



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, February 26, 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. FY 2016 Claims Update
 - C. DNR Update
5. Approval of Program Billings
6. Monthly Activity Report and Financials Reviewed
7. Attorney General's Report
8. Claim Payment Approval
9. Contracts Entered Into Since January 22, 2016 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

JANUARY 22, 2016

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

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. Andeweg motioned to approve the minutes of the December 10, 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. Legislative Update

Mr. Cira provided a follow-up to discussion from last month's meeting. He commented that the language of the draft bill presented is still in the drafting process and will be issued once complete. We do know that the Governor's recommendations on the budget have been transmitted and there does not seem to be any meaningful impact on the IUST Fund to do its mission. The budget recommendations do, however, modify the allocation from the UST Unassigned Revenue Fund; the changes would increase the funding to the Department of Agriculture and Land Stewardship from \$250,000 to a one-time payment of \$750,000 and would eliminate the \$200,000 annual funding to the Department of Natural Resources for technical reviews of LUST reports.

Mr. Cira provided an update on the status of work the Administrator's office is doing. It was noted that Mr. Gastineau continues to issue letters to recalcitrant claimants and will continue to do so as stalled claims are identified. It was also noted that contact has been initiated with the consultants working on the shared liability claims in order to secure their estimate of costs to close out those claims. Once that information is procured, discussions for a mini-LPT can proceed with PMMIC.

Mr. Cira noted that other open items are contingent upon what happens with the Legislature and he noted that the Administrator's office will continue to watch for items that affect the Board.

B. Aon Incentive Plan

Mr. Beech opened discussion of this item by reminding the Board that, about a year ago, the Board asked Aon to look at their income on the account and that Aon subsequently reduced their fee by an amount over \$100,000. He noted that following that modification Aon had then proposed the idea to earn back some of that fee reduction using the incentive option in the contract. Mr. Beech asked Mr. Cira to elaborate on the memo provided.

Mr. Cira indicated the details are in the memo in the Board Packet but a short summary is that Aon was tasked with reaching 115 claims closed in calendar year 2015 and achieved 129 claims closed, making Aon eligible for the payout of the incentive award of \$56,986. In the summary provided, Aon acknowledges a number of those closed claims (28) fall under administrative closing wherein Aon tried to contact the claimants and no acknowledgement was made or the claimant declined. Mr. Cira requested that the incentive program be administered.

Ms. Carlson inquired, if administratively closed, does that mean that no cleanup has been performed and that contamination remains, or can that be explained. Mr. Cira noted that certainly contamination may remain; the administrative closure simply means the benefit claim has been closed. In following up, Mr. Gastineau noted that most of the sites that were administratively closed have been classified as either high or low risk sites, and that a few are not classified,

classified No Action Required with free product or even No Action Required where the only task remaining is to close the wells. Mr. Gastineau noted he had researched the matter further and found that in the last 15 years, 49 claims have been administratively closed for various reasons but all are believed to be petroleum contaminated sites. Mr. Gastineau commented that it's not expected that many of the closed claims will re-open but it is possible that a claimant or a landowner may opt to step forward to complete the work in order to obtain a NFA certificate. In short, it was noted that these are eligible claims but we do not have a claimant who is willing to provide the oversight needed to get the work on the sites completed.

Mr. Beech asked Mr. Steward if the Board could authorize a partial payment or what was required to authorize the entire incentive. Mr. Steward responded the incentive plan has been incorporated by an amendment to the 3rd extension to the contract and noted that the concept of administrative closures had been recognized that this may be part of the process. He also noted that the terms of the amendment provides that the one-time payment of \$56,986 is to be paid "if during the term of the 3rd extension, Aon closes, and does not re-open, no less than a combined total of 115 Statutory Claims (i.e., remedial, retroactive, innocent landowner, and no-further-action claims), the Board will pay Aon a one-time incentive payment of \$56,986 within 30 days of the Board meeting at which the Board confirms to its satisfaction that Aon successfully met this goal and votes to authorize payment" or, Mr. Steward continued, the Board and Aon mutually agreed to change the terms of the agreement.

Following a brief discussion in which it was noted that the incentive is one-half of the savings that was realized by the Board, Ms. Andeweg moved that the incentive payment of \$56,986 be authorized for payment to Aon and Mr. Barry seconded the motion. The motion was approved unanimously.

C. FY 2016, 2nd Quarter Report

Mr. Gastineau reported the Board is required to provide a quarterly report to the Legislature. He noted a copy of the report is provided in this month's packet. He noted that the report provides information on the status of the UST Fund and an update on the number of open claims (441) compared to open DNR LUST sites (752). He also noted that the report shows the current total Fund balance was \$35,944,929 as of December 31, 2015.

Mr. Gastineau noted that there is a table at the bottom of the report showing the reserves of the various categories of claims. The statutory claim reserve is approximately \$24.3 million; if we include the reserves for the state lead contracts and tank closures claims the reserve totals about \$26.1 million, providing an excess reserve of about \$9 million.

Mr. Gastineau noted that the December 2015 activity report was also provided in the legislative report and noted that in December 2015, approximately \$1.1 million was paid for corrective action costs and for the fiscal year-to-date, approximately \$4.8 million has been paid.

D. DNR Update

Ms. Douskey reminded the Board that the Department was in the process of redrafting Chapter 135 rules. She noted that on January 27, 2016, another stakeholder meeting would be held at the Wallace State Office Building and that 3 meetings have been completed. Ms. Douskey noted that all comments are appreciated and that written comments are requested. She noted that there's no

deadline for comments, but indicate that they would like to wrap up the process by the end of February. Mr. Beech thanked Ms. Douskey and encouraged stakeholders at the table and in the room to provide written comments to the Department regarding the proposed rule changes.

Ms. Douskey also reported that one of the LUST staff has chosen to transfer out of that group so the staffing power will be limited and the DNR will be looking to see if the position can be filled.

APPROVAL OF PROGRAM BILLINGS

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

1. Iowa Attorney General's Office \$3,997.77
Services provided for Underground Storage Tank Program
November 2015 (FY 2016) Billing
(Previously submitted to the State Treasurer, 12/11/2015)
2. Iowa Attorney General's Office \$3,996.87
Services provided for Underground Storage Tank Program
December 2015 (FY 2016) Billing

Expenditures not requiring Board authorization:

- (a) Iowa Department of Revenue \$150.01
Claim for refund of overpaid Environmental Protection Charge
EPC Fund Transfer (Jan. 13, 2016)
- (b) Iowa Department of Revenue \$91.00
Claim for refund of overpaid Environmental Protection Charge
EPC Fund Transfer (Jan. 4, 2016)

Ms. Carlson moved to approve the billings and Mr. Hall seconded the motion. The motion was passed unanimously.

MONTHLY ACTIVITY REPORT AND FINANCIALS REVIEWED

Mr. Gastineau noted the December 2015 summary shows a significant decrease in the number of remedial and ILO claims. In both the remedial and ILO claim programs, 13 claims were closed administratively in each program area.

