.

Ms. Beck moved to approve the request and Ms. Andeweg seconded the motion. Motion carried unanimously.

3. Site Registration 8604897 – Caseys Marketing Co., Centerville (2nd Board Report)

Mr. Gastineau reported that this site is high risk for actual vapor receptors and low risk for the potential vapor pathways. This is an active gas station and corrective action options are limited. Reclassification of the site will require a combination of approaches including a Tier 3 vapor intrusion investigation and an environmental covenant prohibiting new receptors within the area of concern. If this is not successful, corrective action options will be explored.

Mr. Gastineau noted the present claim reserve is \$300,000. Projected costs are \$50,000 to \$200,000+ for new activities. Additional authority of \$170,000 was requested for a total authority of \$400,000.

Ms. Carlson moved to approve the request and Mr. Gartin seconded the motion. The motion passed unanimously.

4. Site Registration 8605621 – Heart of Iowa Coop, Roland (2nd Board Report)

Mr. Gastineau reported that this site is classified as no action required with free product. Based on a laser induced fluorescence (LIF) evaluation, the area of free product is extensive. An excavation of the area with known free product, which is a smaller area, is proposed. The success of this excavation may be limited by the presence of the on-site building. After the excavation, the site will need to be monitored for recoverable free product for at least a year.

Mr. Gastineau noted the current claim reserve is \$200,000. Projected costs for new activities are \$100,000 to \$200,000+. Additional authority of \$175,000 was requested for a total authority of \$300,000.

Mr. Gartin moved to approve the request and Mr. Hall seconded the motion. The motion passed unanimously.

5. Site Registration 8601824 – Iowa Oil Company, Dubuque (3rd Board Report)

Mr. Gastineau reported that this site is high risk for the vapor pathways and low risk for the protected groundwater source pathway. He noted that the City of Dubuque has an approved well ordinance but indicated that they will not sign the certification letters required to verify that the ordinance would be enforced. As a result, the consultant is proposing use of chemical oxidants to reduce contaminant levels in the area of contamination. He noted this is an active station, so access for remediation is limited.

Mr. Gastineau noted the current claim reserve is \$1,000,000. Previous Board approval was given on December 6, 2004 for \$600,000. The request for new activities is \$275,000 to \$350,000+ for a total authority of \$850,000.

Following a brief discussion on the ownership of the site and difficulty working near active tank systems, Ms. Carlson moved to approve the request and Ms. Andeweg seconded the motion. The motion approved unanimously.

6. Site Registration 8608180 – Krause Gentile Corp., New Hampton (3rd Board Report)

Mr. Gastineau reported that this site is now an auto parts store. Extensive corrective action has been completed which has removed most of the onsite contamination. The remaining contamination is beneath the city streets and an adjacent elementary school property. The site is high risk due to proximity of contamination to a water main, residential sewers and the basement of the school. He noted a water line replacement and excavation was completed in late October. The costs have not been received yet but the consultant has informed us that there were several contingencies which have increased the overall costs.

Mr. Gastineau noted the present claim reserve is \$700,000. Total projected costs are \$175,000 to \$250,000+. Additional authority requested is \$75,000 for a total authority of \$725,000.

Mr. Barry moved to approve the request and Mr. Gartin seconded the motion. The motion passed unanimously.

CONTRACTS ENTERED INTO SINCE OCTOBER 29, 2015 BOARD MEETING

The Board has not entered into a contract since the October 29, 2015 meeting.

OTHER ISSUES AS PRESENTED

Mr. Gartin inquired into the status of the press release and contact with the Iowa League of Municipalities discussed previously. After considerable discussion, Mr. Cira indicated that the Iowa League of Municipalities would be contacted and a generic notice placed informing them that this Fund is coming to an end. Mr. Gastineau noted that letters will continue to be sent to claimants and landowners as well.

CORRESPONDENCE AND ATTACHMENTS

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

A motion to adjourn the meeting was made by Mr. Gartin and seconded by Ms. Andeweg. The meeting adjourned at 11:17 A.M.

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: January 15, 2016
RE: 2016 Legislative Session

The 2016 Legislative Session began January 11th and was followed by the Governor's Condition of the State address on January 12th. The Governor also released his budget recommendations for FY 2017.

The Governor's Budget Recommendations does not mention a change in the allocations from the Statutory Allocations Fund from whence the Board receives appropriations. The budget recommendation do however modify the allocations from the UST Unassigned Revenue Fund; the changes would include eliminating the \$200,000 provided to the Department of Natural Resources for technical reviews and increasing the funding to the Department of Agriculture and Land Stewardship from \$250,000 to \$750,000 for FY 2017. These modifications should cause no adverse impact in the Board's ability to meet its mission for closing of the program claims.

The draft bill presented during the December 2015 Board meeting is still in the drafting process and will be issued once complete. Once issued, we will provide the bill to the Board members for reference. We will also monitor bills and committees and report any issues that arise that may affect the Board.

B. Aon Incentive Plan



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MEMORANDUM

TO: UST Board Members
FROM: Dale Cira
DATE: January 16, 2016
SUBJECT: Aon Incentive Plan Summary

Aon Risk Services Central, Inc. was retained to serve as the Administrator of the Iowa Comprehensive Petroleum Underground Storage Tank Fund Program in 1999. The program at that time had more than 1600 open claims. Aon successfully re-competed for the Administrator's role in 2005 and in 2010, each time offering the most advantageous bid for the Board. Over the years, the number of claims had been reduced at a fairly steady rate at approximately 117 claims per year, until 2011 when the rate declined. Alternatively, as the number of claims has reduced, the claim dollars expended to close the claims has increased as remaining claims represent some of the more complex and difficult sites.

This trend demonstrates that while the number of claims closed has remained relatively steady, the cost and ultimately the review and processing effort required to close claims, has increased. Finally, with claims closing out at a steady rate, the projected reserves to confidently address all remaining open claims has reduced over time.

In August 2014, the Board requested Aon review its cost structure in light of the number of claims that remained at that time. In consideration of the decrease in the number of claims, Aon agreed to reduce its fee for the 2015 calendar year by waiving the automatic 3.5% rate increase provided by the current contract and reducing the monthly fee for Claims Processing by 10% for each of the Remedial Claims, Innocent Landowner Fund Claims, and Opt-in Claims categories. This resulted in a monthly fee adjustment downward from a projected \$108,220 to \$98,722 for calendar year 2015 – for an annual savings of \$113,972.

In consideration of the fee reduction, Aon requested an incentive goal be considered as provided by the language of the current Board contract. It was noted the contract (Section 5.2 – Incentive Compensation) allows for incentive compensation if established goals are achieved. In presenting the idea, Aon noted while goals for claim closures have been discussed annually by the Board an incentive goal had never been proffered. For the 2015 calendar year, Aon presented a plan to allow Aon and their contractor, Cunningham Lindsey the opportunity to earn back a portion of the fee that had been voluntarily reduced for CY 2015 services.