Mr. Gastineau added there is nothing significant in the financials to note. He commented that the Fund received its second quarterly deposit of \$3.5 million for the year and noted a transfer of \$9 million will be made to the remedial fund in March 2016 consistent with the approved annual budget. The remaining \$5 million would be left in the revenue fund for future decisions.

ATTORNEY GENERAL'S REPORT

Mr. Steward informed the Board that with the reduction in the claims as discussed earlier, Aon's contract with the Board stipulates that should the number of claims in any category, such as the retro, remedial, innocent landowner claims drop below fifty percent of that seen when the contract initiated on January 1, 2011, the Board may renegotiate Aon's fees. He noted that with the recent spate of claim closures, the numbers have dropped below that threshold. The retro claim count dropped 56 percent, the remedial claim count by 51 percent and the ILO claim count has dropped 52.6 percent.

Mr. Steward reminded the Board that, last year at about this time, the number of open Global Settlement claims had dropped below 50 percent and the Board decided not to renegotiate the fees for those claims. He did note that based on Aon's proposal, the remedial/retro claims portion of the contract is approximately 40.7% of the fee, the ILO claims portion is approximately 17% of the fee and that the Global Settlement claims account for approximately 3.6% of the overall fees.

Mr. Steward noted the provision in the contract is now triggered and, if the Board chooses to renegotiate, they may do so. Mr. Steward recommended if the Board opts to do so, that a subcommittee of 3 Board members be appointed to review the costs do that if the Board does choose to renegotiate the Aon fee.

Mr. Beech inquired if the Board members had an interest in renegotiating now. A discussion was held regarding the intent of this provision and waiting to review this until after the legislative session ends. Ms. Andeweg asked what the original intent of that clause was and Mr. Steward reflected by noting that the original contract period was for two years and could be extended for up to 4 additional years for a total 6 year term and that during that term there was always the possibility to have a large number of claims close which could change the overall dynamics of the program. He noted that with each 1-year contract extension, the terms of the original contract carry-forward thus over the term of the agreement the likelihood of a significant decrease in the number of claims increases.

In considering the matter further, it was noted many of the questions regarding the future of Aon's contract is tied to the decisions by the legislature this year. Mr. Steward did note that Aon's contract will end this year. He commented that if the Board chooses to extend the contact for a short term after December 31st, it would require the terms be renegotiated. If the program continues and a new RFP is issued, new terms would apply. In considering the matter, it was the consensus that the matter would be shelved for now to be taken up again as an agenda item after the legislative session ends.

CLAIM PAYMENT AUTHORITY

Mr. Gastineau presented the following claim authority requests:

1. Site Registration 8600154 – Rock C Store, Iowa Falls (3rd Board Report)

This site is high risk for the soil leaching to groundwater pathway. An SVE system previously operated at the site. This is a bedrock site and an active gas station which complicates remedial efforts. The consultant is proposing a chemical oxidation method to reduce contaminant levels.

Mr. Gastineau noted the present claim reserve is \$600,000. Total costs incurred to date are \$344,226.08; projected costs are \$225,000 to \$300,000+ for the future activities. Additional authority requested of \$222,000 for a total authority to \$625,000.

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

2. Site Registration 8604968 – Winneshiek County, Fort Atkinson (1st Board Report)

This site is high risk for several drinking water wells, and low risk for the protected groundwater source pathway. This is a bedrock site and the contaminants of concern are diesel and waste oil. It's believed this site could be reclassified to low risk if an alternate water source can be provided to the neighboring well owners, or potential through a Tier 3 assessment. A county well ordinance covering the affected area would be required to reclassify the site to no action required. Corrective action is not proposed at this time.

Mr. Gastineau noted the present claim reserve is \$125,000; projected costs are \$25,000 to \$75,000+ for new activities to evaluate risks. Total authority to \$125,000 requested.

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

3. Site Registration 8608678 – Grieder Oil, Inc., Blairstown (3rd Board Report)

The site is high risk for residential sewers and basements and for a surface water receptor. The contamination extends from the former site, beneath Locust Street, and onto a residential property to the east. An excavation was previously completed onsite and in November 2015 an excavation was completed on the neighbor's property. Costs for that excavation are currently under review. Corrective action may still be needed to address the contamination that remains beneath the roadway between the two excavations. Options may include chemical oxidation.

Mr. Gastineau noted the present claim reserve is \$550,000. Previous Board approval was granted in August 2013 up to \$460,000. Projected costs are \$250,000 to \$300,000+ for new activities. Additional authority of \$190,000 was requested for a total authority to \$650,000.

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

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

Mr. Gastineau reminded the Board that, in May 2015, the Board approved a records retention policy. Formal approval has been received on destroying records over 10.5 years old.

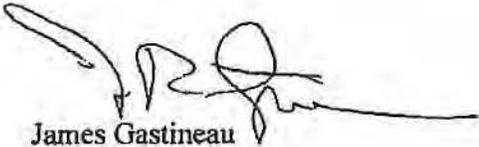
Mr. Gastineau also noted that the next two meetings are scheduled for February 26, 2016 and March 25, 2016, which is Good Friday. If the Good Friday date does not work for the Board members, they should let James know. The meeting could be moved to March 24.

CORRESPONDENCE AND ATTACHMENTS

No correspondence or attachments were provided.

A motion to adjourn the meeting was made by Ms. Andeweg and seconded by Mr. Barry. The meeting adjourned at 10:40 A.M.

Respectfully submitted,

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

James Gastineau
Deputy Administrator

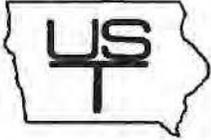
Closed Session

Discussion of Pending and Imminent Litigation

Public Comment

Board Issues

A. Legislative Update



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Timothy L. Gartin

Dawn M. Carlson

Patricia J. Beck

N. Kurt Mumm

MEMORANDUM

TO: UST Board Members
FROM: Dale Cira
DATE: February 21, 2016
SUBJECT: Legislative Update

House Study Bill 638 (HSB 638) was introduced on February 17, 2016 and placed in line for review as the bill to repeal the Iowa Comprehensive Underground Storage Tank Program Fund Board. The language of the Bill is very similar to that provided to the Board in December but is now written for clarity and is now divided into two divisions to fully implement the proposal to repeal Iowa Code 455G, subchapter 1, the Comprehensive Petroleum UST Fund. If approved, Division I of the bill would become effective on July 1, 2016 and Division II would be effective July 1, 2017. On February 18th, HSB 638 was presented for consideration at the Transportation subcommittee meeting and following a brief discussion, passed on a vote of 18-2.

February 19th marks the end of the first 6 weeks of the legislative session and is the first funnel date, requiring a Senate bills to be reported out of Senate committees and House bills out of House committees to remain viable. It is expected that actions on this bill and others will increase over the next few weeks as the session timetable continues and as such, we will continue to monitor and watch this bill and any other bills that may materially affect the operation of the Board.

B. FY 2016 Claims Update



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MEMORANDUM

TO: UST Board Members
FROM: Dale Cira
DATE: February 22, 2015
SUBJECT: Fiscal Year 2016 Claims Update

The following information is provided as an update to the activities being performed in implementation of the Conceptual Plan approved during the October 2015 UST Fund Board meeting. During that meeting, the Board approved implementation of the three tasks proposed; these include:

1. Contacting 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

The Board also directed staff to begin a review of the claims to determine which are likely to have a certainty for closure. In general, this category would be those claims that have been classified No Action Required and for which only final activities and invoicing is needed.

Claims Update

- 1) Stalled Claims: Of the previously identified stalled claims, letters have been sent to almost all claimants and/or landowners seeking their participation in the program. As new stalled sites are identified similar letters are crafted and issued with the intent to seek a claimant's participation in activities to bring a site to regulatory closure.

To date, 13 claims have been reactivated in some degree and landowners on several other sites have indicated they are considering the option to assume the role of the claimant. In addition to those moving forward, many remain inactive. To date, in fiscal year 2016, 28 claims have been administratively closed. It is likely an additional 20 to 25 claims may be closed in the near future. The liabilities of the 25 claims in jeopardy of administrative closure are approximately \$1 million.

- 2) Shared Liability Claims: Discussions with PMMIC has been initiated on claim sites having shared liabilities. The field of possible transfers has been narrowed from 13 to 11 claims and with estimates from the incumbent consultants negotiations have been

initiated to address the differences in estimated costs to bring the sites to closure. Discussion is still needed to determine if a claimant must 'opt-in' to the proposed transfer. The USTF liabilities of the 11 sites under consideration are approximately \$850,000.

- 3) Settlement: Following earlier discussions and the development of the settlement agreement intended for this use, several claimants have been contact regarding this option. In general, I've been informed settlements are a concern as claimants are unsure if they would be agreeing to more liability than they would otherwise be obligated and some concerns are noted with property access on sites no longer owned or operated. It is possible some settlements may still proceed however it is unlikely that this concept will result in a large number of claim closures.

Future Actions

Per earlier Board discussions, efforts are also underway on moving the activities associated with the various State Lead projects to the claimants. It is anticipated that claimants for these projects will be identified by May 30th or the underlying primary benefit claim may be administratively closed.

The State Lead projects to consider include:

- 1) CRP - Akron. City acquired site and completed transfer of the benefit claim.
- 2) CRP - Bevington. Last claimant owns and operates a business at the site.
- 3) CRP - Delaware. Last claimant deceased; property owner unclear.
- 4) CRP - Dubuque. Awaiting decision on reclassification (involves 3 claims).
- 5) CRP - Council Bluffs. Landowner accepted a transfer of the benefit claim.

Closure Contracts: The Board and Department continue to identify sites to be added to the two State Lead closure contracts. Most of the claim eligible sites added to the project are considered to be stalled claims in which the primary claim has been or may be administratively closed. Presently, both the 28E and vendor agreements expire in August 2016. In order to continue work on the selected sites, it is anticipated a request may be made to have the 28E and vendor contracts extended for work to continue through May 2017.

Environmental Support Services Project (NFA Re-Opener project): The Board and Department continue to use the services of two contractors to complete work on sites re-opened following the issuance of a NFA certificate. It is anticipated work on these projects will continue through May 2017. Of the 13 sites currently identified as NFA re-openers, 8 of the sites do not have a shared liability component thus no claimant is present to continue work on the site following the program termination.

Summary

As of this date, it is anticipated that a large-scale Portfolio Transfer will be needed to preserve the rights of the claimants to funding for activities to bring their sites to closure. It is estimated that an LPT may include as many as 380 active UST Fund claims with overall liabilities in the range of \$21 - 24 million.

C. DNR Update

Approval of Program Billings



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MEMORANDUM

TO: UST Board Members
FROM: James Gastineau
DATE: February 21, 2016
SUBJECT: Summary of Bills for Payment

NOTICE

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

1. Aon Risk Services \$101,262.00
 Consulting Services March 2016 -- \$62,262.00
 Claims Processing Services March 2016-- \$39,000.00

2. Iowa Department of Revenue \$1,917.77
 FY 2016 EPC Collection, 2nd quarter (Oct – Dec 2015)

3. Iowa Attorney General's Office \$4,022.44
 Services provided for Underground Storage Tank Program
 January 2016 (FY 2016) Billing

4. Office of Auditor of State \$546.90
 FY 2016 Audit Services, 2nd quarter (Oct – Dec 2015)

Iowa Comprehensive Petroleum

Invoice No. 9500000125410

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

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 Jan-15-2016 Currency US DOLLAR Account Executive James Gastineau

Named Insured	Service Term	Trans. Eff. Date	Description	Amount
Iowa Comprehensive Petroleum	Jan-01-2016 - Jan-01-2017	Mar-01-2016	Renewal - Service Fee	
Comments			Service Fee	62,262.00
Installment 3 of 12 Monthly Fee			Consulting Expense	39,000.00
Payment due 21 days after Transaction Effective Date.				
Thank you for your business!				
TOTAL INVOICE AMOUNT DUE				101,262.00

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	9500000125410	Jan-15-2016	US DOLLAR	101,262.00

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



Iowa Department of Revenue

Director: Courtney M. Kay-Decker
Hoover State Office Building
Des Moines, Iowa 50319
www.iowa.gov/tax
Phone (515) 281-3204

February 10, 2016

James Gastineau
Underground Storage Tank Program
2700 Westown Parkway, Suite 320
West Des Moines, Iowa 50266

Dear Mr. Gastineau:

I am enclosing our 2nd quarter FY16 EPC billing. Please direct the billing to the appropriate person for approval and payment.

If you or the board requires more detailed info, please call or email me at anytime.

Your assistance is fully appreciated.

Sincerely,

Roxane Foster
Accountant 2
Iowa Department of Revenue
Roxane.Foster@iowa.gov
(515) 281-5228

Enclosures

cc: Stefanie Devin, Treasurer's Office



2/10/2016

ENVIRONMENTAL PROTECTION CHARGE
COSTS INCURRED BY THE DEPARTMENT OF REVENUE
OCTOBER - DECEMBER FY 2015

Compliance Division

Examination Section:

Personnel	\$1,169.68
Indirect Costs	\$239.00
	<u>\$1,408.68</u>

Field Audit Section:

Personnel	\$0.00
Indirect Costs	\$0.00
	<u>\$0.00</u>

Total Compliance Division \$1,408.68

Revenue Operations Division

Customer Accounts Section:

Personnel	
Postage	
Indirect Costs	
	<u>\$0.00</u>

Processing Section:

Personnel	\$51.41
Indirect Costs	\$9.00
	<u>\$60.41</u>

Total Revenue Operations Division \$60.41

Internal Services Division

Personnel	\$409.68
Postage	
Printing	
Indirect Costs	\$39.00
	<u>\$448.68</u>

Total Internal Services Division

DEPARTMENT TOTAL

\$1,917.77

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

Invoice Date: 02/03/16

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: **January FY16**

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

Document Number	Account Coding				Description	Amount
	Fund	Agency	Org	Sub Org		
112AG020316042	0001	112	2301		0302	\$ 4,022.44