Following a presentation at the January 2015 Board meeting, the Board accepted Aon's proposed goal of closing 115 statutory claims during calendar year 2015 to qualify for an incentive fee of 50% of the cost savings realized from the voluntary reduction in fees. If earned, the incentive-based reward of \$56,986 would be paid to Aon, to be shared with Aon's partner, Cunningham Lindsey.

By presentation of the memo, we believe the goal has been attained. During CY 2015, staff successfully reduced the number of open claims using of the available methods. A table is attached providing information on the change in claim counts during CY 2015. A summary of the information is provided here for reference:

<u>Discretionary goal (claims to be closed):</u>	115	(Retro, Remedial, ILO, NFA)
Total claims closed	145	(28 closed administratively)
Claims re-opened & closed within 30 days	(16)	
Net claims closed CY 2015	129	Goal attained
New Claims	12	
Claims re-opened	19	
Re-opened claims closed < 30 days	(16)	
New claims / re-opened claims closed CY 2015	(5)	
Net New / Re-Opened Claims	10	
Open claims (12-31-2014)	560	
Open claims (12-31-2015)	441	
Difference:	119	

Based on the number of claims closed on a net-basis, 129, we believe the goal has been met. It should be noted that the process of closing claims on an administrative basis was first discussed as an option during the July 2015 Board meeting as a method to close stalled or abandoned claims. The claimants and landowners associated with these claims were notified prior to closure and encouraged to bring their claims into compliance. Only those claims where no response was provided were closed.

Aon Contract Incentive Proposal

Data Review

NEW "STATUTORY" CLAIMS						Other Claims			Total Claims
FY	RM	RT	ILO	NFA	Total	GS	TX	CC	
CY 2015	2	0	4	6	12	4	53	38	107
CY 2014	5	0	9	10	24	2	83	36	145
CY 2013	3	0	12	7	22	4	101	30	157
CY 2012	4	0	12	9	25	2	88	5	120
CY 2011	5	0	12	4	21	2	82	0	105
10 yr Ave ('05 - '14)	3.5	0	15.4	4.9	23.8	15.2	74.8	11.1	87.5
5 yr Ave ('09 - '14)	4.2	0	12.2	8	24.4	3.2	74.8	14.6	117

RE-OPENED "STATUTORY" CLAIMS						Other Claims			Total Claims
FY	RM	RT	ILO	NFA	Total	GS	TX	CC	
CY 2015	13	1	4	1	19	6	6	5	36
CY 2014	10	0	3	0	13	8	2	1	24
CY 2013	8	0	2	0	10	6	6	3	25
CY 2012	2	0	1	0	3	4	2	1	10
CY 2011	8	1	3	0	12	6	3	8	29
10 yr Ave ('05 - '14)	11.6	1.2	3.4	0	16.2	8.9	2.6	2.3	28.7
5 yr Ave ('09 - '14)	8.0	0.2	2.4	0	10.6	5.6	2.6	3.4	22.2

CLOSED "STATUTORY" CLAIMS						Other Claims			Total Claims
FY	RM	RT	ILO	NFA	Total	GS	TX	CC	
CY 2015	76	9	50	10	145	23	77	27	272
CY 2014	77	3	25	8	113	30	63	17	223
CY 2013	71	5	23	12	111	32	105	3	251
CY 2012	62	4	26	3	95	21	86	1	203
CY 2011	99	10	33	7	149	38	60	7	254
10 yr Ave ('05 - '14)	103.4	7.9	34.6	3.5	149.4	52	64.6	7.3	241
5 yr Ave ('09 - '14)	81.2	5.8	28.2	6.2	121.4	31.4	64.6	9.2	226.6

Closed "Statutory" Claims for Setting 2015 Goal			
FY	Claims Closed	ReOp <30	Actual Closed
CY 2015	145	16	129
CY 2014	113	11	102
CY 2013	111	9	102
CY 2012	95	1	94
CY 2011	149	10	139
10 yr Ave ('05 - '14)	149.4	10.8	138.6
5 yr Ave ('09 - '14)	121.4	9.8	111.6
Goal			115

CALENDAR YEAR 2015

CY 2015 - CHANGE IN OPEN CLAIMS			
Claims	Open Claims Dec 2014 Ending	Open Claims Dec 2015 Ending	Net Change for CY 15
RETROACTIVE			
number	30	22	(8)
reserve	\$1,445,341.00	\$1,214,820.27	(\$230,520.73)
paid	\$6,368,181.28	\$5,720,179.73	(\$648,001.55)
	\$7,813,522.28	\$6,935,000.00	(\$878,522.28)
REMEDIAL			
number	378	315	(63)
reserve	\$20,234,695.18	\$17,887,033.70	(\$2,347,661.48)
paid	\$71,280,201.31	\$66,688,995.17	(\$4,591,206.14)
total	\$91,514,896.49	\$84,576,028.87	(\$6,938,867.62)
INNOCENT LANDOWNER			
number	135	91	(44)
reserve	\$4,962,111.41	\$4,633,676.87	(\$328,434.54)
paid	\$11,053,376.16	\$10,491,324.13	(\$562,052.03)
total	\$16,015,487.57	\$15,125,001.00	(\$890,486.57)
NFA RE-EVALUATIONS			
number	17	13	(4)
reserve	\$346,670.45	\$224,724.76	(\$121,945.69)
paid	\$493,329.55	\$510,275.24	\$16,945.69
total	\$840,000.00	\$735,000.00	(\$105,000.00)
GLOBAL OPT-IN			
number	87	72	(15)
reserve	\$401,881.50	\$350,464.46	(\$51,417.04)
paid	\$717,890.14	\$626,942.56	(\$90,947.58)
total	\$1,119,771.64	\$977,407.02	(\$142,364.62)
UNASSIGNED REVENUE FUND PROJECTS			
number	53	65	12
reserve	\$1,411,138.44	\$1,558,929.02	\$147,790.58
paid	\$344,861.56	\$937,071.98	\$592,210.42
total	\$1,756,000.00	\$2,496,001.00	\$740,001.00
TANK PULLS			
number	51	28	(23)
reserve	\$673,408.00	\$367,547.00	(\$305,861.00)
paid	\$0.00	\$17,064.77	\$17,064.77
total	\$673,408.00	\$384,611.77	(\$288,796.23)

Comparison 2014-2015	12/31/14	12/31/15	Change
Open (RT, RM, ILO, NFA)	560	441	(119)
Res (RT, RM, ILO, NFA, GS)	\$27,390,699.54	\$24,310,720.06	(\$3,079,979.48)
Reserve (all claims)	\$29,475,245.98	\$26,237,196.08	(\$3,238,049.90)

DNR Info. 2014-2015	DNR @ 12-31-14	DNR @ 12-31-15	Change
OPEN LUST	857	752	(105)
High Risk	476	423	(53)
Low Risk	183	162	(21)
No Action w/Free Prod	77	66	(11)
Not Classified	121	101	(20)

Discretionary Incentive Goal	115	New / Re-Open Claims Data	
Claims closed: CY 2015	117	New Claims CY 2015	12
Admin Closed: CY 2015	28	Re-Op Claims	19
Total Closed CY 2015	145	Re-Op /Closed <30 days	(16)
Claims Re-opened <30 days	16	New /ReOp Closed	(5)
Net Claims Closed CY 2015	129	Net Claims Opened	10

CY 2015 - CHANGE IN TOTAL CLAIMS		
Open & Closed as of 12-31-2014	Open & Closed as of 12-31-2015	Net Change for CY 15
RETROACTIVE		
447	447	0
\$1,445,341.00	\$1,214,820.27	(\$230,520.73)
\$17,662,477.61	\$18,032,231.47	\$369,753.86
\$19,107,818.61	\$19,247,051.74	\$139,233.13
REMEDIAL		
4,456	4,458	2
\$20,234,695.18	\$17,887,033.70	(\$2,347,661.48)
\$212,355,892.71	\$216,219,680.92	\$3,863,788.21
\$232,590,587.89	\$234,106,714.62	\$1,516,126.73
INNOCENT LANDOWNER		
1,129	1,133	4
\$4,962,111.41	\$4,633,676.87	(\$328,434.54)
\$30,086,335.03	\$32,294,189.40	\$2,207,854.37
\$35,048,446.44	\$36,927,866.27	\$1,879,419.83
NFA RE-EVALUATIONS		
53	59	6
\$346,670.45	\$224,724.76	(\$121,945.69)
\$1,073,814.84	\$1,302,994.18	\$229,179.34
\$1,420,485.29	\$1,527,718.94	\$107,233.65
GLOBAL OPT-IN		
1,301	1,305	4
\$401,881.50	\$350,464.46	(\$51,417.04)
\$9,696,682.95	\$9,804,086.23	\$107,403.28
\$10,098,564.45	\$10,154,550.69	\$55,986.24
UNASSIGNED REVENUE FUND PROJECTS		
260	298	38
\$1,411,138.44	\$1,558,929.02	\$147,790.58
\$2,808,641.70	\$3,439,368.12	\$630,726.42
\$4,219,780.14	\$4,998,297.14	\$778,517.00
TANK PULLS		
373	426	53
\$673,408.00	\$367,547.00	(\$305,861.00)
\$3,841,071.93	\$4,804,710.79	\$963,638.86
\$4,514,479.93	\$5,172,257.79	\$657,777.86

C. FY 2016, 2nd Quarter Report



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

January 7, 2016

Mr. Glen Dickinson
Legislative Council
State Capitol Building
Des Moines, IA 50319

Mr. Dickinson,

We are pleased to provide the attached report regarding the Iowa Comprehensive Underground Storage Tank Fund (UST Fund) progress for activities through the end of the 2nd quarter of FY2016. The report is submitted pursuant to Iowa Code Section 455G.4(6) titled "Reporting".

The code section calls for the report to include the following items:

- Total open claims, including identification of the number of new claims
- IDNR risk classification associated with open claims
- Total reserve figures
- Summary of budgets approved during the reporting period
- Breakdown of categories of claim payment expenditures during the reporting period

Some information in the attached tables is obtained from the Department of Natural Resources (DNR), but the report numbers deal with UST Fund claims and therefore do not include all DNR reported releases since not all meet the eligibility criteria of Iowa Code Section 455G.

If you have any questions regarding the enclosed report or other issues associated the UST Fund, please call the UST Fund Administrator's office at 515/225-9263 or you may call me directly at 515/440-7016.

Sincerely,

James Gastineau
Deputy Administrator

enc: FY16 2Quarter Report
 December 2015 Activities Report

UST Fund Program Status Areas 2Q FY2016 (Dec 31, 2015)

1. Financial Balances

	12/31/2015	6/30/2015	6/30/2014	6/30/2013	6/30/2012
Revenue Fund	\$7,544,097	\$538,282	\$524,210	\$14,470,480	\$16,326,235
Unassigned Revenue Fund	\$7,989,333	\$9,417,609	\$11,681,366	\$8,133,085	\$745,123
Remedial Fund	\$13,649,176	\$16,834,688	\$8,681,846	\$4,347,071	\$3,510,808
Marketability Fund	\$808,063	\$787,670	\$755,308	\$742,024	\$730,433
Innocent Landowner Fund	\$5,954,260	\$7,110,415	\$8,604,467	\$2,176,164	\$2,963,372
Loan Guarantee Fund	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$277,723
Capital Reserve Funds	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total Fund Balances	\$35,944,929	\$34,668,664	\$30,247,200	\$29,868,825	\$24,553,694

Previous and Pending Transfers

FY2007--\$3.5 million
 FY2008--\$6.5 million
 FY2009--\$4.9 million
 FY2011--\$26.4 million
 FY2012--\$3 million

Paid on Claims

\$ 6.6 million FY2012
 \$ 7.6 million FY 2013
 \$10.1 million FY 2014
 \$ 7.6 million FY 2015

2. Operational

Changes

- Actively pursuing claimants seeking their participation toward attainment of a no action required status.
- Contacting claimants offering settlement option to finalize costs on eligible claims.
- Focus on remaining mission to complete action on pre-existing liabilities prior to ceasing operations.

Expected Results

- Continued reduction of claim count
- Determination of options to conclude program liabilities prior to the UST Fund ceasing operations.