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

FEB 2016

Monthly Activity Report and Financials Reviewed

A. January 2016 Activities Report

Jan-16

Claims	Open Claims		Open Claims	Open & Closed
	Dec 2015 Ending	Monthly Net Changes	Jan 2016 Ending	Totals since Inception
RETROACTIVE				
number	22	0	22	447
reserve	\$1,214,820.27	\$173,945.90	\$1,201,054.47	\$1,201,054.47
paid	\$5,720,179.73	\$13,765.80	\$5,733,945.53	\$18,045,997.27
total	\$6,935,000.00	\$0.00	\$6,935,000.00	\$19,247,051.74
REMEDIAL				
number	315	-4	311	4,458
reserve	\$17,887,033.70	(\$200,919.74)	\$17,490,146.92	\$17,490,146.92
paid	\$66,688,995.17	\$122,542.74	\$66,811,537.91	\$216,793,966.14
total	\$84,576,028.87	(\$274,344.04)	\$84,301,684.83	\$234,284,113.06
INNOCENT LANDOWNER				
number	91	-1	90	1,133
reserve	\$4,633,676.87	\$60,424.41	\$4,694,101.28	\$4,694,101.28
paid	\$10,491,324.13	\$55,574.59	\$10,546,896.72	\$32,349,763.99
total	\$15,125,001.00	\$115,999.00	\$15,241,000.00	\$37,043,865.27
GLOBAL OPT-IN				
number	72	-2	70	1,305
reserve	\$350,464.46	(\$1,152.96)	\$349,361.90	\$349,361.90
paid	\$626,942.56	\$324,593.41	\$602,549.15	\$9,809,779.00
total	\$977,407.02	\$123,440.45	\$951,911.05	\$10,159,140.90
UNASSIGNED REVENUE FUND PROJECTS				
number	65	-4	61	298
reserve	\$1,558,929.02	(\$152,409.18)	\$1,436,522.83	\$1,436,522.83
paid	\$937,071.98	\$32,406.19	\$969,478.17	\$3,492,667.81
total	\$2,496,001.00	(\$120,003.00)	\$2,406,001.00	\$4,929,190.64
NFA RE-EVALUATIONS				
number	13	0	13	59
reserve	\$224,724.76	\$0.00	\$224,724.76	\$224,724.76
paid	\$510,275.24	\$0.00	\$510,275.24	\$1,302,994.18
total	\$735,000.00	\$0.00	\$735,000.00	\$1,527,718.94
TANK PULLS				
number	28	5	33	436
reserve	\$367,547.00	(\$58,270.00)	\$318,547.00	\$318,547.00
paid	\$17,064.77	(\$17,064.77)	\$9,385.00	\$4,838,385.44
total	\$384,611.77	(\$75,334.77)	\$327,932.00	\$5,156,932.44

Corrective Action Meetings (01/16)	
Scheduled:	8
Completed:	1,279
MOA's	488

UST Operator Training	
UST Operators (A / B)	3,130
A/B (FY2011-16)	\$303,120

Total Claims	(RM, RT, ILO, NFA)	436
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RT Claims	#
New	0
Reopened	0
Closed	0

RM Claims	#
New	0
Reopened	1
Closed	5

ILO Claims	#
New	0
Reopened	0
Closed	1

GS Claims	#
New	0
Reopened	1
Closed	3

USTCA	#
New	0
Reopened	1
Closed	5

NFA Re-Eval	#
New	0
Reopened	0
Closed	0

Tank Pull	#
New	10
Reopened	0
Closed	5

DNR @ 2-13-2016	
Total LUST	6627
OPEN LUST	741
High Risk	419
Low Risk	157
NAR-PP	66
Not Class	99

Invoice Type Totals	JAN	FYTD	Program to Date
Aon - Admin	\$ 28,493.00	\$ 448,360.12	
Aon - Claims	\$ 28,493.00	\$ 301,493.00	
Government	\$ 15,850.45	\$ 321,045.09	

2004 Tank Pull	\$ -	\$ -	\$ 1,761,823.44
2010 Tank Pull	\$ 33,674.65	\$ 557,160.57	\$ 4,939,142.31
American Soils	\$ -	\$ -	\$ 5,678,422.58
AST Removal	\$ -	\$ -	\$ 3,306,435.24
AST Upgrade	\$ -	\$ -	\$ 7,911,496.87
CADR Charges	\$ 9,804.09	\$ 69,644.50	\$ 4,663,306.28
Corrective Action	\$ -	\$ -	\$ 52,423,154.11
Expenses / OT	\$ 2,000.00	\$ 10,100.00	\$ 303,120.00
Free Prod Recover	\$ 42,089.08	\$ 408,085.43	\$ 11,637,600.50
Monitoring	\$ 137,018.11	\$ 984,143.89	\$ 31,857,223.25
Operations/Maint	\$ 29,455.57	\$ 166,559.21	\$ 10,358,303.92
Over-excavation	\$ 322,278.63	\$ 1,823,197.78	\$ 34,122,353.32
Water Lines	\$ 67,603.20	\$ 307,624.04	\$ 2,857,577.25
Post RBCA Evals	\$ 500.00	\$ 10,252.92	\$ 240,865.91
RBCA	\$ 29,867.22	\$ 234,643.40	\$ 26,730,175.21
Remed Imp/Const.	\$ 43,944.82	\$ 805,054.42	\$ 29,888,224.96
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	\$ 1,000.00	\$ 8,160.00	\$ 1,373,926.40
Utilities	\$ 10,792.35	\$ 58,435.11	\$ 2,153,657.69
Well Closure	\$ 8,265.00	\$ 123,144.83	\$ 3,991,158.66
Total Invoice Types	\$ 738,292.72	\$ 5,566,206.10	\$ 297,786,539

Remediation Budgets Approved to Date		
last month (Jan '16)	1	\$173,012.00
Prior 12 months	54	\$4,383,406.47
Trailing 12 months	38	\$2,528,825.57
Total Since Jan 2003	1206	\$52,034,168.93

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

B. January 2016 Financial Report

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FOR THE MONTH ENDING JANUARY 31, 2016**

0471 - UST REVENUE FUND (Bonding)

Balance of Fund, January 1, 2016		\$7,544,097.22
Receipts:		
Motor Vehicle Use Tax (IDOT - vehicle registration)	\$0.00	
Intra State Fund Transfers Received	\$0.00	
Interest Income	\$1,412.05	
	\$1,412.05	\$1,412.05
Disbursements:		
Bond Interest Payment	\$0.00	
Bond Principal Payment	\$0.00	
EPC Charges	\$0.00	
Adjustments	\$0.00	
Transfer to General Fund	\$0.00	
Transfer to Unassigned Revenue Fund (0450)	\$0.00	
Transfer to Innocent Landowner Fund (0485)	\$0.00	
Transfer to Remedial Non-Bonding Fund (0208)	\$0.00	
	\$0.00	\$0.00
Balance of Fund, January 31, 2016		\$7,545,509.27

0450 - UST UNASSIGNED REVENUE FUND (Non-Bonding)