3. Results - - Iowa DNR LUST Sites / Risk Classifications in relation to Open UST Fund claims

Iowa DNR / Iowa UST Site Data (as of 12/31/15)	<u>DNR LUST Sites</u>	<u>Remedial CRP/NFA claims</u>	<u>Retroactive claims</u>	<u>Innocent Landowner Fund Claims</u>	<u>Total UST Fund Claims</u>
Total Active LUST Sites	752	328	22	91	441
Sites "Not Classified"	101	4	0	11	15
Low Risk sites	162	71	4	21	96
High Risk sites	423	216	16	49	281
No Action with free product sites	66	27	2	8	37
No Action Required / Release Not Verified	5777	10	0	2	12

4. Results - - UST Fund Open Claims / Liabilities

	Dec. 31, 2015	Dec. 31, 2015	June 2015	June 2014	June 2013	June 2012	June 2011	June 2010
Retroactive Claims	\$ 1.2 million	22	26	31	36	39	44	54
Remedial/CRP/ NFA Claims	\$ 18.1 million	328	375	414	481	532	609	712
Innocent Landowner Claims	\$ 4.9 million	91	120	140	153	162	187	206
Totals *	\$ 24.3 million	441	521	585	733	840	972	1,045

*does not include State Lead Closure Contract project claims or tank closure claims

Dec-15

	Open Claims		Open Claims	Open & Closed
Claims	Nov 2015 Ending	Monthly Net Changes	Dec 2015 Ending	Totals since Inception
RETROACTIVE				
number	26	(4)	22	447
reserve	\$1,339,902.62	(\$125,082.35)	\$1,214,820.27	\$1,214,820.27
paid	\$6,153,548.04	(\$433,368.31)	\$5,720,179.73	\$18,032,231.47
	\$7,493,450.66	(\$558,450.66)	\$6,935,000.00	\$19,247,051.74
REMEDIAL				
number	340	(25)	315	4,458
reserve	\$18,874,510.66	(\$987,476.96)	\$17,887,033.70	\$17,887,033.70
paid	\$70,784,518.21	(\$4,095,523.04)	\$66,688,995.17	\$216,219,680.92
total	\$89,659,028.87	(\$5,083,000.00)	\$84,576,028.87	\$234,106,714.62
INNOCENT LANDOWNER				
number	108	(17)	91	1,133
reserve	\$5,392,177.23	(\$758,500.36)	\$4,633,676.87	\$4,633,676.87
paid	\$11,042,574.77	(\$551,250.64)	\$10,491,324.13	\$32,294,189.40
total	\$16,434,752.00	(\$1,309,751.00)	\$15,125,001.00	\$36,927,866.27
GLOBAL OPT-IN				
number	76	(4)	72	1,305
reserve	\$373,661.29	(\$23,196.83)	\$350,464.46	\$350,464.46
paid	\$654,148.13	(\$27,205.57)	\$626,942.56	\$9,804,086.23
total	\$1,027,809.42	(\$50,402.40)	\$977,407.02	\$10,154,550.69
UNASSIGNED REVENUE FUND PROJECTS				
number	70	(5)	65	298
reserve	\$1,622,378.85	(\$63,449.83)	\$1,558,929.02	\$1,558,929.02
paid	\$698,621.65	\$238,450.33	\$937,071.98	\$3,439,368.12
total	\$2,321,000.50	\$175,000.50	\$2,496,001.00	\$4,998,297.14
NFA RE-EVALUATIONS				
number	14	(1)	13	59
reserve	\$247,929.20	(\$23,204.44)	\$224,724.76	\$224,724.76
paid	\$412,070.80	\$98,204.44	\$510,275.24	\$1,302,994.18
total	\$660,000.00	\$75,000.00	\$735,000.00	\$1,527,718.94
TANK PULLS				
number	32	(4)	28	426
reserve	\$399,453.09	(\$31,906.09)	\$367,547.00	\$367,547.00
paid	\$9,385.00	\$7,679.77	\$17,064.77	\$4,804,710.79
total	\$408,838.09	(\$24,226.32)	\$384,611.77	\$5,172,257.79

Corrective Action Meetings (12/15)	
Scheduled:	8
Completed:	1,277
MOA's	488

UST Operator Training	
UST Operators (A / B)	3,115
A/B (FY2011-16)	\$301,120

RT Claims	#
New	0
Reopened	0
Closed	4

RM Claims	#
New	0
Reopened	0
Closed	25

ILO Claims	#
New	0
Reopened	1
Closed	18

GS Claims	#
New	0
Reopened	1
Closed	5

USTCA	#
New	2
Reopened	0
Closed	7

NFA Re-Eval	#
New	0
Reopened	0
Closed	1

Tank Pull	#
New	2
Reopened	0
Closed	6

DNR @ 12-31-15	
Total LUST	6624
OPEN LUST	752
High Risk	423
Low Risk	162
NAR-FP	66
Not Class.	101

Invoice Type Totals	DEC	FYTD	Program to Date
Aon - Admin	\$ 124,524.00	\$ 361,029.12	
Aon - Claims	\$ 78,000.00	\$ 234,000.00	
Government	\$ 81,502.82	\$ 305,194.64	
2004 Tank Pull			
	\$ -	\$ -	\$ 1,761,823.44
2010 Tank Pull	\$ 102,724.22	\$ 523,485.92	\$ 4,905,467.66
American Soils	\$ -	\$ -	\$ 5,678,422.58
AST Removal	\$ -	\$ -	\$ 3,306,435.24
AST Upgrade	\$ -	\$ -	\$ 7,911,496.87
CADR Charges	\$ 427.66	\$ 59,840.41	\$ 4,653,502.19
Corrective Action	\$ -	\$ -	\$ 52,423,154.11
Expenses / OT	\$ 500.00	\$ 8,100.00	\$ 301,120.00
Free Prod Recover	\$ 45,150.41	\$ 365,996.35	\$ 11,595,511.42
Monitoring	\$ 146,003.61	\$ 847,125.78	\$ 31,720,205.14
Operations/Maint	\$ 22,076.65	\$ 137,103.64	\$ 10,328,848.35
Over-excavation	\$ 437,911.90	\$ 1,500,919.15	\$ 33,800,074.69
Water Lines	\$ 109,957.52	\$ 240,020.84	\$ 2,789,974.05
Post RBCA Evals	\$ 1,100.00	\$ 9,752.92	\$ 240,365.91
RBCA	\$ 25,207.50	\$ 240,020.84	\$ 26,700,307.99
Remed Imp/Const.	\$ 153,886.16	\$ 761,109.60	\$ 29,844,280.14
SCR Charges	\$ -	\$ -	\$ 54,217,410.26
Site Check	\$ -	\$ -	\$ 142,486.32
Soil Disposal	\$ -	\$ -	\$ 738,386.66
Tank (UST) Pull	\$ -	\$ -	\$ 3,979,734.25
Tank (UST) Upgrade	\$ -	\$ -	\$ 3,440,849.83
Tier III	\$ 2,200.00	\$ 7,160.00	\$ 1,372,926.40
Utilities	\$ 9,317.49	\$ 47,642.76	\$ 2,142,865.34
Well Closure	\$ 46,473.27	\$ 114,879.83	\$ 3,982,893.66
Total Invoice Types	\$ 1,102,936.39	\$ 4,863,158.04	\$ 297,028,246

Remediation Budgets Approved to Date		
last month (Dec '15)	3	\$332,196.60
CY 2015	53	\$4,210,394.96
CY 2014	38	\$2,528,825.57
Total Since Jan 2003	1205	\$52,034,168.93

Project Contracts	Open	Closed	Pending
Total LUST	5	40	0
CRP's	0	2	2
NFA Re-Opener	2	5	0
Tank Closure	0	2	0
Plastic Water Line			

D. 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

TO: UST Board Members
FROM: James Gastineau
DATE: January 15, 2016
SUBJECT: Summary of Bills for Payment

NOTICE

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

1. Iowa Attorney General's Office \$3,997.77
 Services provided for Underground Storage Tank Program
 November 2016 (FY 2016) Billing
 (Previously submitted to the State Treasurer, 12/11/2015)

IOWA ATTORNEY GENERAL'S OFFICE
Hoover State Office Bldg - 2nd Floor
Des Moines, Iowa 50319-0141



Invoice Date: 12/09/15

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: November FY16

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

Document Number	Account Coding					Description	Amount
	Fund	Agency	Org	Sub Org	Rev Source		
112AG120915042	0001	112	2301		0302		\$ 3,997.77

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

Monthly Activity Report and Financials Reviewed

A. December 2015 Activities Report

Dec-15

	Open Claims		Open Claims	Open & Closed
Claims	Nov 2015 Ending	Monthly Net Changes	Dec 2015 Ending	Totals since Inception
RETROACTIVE				
number	26	(4)	22	447
reserve	\$1,339,902.62	(\$125,082.35)	\$1,214,820.27	\$1,214,820.27
paid	\$6,153,548.04	(\$433,368.31)	\$5,720,179.73	\$18,032,231.47
	\$7,493,450.66	(\$558,450.66)	\$6,935,000.00	\$19,247,051.74
REMEDIAL				
number	340	(25)	315	4,458
reserve	\$18,874,510.66	(\$987,476.96)	\$17,887,033.70	\$17,887,033.70
paid	\$70,784,518.21	(\$4,095,523.04)	\$66,688,995.17	\$216,219,680.92
total	\$89,659,028.87	(\$5,083,000.00)	\$84,576,028.87	\$234,106,714.62
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number	108	(17)	91	1,133
reserve	\$5,392,177.23	(\$758,500.36)	\$4,633,676.87	\$4,633,676.87
paid	\$11,042,574.77	(\$551,250.64)	\$10,491,324.13	\$32,294,189.40
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Reopened	1
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USTCA	#
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Reopened	0
Closed	7

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Remed Imp/Const.	\$ 153,886.16	\$ 761,109.60	\$ 29,844,280.14
SCR Charges	\$ -	\$ -	\$ 54,217,410.26
Site Check	\$ -	\$ -	\$ 142,486.32
Soil Disposal	\$ -	\$ -	\$ 738,386.66
Tank (UST) Pull	\$ -	\$ -	\$ 3,979,734.25
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Utilities	\$ 9,317.49	\$ 47,642.76	\$ 2,142,865.34
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Total Invoice Types	\$ 1,102,936.39	\$ 4,863,158.04	\$ 297,028,246

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CY 2015	53	\$4,210,394.96
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Total Since Jan 2003	1205	\$52,034,168.93

Project Contracts	Open	Closed	Pending
Total LUST	5	40	0
CRP's	0	2	2
NFA Re-Opener	2	5	0
Tank Closure	0	2	0
Plastic Water Line	0	2	0

B. December 2015 Financial Report

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

0471 - UST REVENUE FUND (Bonding)

<hr/>		
Balance of Fund, December 1, 2015		\$4,043,585.60
 Receipts:		
Motor Vehicle Use Tax (IDOT - vehicle registration)	\$3,500,000.00	
Intra State Fund Transfers Received	\$0.00	
Interest Income	\$511.62	
	<hr/>	\$3,500,511.62
 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	
		<hr/>
		\$0.00
 Balance of Fund, December 31, 2015		<hr/> \$7,544,097.22 <hr/>

0450 - UST UNASSIGNED REVENUE FUND (Non-Bonding)

<hr/>		
Balance of Fund, December 1, 2015		\$8,519,681.84
 Receipts:		
Copying/Filing Fees	\$0.00	
Fines & Penalties	\$0.00	
Refund/Overpayment	\$0.00	
Transfer From UST Revenue Fund (0471)	\$0.00	
Interest Income	\$13,855.11	
	<hr/>	\$13,855.11
 Disbursements:		
UST Administrator's Fees	\$202,524.00	
Adjustment	\$0.00	
Attorney General's Fees	\$8,516.25	
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	\$619.13	
Claim Settlement	\$0.00	
Department of Revenue EPC Collection Fees	\$649.32	
Department of Inspection & Appeals Service Fees	\$0.00	
Environmental Protection Charge Refunds	\$0.00	
Iowa Finance Authority Expenses	\$0.00	
Legal and Professional Fees	\$0.00	
Postage / Printing / Miscellaneous	\$0.00	
Professional Services - Owner/Operator Training	\$500.00	
Rebate	\$0.00	
Special Project Claims - Closure Contract Project	\$259,677.33	
Travel Expenses-UST Board Members	\$0.00	

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

Warrant Float Expense	\$0.00	
28E Agreement - DNR RBCA Model Revision	\$0.00	
Statutory Transfer to DNR (Admin match)	\$0.00	
Statutory Transfer to DNR (tech review - recurring & carry over)	\$0.00	
Statutory Transfer to IDAL (fuel inspections - recurring & carry over)	\$0.00	
Appropriation 2015	\$0.00	
Appropriation 2016	\$71,718.12	
Offset of Funds to/from Innocent Land Owners (0485)	\$0.00	
Offset of Funds to/from Remedial Fund (0208)	\$0.00	
		\$544,204.15
Balance of Fund, December 31, 2015		\$7,989,332.80
 0208 - UST REMEDIAL NON-BONDING FUND		
Balance of Fund, December 1, 2015		\$14,332,066.14
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	\$21,120.02	
Remedial Claims	\$561,845.32	
28E Agreement - NFA Claims	\$99,924.94	
Adjustment	\$0.00	
Offset of Funds to/from ILO/GS Fund	\$0.00	
Offset of Funds to/from Unassigned Revenue Fund (0450)	\$0.00	
Balance of Outdated Warrants & Cancelled Warrants	\$0.00	
		\$682,890.28
Balance of Fund, December 31, 2015		\$13,649,175.86
 0478 - UST MARKETABILITY FUND		
Balance of Fund, December 1, 2015		\$803,851.25
Receipts:		
Interest	\$4,211.74	
Use Tax	\$0.00	
		\$4,211.74
Disbursements:		
Intra State Fund Transfer	\$0.00	
Transfer to Innocent Landowners Fund	\$0.00	
		\$0.00
Balance of Fund, December 31, 2015		\$808,062.99
 0485 - UST INNOCENT LANDOWNERS FUND		
Balance of Fund, December 1, 2015		\$6,111,178.57
Receipts:		
Cost Recovery (i.e. lien settlements)	\$0.00	
ILO Refunds	\$0.00	
Transfer From UST Revenue Fund (0471)	\$0.00	
Transfer From Loan Gaurantee Fund (0238)	\$0.00	