Balance of Fund, January 1, 2016		\$7,989,332.80
Receipts:		
Copying/Filing Fees	\$0.00	
Fines & Penalties	\$0.00	
Refund/Overpayment	\$0.00	
Transfer From UST Revenue Fund (0471)	\$0.00	
Interest Income	\$10,591.82	
	\$10,591.82	\$10,591.82
Disbursements:		
UST Administrator's Fees	\$56,986.00	
Adjustment	\$0.00	
Attorney General's Fees	\$3,996.87	
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	
Claim Settlement	\$0.00	
Department of Revenue EPC Collection Fees	\$241.01	
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	\$2,000.00	
Rebate	\$0.00	
Special Project Claims - Closure Contract Project	\$53,299.69	
Travel Expenses-UST Board Members	\$0.00	

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FOR THE MONTH ENDING JANUARY 31, 2016**

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	\$11,612.57	
Offset of Funds to/from Innocent Land Owners (0485)	\$0.00	
Offset of Funds to/from Remedial Fund (0208)	\$0.00	
		\$128,136.14
Balance of Fund, January 31, 2016		\$7,871,788.48
 0208 - UST REMEDIAL NON-BONDING FUND		
Balance of Fund, January 1, 2016		\$13,649,175.86
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	\$13,765.80	
Remedial Claims	\$607,959.87	
28E Agreement - NFA Claims	\$0.00	
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	
		\$621,725.67
Balance of Fund, January 31, 2016		\$13,027,450.19
 0478 - UST MARKETABILITY FUND		
Balance of Fund, January 1, 2016		\$808,062.99
Receipts:		
Interest	\$3,236.41	
Use Tax	\$0.00	
		\$3,236.41
Disbursements:		
Intra State Fund Transfer	\$0.00	
Transfer to Innocent Landowners Fund	\$0.00	
		\$0.00
Balance of Fund, January 31, 2016		\$811,299.40
 0485 - UST INNOCENT LANDOWNERS FUND		
Balance of Fund, January 1, 2016		\$5,954,260.79
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 JANUARY 31, 2016**

Outdated Warrants	\$0.00	
Miscellaneous Income	\$74.71	
		\$74.71
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	\$5,692.77	
Innocent Landowner Claims	\$57,224.59	
Transfer to Remedial Fund (0208)	\$0.00	
Transfer to/from Unassigned Revenue Fund (0450)	\$0.00	
Balance of Outdated Warrants	\$0.00	
		\$62,917.36
Balance of Fund, January 31, 2016		\$5,891,418.14

0238 - UST LOAN GUARANTEE FUND (Non-Bonding)		
Balance of Fund, January 31, 2016		\$0.00

0614 - UST CAPITAL RESERVE FUNDS (Bonding)		
Balance of Fund, January 31, 2016		\$0.00

Combined UST Capital Reserve Fund Balances, January 31, 2016		\$0.00
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TOTAL FUND BALANCES, January 31, 2016		\$35,147,465.48
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FOOTNOTES:

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

C. Year-to-Date Financials as of January 31, 2016

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FISCAL YEAR TO DATE ENDING JANUARY 31, 2016**

		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	\$7,227.40	\$50,000.00
	\$7,007,227.40	\$14,050,000.00
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
	\$0.00	\$9,000,000.00
Balance of Fund, January 31, 2016	\$7,545,509.27	\$5,588,281.87
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	\$70,281.89	\$50,000.00
	\$70,281.89	\$50,000.00
Disbursements:		
UST Administrator's Fees	\$749,853.12	\$1,100,000.00
Adjustment	\$0.00	\$0.00
Attorney General's Fees	\$29,987.52	\$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	\$1,917.76	\$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	\$10,100.00	\$50,000.00
Rebate	\$0.00	\$0.00
Special Project Claims - Closure Contract Project	\$581,365.59	\$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 JANUARY 31, 2016

		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	\$232,121.47	\$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>\$1,616,102.45</u>	<u>\$2,855,442.07</u>
Balance of Fund, January 31, 2016	\$7,871,788.48	\$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	\$239,667.09	\$700,000.00
Remedial Claims	\$3,408,784.32	\$5,750,000.00
28E Agreement - NFA Claims	\$151,960.19	\$500,000.00
Adjustment		\$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>\$3,807,237.49</u>	<u>\$7,020,000.00</u>
Balance of Fund, January 31, 2016	\$13,027,450.19	\$18,814,687.68
0478 - UST MARKETABILITY FUND		
Balance of Fund, July 1, 2015	\$787,669.61	\$787,669.61
Receipts:		
Interest	\$23,629.79	\$35,000.00
Use Tax	\$0.00	
	<u>\$23,629.79</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, January 31, 2016	\$811,299.40	\$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 JANUARY 31, 2016**

		FISCAL 2016 BUDGET
Outdated Warrants	\$0.00	\$0.00
Miscellaneous Income	\$1,389.71	\$0.00
	<u>\$2,704.71</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	\$42,633.17	\$80,000.00
Innocent Landowner Claims	\$1,142,106.74	\$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>\$1,221,701.91</u>	<u>\$2,230,000.00</u>
Balance of Fund, January 31, 2016	<u>\$5,891,418.14</u>	<u>\$4,905,415.34</u>
0238 - UST LOAN GUARANTEE FUND (Non-Bonding)		
Balance of Fund, January 31, 2016	<u>\$0.00</u>	<u>\$0.00</u>
0614 - UST CAPITAL RESERVE FUNDS (Bonding)		
Combined UST Capital Reserve Fund Balances, January 31, 2016	<u>\$0.00</u>	<u>\$0.00</u>
TOTAL FUND BALANCES, January 31, 2016	<u>\$35,147,465.48</u>	<u>\$36,743,221.47</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

**IOWA UNDERGROUND STORAGE TANK PROGRAM
SECOND BOARD REPORT
FEBRUARY 17, 2016
CITY OF NEW HARTFORD
502 WATER STREET
NEW HARTFORD
SITE REGISTRATION NUMBER: 20100021
LUST NUMBER: 9LTO98**

RISK CLASSIFICATION:

HIGH

LOW

UNDETERMINED

PRESENT CLAIM RESERVE:

\$ 105,000.00

PREVIOUS BOARD APPROVAL:

\$ 100,000.00

Number and Date of each previous Board Report: 1st: August 21, 2012

PREVIOUS COSTS INCURRED:

\$ 36,710.00

COSTS INCURRED SINCE LAST BOARD APPROVAL:

1. Site monitoring reports	16,205.00
2. Over-excavation	46,028.04

TOTAL COSTS INCURRED TO DATE:

\$ 98,943.04

PROJECTED COSTS:

❖ Site Monitoring Report

TOTAL PROJECTED COSTS:

\$ 5,000.00 to 25,000.00+

ADDITIONAL AUTHORITY RECOMMENDED:

\$ 25,000.00

TOTAL AUTHORITY:*

\$ 125,000.00

COMMENTS:

The site is high risk for polyethylene (PE) water service lines and low risk for the potential groundwater ingestion and vapor pathways. An excavation at this site appears to have been very effective. The groundwater concentrations are below the lowest target level and one additional monitoring event may result in the reclassification of the site to no action required. If a rebound in concentrations occurs, additional work may be required. Affected population likely less than 20.