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

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	\$5,890.17	
Innocent Landowner Claims	\$156,228.61	
Transfer to Remedial Fund (0208)	\$0.00	
Transfer to/from Unassigned Revenue Fund (0450)	\$0.00	
Balance of Outdated Warrants	(\$5,096.00)	
		\$157,022.78
Balance of Fund, December 31, 2015		\$5,954,260.79
 0238 - UST LOAN GUARANTEE FUND (Non-Bonding)		
Balance of Fund, December 31, 2015		\$0.00
 0614 - UST CAPITAL RESERVE FUNDS (Bonding)		
Balance of Fund, December 31, 2015		\$0.00
 Combined UST Capital Reserve Fund Balances, December 31, 2015		 \$0.00
TOTAL FUND BALANCES, December 31, 2015		\$35,944,929.66

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 December 31, 2015

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

		FISCAL 2016 BUDGET
0471 - UST REVENUE FUND (Bonding)		
Balance of Fund, July 1, 2015	\$538,281.87	\$538,281.87
Receipts:		
Motor Vehicle Use Tax (IDOT - vehicle registration)	\$7,000,000.00	\$14,000,000.00
Intra State Fund Transfers Received	\$0.00	
Interest Income	\$5,815.35	\$50,000.00
	<u>\$7,005,815.35</u>	<u>\$14,050,000.00</u>
Disbursements:		
Bond Interest Payment	\$0.00	\$0.00
Bond Principal Payment	\$0.00	\$0.00
EPC Charges	\$0.00	\$0.00
Adjustments	\$0.00	\$0.00
Transfer to General Fund	\$0.00	\$0.00
Transfer to Unassigned Revenue Fund (0450)	\$0.00	\$0.00
Transfer to Innocent Landowner Fund (0485)	\$0.00	\$0.00
Transfer to Remedial Non-Bonding Fund (0208)	\$0.00	\$9,000,000.00
	<u>\$0.00</u>	<u>\$9,000,000.00</u>
Balance of Fund, December 31, 2015	<u>\$7,544,097.22</u>	<u>\$5,588,281.87</u>
0450 - UST UNASSIGNED REVENUE FUND (Non-Bonding)		
Balance of Fund, July 1, 2015	\$9,417,609.04	\$9,417,609.04
Receipts:		
Copying/Filing Fees	\$0.00	\$0.00
Fines & Penalties	\$0.00	\$0.00
Refund/Overpayment	\$0.00	\$0.00
Transfer From UST Revenue Fund (0471)	\$0.00	\$0.00
Interest Income	\$59,690.07	\$50,000.00
	<u>\$59,690.07</u>	<u>\$50,000.00</u>
Disbursements:		
UST Administrator's Fees	\$692,867.12	\$1,100,000.00
Adjustment	\$0.00	\$0.00
Attorney General's Fees	\$25,990.65	\$50,000.00
Attorney's Fees: Cost-Recovery Administration	\$0.00	\$0.00
Cost Recovery Expense (i.e. Lien Filing, Overpayment Refund)	\$24.00	\$150.00
Actuarial Fees	\$0.00	\$0.00
Auditor of the State Fees	\$6,334.51	\$5,100.00
Claim Settlement	\$0.00	\$0.00
Department of Revenue EPC Collection Fees	\$1,676.75	\$25,000.00
Department of Inspection & Appeals Service Fees	\$0.00	\$500.00
Environmental Protection Charge Refunds	\$0.00	\$0.00
Iowa Finance Authority Expenses	\$0.00	\$0.00
Legal and Professional Fees	\$0.00	\$0.00
Postage / Printing / Miscellaneous	\$0.00	\$500.00
Professional Services - Owner/Operator Training	\$8,100.00	\$50,000.00
Rebate	\$0.00	\$0.00
Special Project Claims - Closure Contract Project	\$528,065.90	\$800,000.00
Travel Expenses-UST Board Members	\$0.00	\$700.00

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

		FISCAL 2016 BUDGET
Warrant Float Expense	\$0.00	\$0.00
28E Agreement - DNR RBCA Model Revision	\$3,633.75	\$92,000.00
Statutory Transfer to DNR (Admin match)	\$0.00	\$200,000.00
Statutory Transfer to DNR (technical review - recurring & carry over)	\$0.00	\$361,110.00
Statutory Transfer to IDAL (fuel inspections - recurring & carry over)	\$0.00	\$440,382.07
Appropriations Prior Fiscal Year	\$50,684.73	\$30,000.00
Appropriations Current Fiscal Year	\$220,508.90	\$0.00
Offset of Funds to/from Innocent Land Owners (0485)	(\$41,043.00)	(\$150,000.00)
Offset of Funds to/from Remedial Fund (0208)	(\$8,877.00)	(\$150,000.00)
	<u>\$1,487,966.31</u>	<u>\$2,855,442.07</u>
Balance of Fund, December 31, 2015	\$7,989,332.80	\$6,612,166.97
0208 - UST REMEDIAL NON-BONDING FUND		
Balance of Fund, July 1, 2015	\$16,834,687.68	\$16,834,687.68
Receipts:		
Remedial Refunds	\$0.00	\$0.00
Misc. Income (i.e. eligibility settlements)	\$0.00	\$0.00
Interest Income	\$0.00	\$0.00
Transfer From UST Revenue Fund (0471)	\$0.00	\$9,000,000.00
	<u>\$0.00</u>	<u>\$9,000,000.00</u>
Disbursements:		
Retroactive Claims	\$225,901.29	\$700,000.00
Remedial Claims	\$2,800,824.45	\$5,750,000.00
28E Agreement - NFA Claims	\$151,960.19	\$500,000.00
Adjustment	\$0.00	\$0.00
Offset of Funds to/from ILO/GS Fund	\$0.00	\$150,000.00
Offset of Funds to/from Unassigned Revenue Fund (0450)	\$7,462.00	(\$80,000.00)
Balance of Outdated Warrants	(\$636.11)	
	<u>\$3,185,511.82</u>	<u>\$7,020,000.00</u>
Balance of Fund, December 31, 2015	\$13,649,175.86	\$18,814,687.68
0478 - UST MARKETABILITY FUND		
Balance of Fund, July 1, 2015	\$787,669.61	\$787,669.61
Receipts:		
Interest	\$20,393.38	\$35,000.00
Use Tax	\$0.00	
	<u>\$20,393.38</u>	<u>\$35,000.00</u>
Disbursements:		
Intra State Fund Transfer	\$0.00	\$0.00
Transfer to Innocent Landowners Fund	\$0.00	\$0.00
	<u>\$0.00</u>	<u>\$0.00</u>
Balance of Fund, December 31, 2015	\$808,062.99	\$822,669.61
0485 - UST INNOCENT LANDOWNERS FUND		
Balance of Fund, July 1, 2015	\$7,110,415.34	\$7,110,415.34
Receipts:		
Cost Recovery (i.e. lien settlements)	\$1,315.00	\$25,000.00
ILO Refunds	\$0.00	\$0.00
Transfer From UST Revenue Fund (0471)	\$0.00	\$0.00
Transfer From Loan Gaurantee Fund (0238)	\$0.00	\$0.00

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

		FISCAL 2016 BUDGET
Outdated Warrants	\$0.00	\$0.00
Miscellaneous Income	\$1,315.00	\$0.00
	<u>\$2,630.00</u>	<u>\$25,000.00</u>
Disbursements:		
Cost Recovery Reimbursement	\$0.00	\$0.00
Cost Recovery Global Settlement	\$0.00	\$0.00
Adjustment	\$0.00	\$0.00
Intra State Fund Transfers Paid (to Unassigned Revenue)	\$0.00	\$0.00
Other Contractual Services	\$1,015.00	\$0.00
Global Settlement Claims	\$36,940.40	\$80,000.00
Innocent Landowner Claims	\$1,084,882.15	\$2,000,000.00
Transfer to/from Remedial Fund (0208)	\$0.00	\$0.00
Transfer to/from Unassigned Revenue Fund (0471)	\$41,043.00	\$150,000.00
Balance of Outdated Warrants	(\$5,096.00)	\$0.00
	<u>\$1,158,784.55</u>	<u>\$2,230,000.00</u>
Balance of Fund, December 31, 2015	<u>\$5,954,260.79</u>	<u>\$4,905,415.34</u>
0238 - UST LOAN GUARANTEE FUND (Non-Bonding)		
Balance of Fund, December 31, 2015	<u>\$0.00</u>	<u>\$0.00</u>
0614 - UST CAPITAL RESERVE FUNDS (Bonding)		
Combined UST Capital Reserve Fund Balances, December 31, 2015	<u>\$0.00</u>	<u>\$0.00</u>
TOTAL FUND BALANCES, December 31, 2015	<u><u>\$35,944,929.66</u></u>	<u><u>\$36,743,221.47</u></u>

FOOTNOTES:

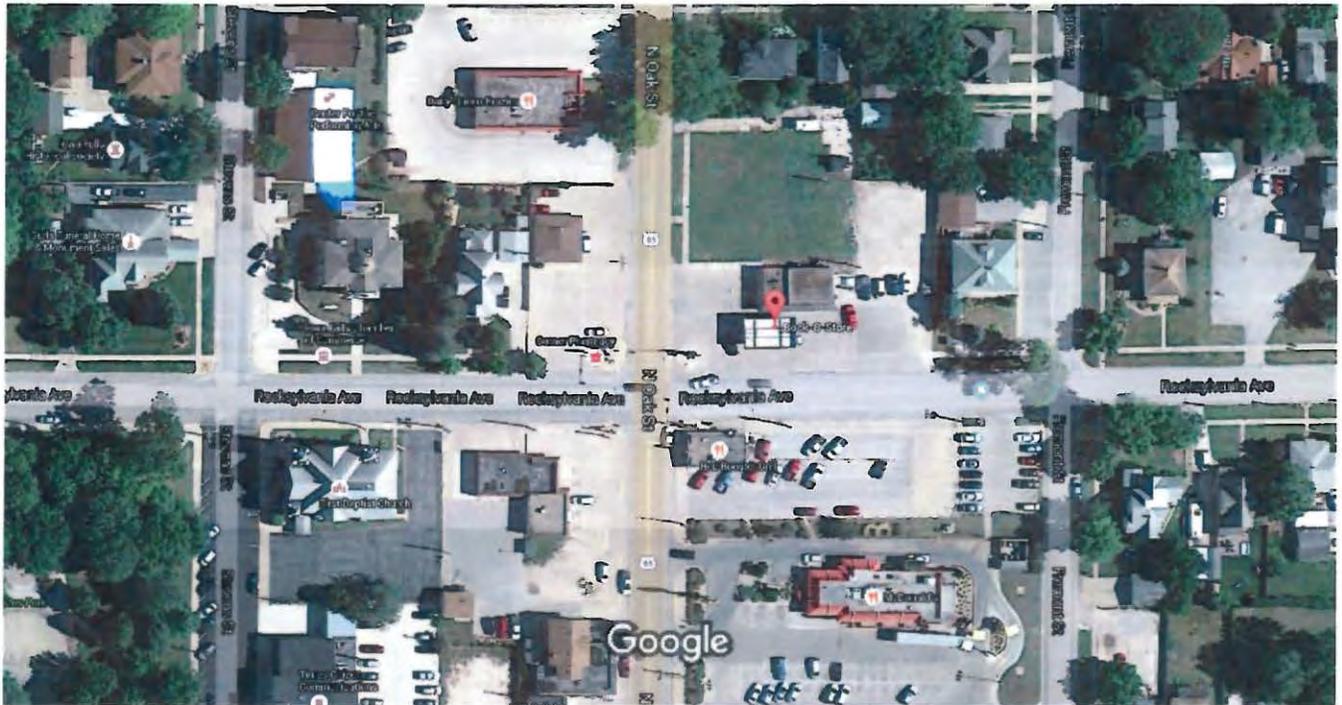
Note 1: Funds labeled "Bonding" were created as a result of the issuance of UST Revenue Bonds. Disbursements from these funds are restricted by the Revenue Bond indenture. Funds labeled "Non-Bonding" are funds not restricted as to use by the Revenue Bond indenture. **All bond funds are \$0.00 8/31/08**

Attorney General's Report

Claim Payment Approval

Site Timeline

- 1990 - Contamination discovered during a site check in September of 1990. Claim filed by Rock C Store.
- 1992 - Free product discovered during the SCR investigation.
- 1993 - Monthly free product by hand bailing begins.
- 1994 - SCR submitted and accepted as high risk. CADR due in 120 days.
- 2000 - RBCA Tier 2 submitted and accepted as high risk. CADR due in 120 days.
- 2004 - First board authority request approved on May 17th.
- 2007 - First corrective action teleconference held on November 1st. Agreed to complete a pilot test to evaluate the effectiveness of soil vapor extraction (SVE).
- 2008 - Second corrective action teleconference held on August 13th. Agreed to the installation of an SVE system.
- 2008 - Second board authority request approved on August 27th.
- 2010 - SVE system becomes operational in September.
- 2012 - The SVE system is shut down in September after it appears to have remediated all accessible contamination in the unsaturated zone. Contamination remains below the water table and within the bedrock formation. Free product appears to have been removed.
- 2014 - Third corrective action teleconference is held on January 27th. Agreed to conduct additional post-remediation assessment and then discuss options.
- 2014 - Fourth corrective action teleconference is held on December 30th. Options are limited as this is an active gas station and a bedrock site. Additional investigation will be completed.
- 2015 - Fifth corrective action teleconference is held on May 12th. An injection pilot test will be completed and a CADR will be submitted.
- 2015 - The CADR is approved by the DNR on December 16th.