*Previous approval + additional recommended

Site Timeline

- 2010 – The contamination was discovered during a phase II investigation completed in 2010 as part of a FEMA buy-out following the floods in the area. The property was deeded to the city to be maintained as a green space. A service station that had existed at this location was out of use since the USTs were removed in the mid-1980's. The city filed an eligible innocent landowner claim.
- 2011 - RBCA Tier 2 submitted and accepted as high risk.
- 2011 - 1st corrective action teleconference held. All agreed to an excavation of the source area.
- 2012 - Some of the high risk polyethylene water service lines are replaced. Additional PE water service lines still remain within 200' of the source area, but outside of the contaminated area.
- 2012 - The first board authority request is approved on August 23rd prior to the site excavation.
- 2012 - The excavation is completed and removes most of the soil contamination exceeding target levels.
- 2013 to present – Post-excavation groundwater monitoring has shown a steady drop in the groundwater concentrations following the excavation. The site may reclassify to no action required with one more sampling event.

**IOWA UNDERGROUND STORAGE TANK PROGRAM
FIRST BOARD REPORT
FEBRUARY 15, 2016
TOTAL PETROLEUM/MRP PROPERTIES CO., LLC.
3326 CENTER POINT ROAD
CEDAR RAPIDS
SITE REGISTRATION NUMBER: 8601912
LUST NUMBER: 8LTG13**

RISK CLASSIFICATION:

HIGH

LOW

UNDETERMINED

PRESENT CLAIM RESERVE:

\$ 150,000.00

ELIGIBILITY: Contamination was discovered on this property during an insurance site check on October 24, 1990. The contamination was reported to the DNR and a timely claim was filed. This is an eligible remedial claim.

COST INCURRED TO DATE:

1. Site check	\$ 1,500.00
2. Site clean-up report	24,578.38
3. Tank pull	117.60
4. RBCA Tier 2	1,820.00
5. Free product recovery	1,885.00
6. Site monitoring report	36,674.50
7. Corrective action teleconference	<u>900.00</u>
TOTAL COST TO DATE	\$ 67,475.48

PROJECTED COSTS:

❖ Site Monitoring Report

❖ Over-excavation

TOTAL PROJECTED COSTS:

\$ 75,000.00 to 150,000.00+

TOTAL AUTHORITY RECOMMENDED:

\$200,000.00

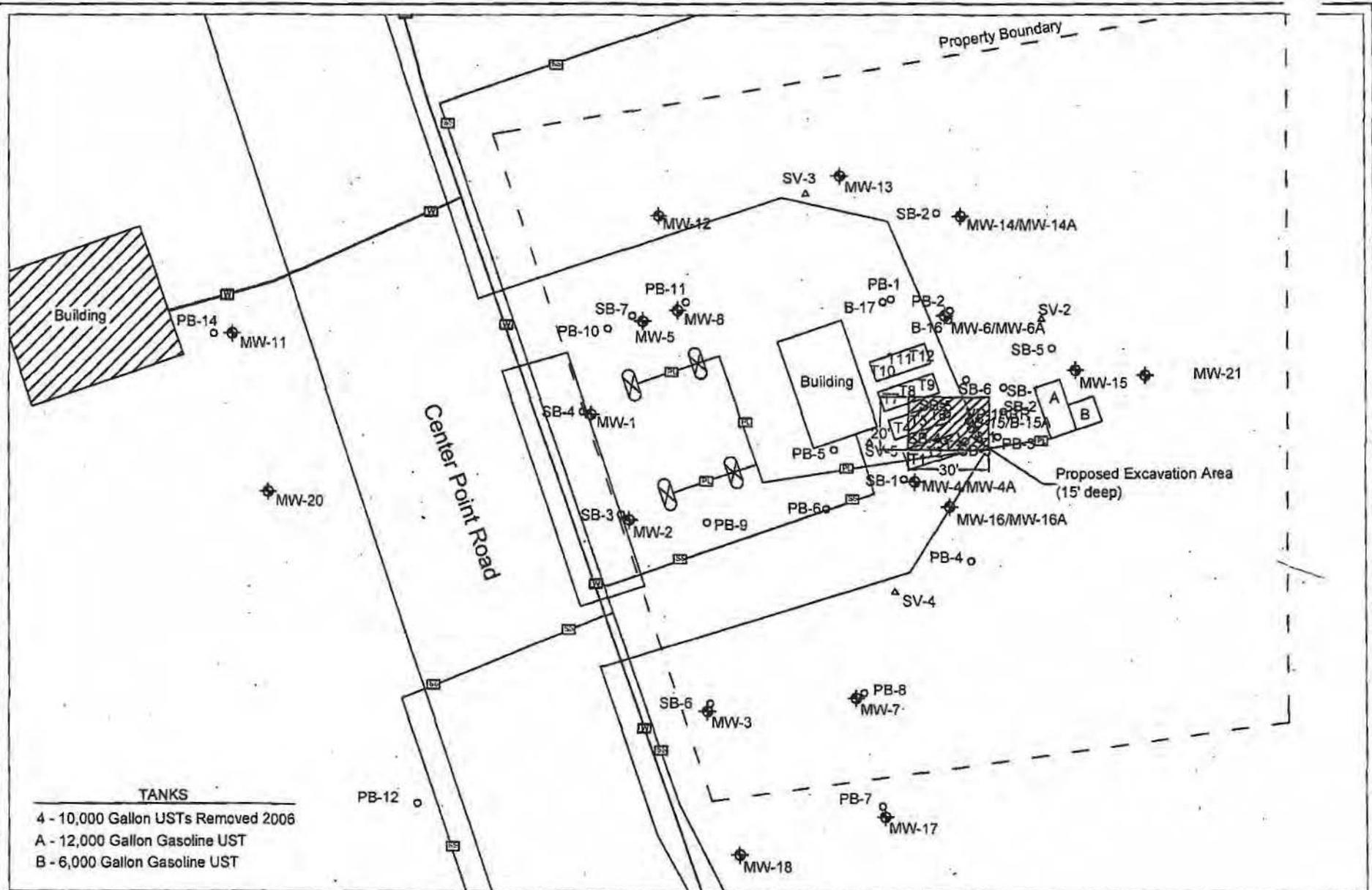
COMMENTS:

The site is high risk for the soil vapor pathway for non-residential sewers and low risk for the potential soil vapor pathways. Soil contamination remains in the former tank basin area and vapor sampling has failed. The site is an active gas station but the former tank basin area is accessible to an excavation. An excavation is proposed which may reclassify the site to no action required.

Affected population likely less than 20.