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Rock-C-Store
Convenience Store

418 Rocksylvania Ave, Iowa Falls, IA 50126

**IOWA UNDERGROUND STORAGE TANK PROGRAM
 FIRST BOARD REPORT
 JANUARY 12, 2016
 WINNESHIEK COUNTY
 2656 150TH STREET
 FORT ATKINSON
 SITE REGISTRATION NUMBER: 8604968
 LUST NUMBER: 8LTK35**

RISK CLASSIFICATION:

HIGH LOW UNDETERMINED

PRESENT CLAIM RESERVE: \$ 125,000.00

ELIGIBILITY: The contamination was discovered when the USTs were removed in November of 1990 and the DNR was notified. An eligible extension had been filed, making this an eligible remedial claim.

COST INCURRED TO DATE:

1. Initial site investigation and site clean-up report	\$ 29,810.56
2. RBCA Tier II report	6,633.40
3. Site monitoring reports	29,124.00
4. Remediation (DWW replacement)	<u>8,474.57</u>
 TOTAL COST TO DATE	 \$ 74,042.53

PROJECTED COSTS:

- ❖ Site Monitoring Report
- ❖ Corrective action or Tier 3

TOTAL PROJECTED COSTS: \$ 25,000.00 to 75,000.00+

TOTAL AUTHORITY RECOMMENDED: \$125,000.00

COMMENTS: The site is high risk for several drinking water wells, and low risk for the protected groundwater source pathway. The contaminants of concern are diesel and waste oil. This is a bedrock site, which reduces the remedial options. In addition, the use of heavy county equipment in this gravel parking lot often destroys the monitoring wells, leading to delays and/or gaps in the monitoring history. The site could be reclassified to low risk if an alternate water source could be provided to the well owners, or potentially thru a Tier 3 assessment. A county well ordinance covering the affected area or corrective action would be required to reclassify the site to no action required. Corrective action is not proposed at this time. Affected population likely less than 20.

Site Timeline

- 1991 - A claim is filed by Winneshiek County following the discovery of contamination during the November 1990 tank removal. ASTs were installed following the UST removal.
- 1992 - Initial site assessment report is submitted.
- 1993 - SCR is submitted and accepted as high risk. CADR due in 90 days.
- 1994 - CADR submitted recommending installing a deeper water well for the county and plugging the old well, followed by a period of monitoring.
- 1995 - The CADR is approved by the DNR.
- 1997 - The county well is replaced with a double cased, grouted well installed into bedrock at a depth of 235' below ground surface.
- 1999 - RBCA Tier 2 is submitted as low risk. DNR classifies the site as high risk for private water wells located within 1 mile of the site. The new county water well appears to be considered not at risk.
- 1999 - 2015 – Annual monitoring is completed.
- 2015- Some important monitoring wells have not been monitored in years as they were destroyed by the use of heavy county equipment in this gravel parking lot. The consultant has been directed to replace and sample the monitoring wells ASAP so potential corrective action alternatives can be evaluated.

Google Maps 1504 265th Ave



1504 265th Ave
Fort Atkinson, IA 52144

Site Timeline

- 1990 - Contamination discovered during a tank removal in October of 1990. Two USTs were removed, and two USTs remained in operation. The claim was filed by Grieder Oil Company, the UST owner but not the property owner.
- 1995 - SCR submitted as high risk. DNR issues 'not accepted' letter.
- 1996 - Revised SCR submitted and accepted as high risk. Monitoring only approach is accepted.
- 1999 - Free product discovered during the RBCA investigation. Monthly hand bailing begins.
- 2000 - RBCA Tier 2 accepted as high risk. CADR required.
- 2000 - Two remaining USTs are removed. The site ceases to operate as a gas station.
- 2003 - CADR submitted proposing and excavation and water line replacement.
- 2004 – 1st corrective action teleconference to discuss options.
- 2004 – 2nd corrective action teleconference held on September 20th. The consultant will check with adjacent property owner to see if a system can be installed on their property to address vapor problems associated with their basement. Additional delineation will be completed to determine the best corrective action on-site.
- 2005 - The high risk water main is replaced with petroleum resistant materials. An SVE/AS system is installed on the residential property east of Locust Street and becomes operational in June.
- 2007 - The SVE/AS system was shut down in November after the groundwater concentrations declined to below the target levels and free product had not reappeared.
- 2011 - 3rd corrective action teleconference is held on July 22nd. Concentrations on the residential property have rebounded and there is concern that vapors may return to the residential basement.
- 2011 – 4th corrective action teleconference is held on October 25th. Corrective action options were discussed.
- 2012 – 5th corrective action teleconference is held on June 12, 2012. More discussion of the high risk receptors and corrective action options, but no agreement yet on the best option.
- 2013 – 6th corrective action teleconference is held on February 7, 2013. Options are again discussed. The adjacent property owner is involved in the meeting and much of the discussion involves working out options which he will find acceptable.
- 2013 – 7th corrective action teleconference is held on May 30, 2013. All agreed to an onsite excavation and continuing to work out options on the residential property.
- 2013 - The on-site excavation is completed in October.
- 2014 – 8th corrective action teleconference is held on September 25th. The residential property owner is now willing to allow an excavation on his property.
- 2015 - The excavation on the residential property is completed in late November.

Google Maps 304 Locust St SW



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304 Locust St SW
Blairstown, IA 52209

**Contracts Entered Into
Since December 10, 2015 Board Meeting**



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 T. Cira
DATE: January 15, 2016
SUBJECT: Contracts Entered Into Since December 10, 2015 Board Meeting

The Board has entered into the following agreements since the December 10, 2015 Board meeting:

- 1) Reimbursement agreements for UST Operator Training with Rounds & Associates, Inc., Antea USA, Inc., and Iowa State University.

Other Issues as Presented

Correspondence and Attachments