Site Timeline

- 1990 Contamination is discovered during an insurance site check. The contamination is reported to the DNR and a claim is filed by Total Petroleum. The site has been a gas station since 1972.
- 1993 Free product is discovered during site assessment activities. Monthly hand bailing begins.
- 1995 - The SCR is submitted as high risk. The DNR issues a 'not accepted' letter.
- 1999 - The RBCA Tier 2 is submitted and accepted as high risk. CADR due in 120 days.
- 2006 - The original USTs, installed in 1972, are removed and new USTs are installed in a different area.
- 2010 - First corrective action teleconference is held on October 21, 2010. The IUST Fund claimant, Total, as well as the current site operator, Bulk Petroleum, are present. The DNR has been informed that a new release has occurred at the product piping and a release investigation is being required of Bulk Petroleum. The pre-10/26/90 release is in a separate area near the former tank basin and can be handled separately. The preference is to excavate this area after the new release investigation by Bulk Petroleum is completed.
- 2014 - DNR issues a notice for fuel delivery prohibition
- 2015 - 2nd corrective action teleconference is held on April 2, 2015. Parties agreed to look at ways to better evaluate the vapor intrusion pathway. The new release reported in 2010 was given new LUST #9LTO91; a new release investigation was never performed as required. However, that release occurred on the western portion of the site and the release associated with the eligible claim will focus only on the eastern portion of the site around the former tank basin area.
- 2015 - Additional vapor intrusion investigations resulted in failing vapor sampling. As a result, Total, the fund, and the DNR agree that an excavation of the former tank basin area would be the best approach. Additional soil plume delineation will be completed to refine the scope of work.
- 2015 - The additional soil plume delineation results are provided in a report dated December 28th. The delineation indicates the soil contamination on the eastern portion of the property is largely confined to the former tank basin area and can be addressed with a moderately sized excavation.
- 2016 - An estimated cost for the excavation of the former tank basin is received on February 1st and the current site operators/owners have granted permission for the excavation.



TANKS

- 4 - 10,000 Gallon USTs Removed 2006
- A - 12,000 Gallon Gasoline UST
- B - 6,000 Gallon Gasoline UST



LEGEND	
	Monitoring Well
	Soil Boring
	Soil Vapor Well
	Waterline
	Sanitary Sewer

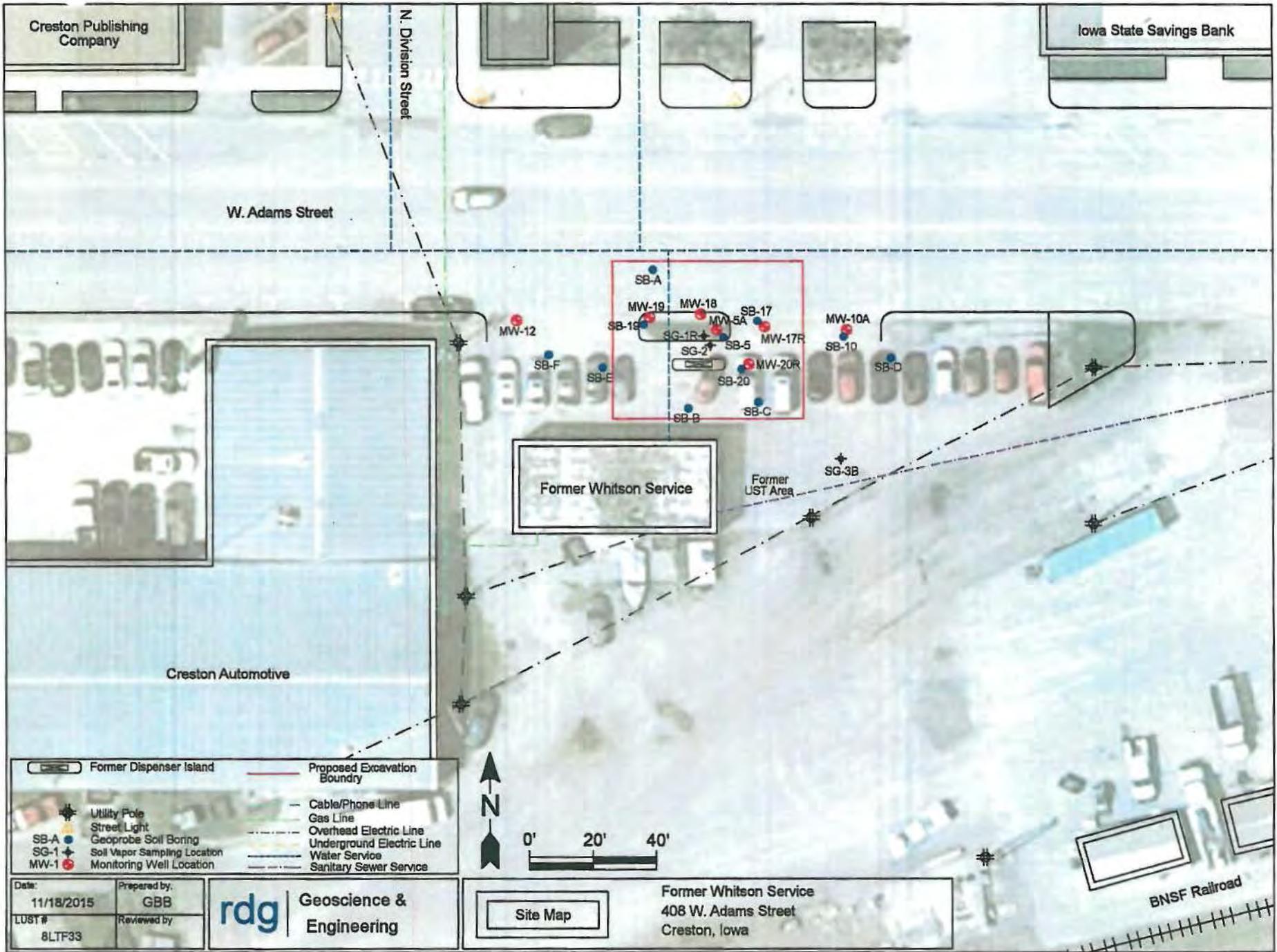


ATC
 GROUP SERVICES LLC
 328 LaPorte Road
 Waterloo, IA 50702
 Ph. (319) 233-0441

Proposed Excavation Area		
Farmer TPI# 9029		
3326 Center Point Road		
Cedar Rapids, IA		
DWN BY	SCALE	
SLH	1" = 50'	
DATE	JOB NUMBER	SHEET
12/21/2015	204EM00229	1 of 1

Site Timeline

- 1990 - Contamination was discovered during a site check in October of 1990. The release was reported to the IDNR and a claim was filed.
- 1994 - Free product is discovered during site assessment work.
- 1994 - The USTs are removed in December and the site ceases to operate as a gas station.
- 1995 - SCR is submitted and accepted as high risk. A monitoring only approach is accepted.
- 1998 - A RBCA Tier 2 is submitted. DNR issues a 'not accepted' letter.
- 2000 - A revised Tier 2 is submitted and accepted as high risk. CADR due in 120 days.
- 2002 - An overexcavation (532 cubic yards) of the former tank basin area was completed in August.
- 2003 - 2009 - Work at the site is very sporadic and during this time the site owner/RP passes away. An heir stepped forward in 2009 and hired a different consultant.
- 2010 - The 2002 excavation effectively removed the contamination in the tank basin area, leaving the pump island area contamination which extends into the right-of-way. Discussions begin between the consultant and Fund to get this area excavated.
- 2011 - Free product has not been observed over the past two years and the DNR approves the cessation of all free product recovery/inspection activities.
- 2016 - After many delays, a budget to complete the excavation at the former pump island area and into the right-of-way is received. The city has approved of the plan.



Date:
11/18/2015
LUST #
8LTF33

Prepared by:
GBB
Reviewed by:

rdg | Geoscience & Engineering

Site Map

Former Whitson Service
408 W. Adams Street
Creston, Iowa

Site Timeline

- 1983 - Site ceases to operate as a Sunray D-X gas station. Tanks are permanently taken out of service.
- 1985 - The current owner/claimant purchases the property at auction.
- 1999 - Site is placed on the closure contract. Contamination is discovered when the tanks (located beneath the building) are filled with flowable mortar and closure sampling is completed. An ILO claim is submitted.
- 2000 - RBCA Tier 2 is accepted as high risk. CADR due in 120 days.
- 2002 - Free product is discovered during monitoring and monthly hand-bailing begins.
- 2003 - A Tier 3 Work Plan is accepted in lieu of a CADR. The plan involves plugging the on-site well and installing a new, deeper well at a new location on the property at a greater distance from the contamination. The Tier 3 will seek to show that this new well and 7 other drinking water wells are unlikely to be impacted by the contamination.
- 2004 - A new drinking water well is installed on the property.
- 2006 - The old on-site drinking water well is properly abandoned.
- 2008 - The Tier 3 study and associated report is submitted documenting that the new on-site well and surrounding 7 drinking water wells are not at risk. The DNR accepts the report recommendations and the site is reclassified to low risk due to potential for new wells to be installed within the area of contamination.
- 2008 – present - Annual monitoring and monthly hand bailing/inspection for free product continues.



Image capture: Jun 2012 © 2016 Google

Walker, Iowa
Street View - Jun 2012



Imagery ©2016 DigitalGlobe, Map data ©2016 Google 50 ft

3157 51st St
Walker, IA 52352

**IOWA UNDERGROUND STORAGE TANK PROGRAM
SECOND BOARD REPORT
FEBRUARY 15, 2016
HARDIN COUNTY
FORMER R & R DX
1101 EDGINGTON AVENUE
ELDORA
SITE REGISTRATION NUMBER: 9017011
LUST NUMBER: 8LTL05**

RISK CLASSIFICATION:

HIGH

LOW

UNDETERMINED

PRESENT CLAIM RESERVE:

\$ 175,000.00

PREVIOUS BOARD APPROVAL:

\$ 110,000.00

Number and Date of each previous Board Report: 1st: August 16, 2010

PREVIOUS COSTS INCURRED:

\$ 71,824.66

COSTS INCURRED SINCE LAST BOARD APPROVAL:

1. Site monitoring reports	18,130.00
2. Free product recovery	16,775.00
3. Tier 3 work plan	500.00

TOTAL COSTS INCURRED TO DATE:

\$ 107,229.66

PROJECTED COSTS:

❖ Site Monitoring Report

❖ Completion of over-excavation

TOTAL PROJECTED COSTS:

\$ 50,000.00 to 100,000.00+

ADDITIONAL AUTHORITY RECOMMENDED:

\$ 90,000.00

TOTAL AUTHORITY:*

\$ 200,000.00

COMMENTS:

The site is high risk for the groundwater ingestion pathway for one city drinking water well, and for the groundwater vapor pathway for residential sewers. Vapor sampling has failed. The property is now a vacant lot and is accessible to over-excavation. An excavation is planned which should help reclassify the site to no action required. Affected population likely less than 20.

*Previous approval + additional recommended

Site Timeline

- 1991 - Contamination discovered during a site check in February of 1991. DNR issues a LUST number.
- 1996 - Hardin County acquires the property by tax deed. The USTs and all on-site buildings are removed.
- 1998 - Free product is identified in several areas during the RBCA investigation. The county begins hand bailing the free product daily, with reporting completed by the groundwater professional.
- 1998 - RBCA Tier 2 is submitted as high risk. The DNR issues a 'not accepted' letter.
- 2000 - A revised Tier 2 is submitted and accepted as high risk. CADR due in 120 days.
- 2000 - The new Hardin County jail is built with a portion of the jail on this former gas station property. The jail covers part of the contaminant plume but the source areas are still accessible in a vacant lot next to the jail.
- 2000 – 2015 – Monthly free product recovery/inspection and annual monitoring is completed during this period. The 2015 monitoring resulted in failed vapor sampling and the SMR submitted in January 2016 suggested the completion of an excavation. Cunningham Lindsey asked for estimated excavation costs for the preparation of this board report.



Image capture: Oct 2013 © 2016 Google

Eldora, Iowa

Street View - Oct 2013



**Contracts Entered Into
Since January 22, 2016 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: February 22, 2016
SUBJECT: Contracts Entered Into Since January 22, 2016 Board Meeting

The Board has entered into the following agreements since the January 22, 2016 Board meeting:

1. Contract for services with Geode Environmental, LLC for the RBCA 1509-01: Environmental Assistance Project for evaluation of sites previously issued a NFA certificate.
2. Contract with Seneca Companies for the RBCA 1509-01: Environmental Assistance Project for evaluation of sites previously issued a NFA certificate.
3. Reimbursement agreement for UST Operator Training with for Practical American Safety Solutions.

Other Issues as Presented

Correspondence and Attachments

County seeks action on Nevada property soil, groundwater contamination



A leaking underground gasoline tank has contaminated the soil and groundwater surrounding the former Dairy Queen in Nevada. Photo by Sarina Rhinehart/Ames Tribune

By Sarina Rhinehart, Staff Writer

srhinehart@amestrib.com

The Story County Board of Supervisors is calling for swifter action on a leaking underground gasoline tank in Nevada that has contaminated soil and groundwater at the former Dairy Queen building and neighboring properties.

The leaking tank sits under the unoccupied building on Lincoln Way, which was also previously a Kerr-McGee Service Station, which ceased operation in 1982.

The supervisors' biggest concern with the contamination was its impact on the surrounding area, including a residence directly south of the building.

"I don't believe that knowing what we know, we can sit idly by," Supervisor Rick Sanders said at the board's meeting Tuesday. "It's not reasonable to sit back and hope it gets taken care of."

According to a report from the Iowa Department of Natural Resources, there are two chemicals of concern in the area: benzene and ethylbenzene.

The maximum allowable concentration of benzene is limited to .54 parts per million in soil and 290 parts per billion in groundwater. At the site of the former gas station, the levels were much higher: the soil benzene level was at 3.28 parts per million and the groundwater level had risen to 10,800 parts per billion.

The soil concentration of ethylbenzene was at 84.5, nearly 70 points over the maximum allowed concentration.

The U.S. Center for Disease Control and Prevention has linked both of these chemicals to causing cancer in humans following long-term exposure.

Margaret Jaynes, Story County environmental health director, said that while it is not uncommon for old gasoline tanks to leak, the former gas station closed before new regulations went into effect that required tank registration and they discovered this leak as the property owners were looking to sell the lot.

While this issue is under the authority of the Iowa Department of Natural Resources, the supervisors agreed they need to step in and address this issue as quickly as possible.

"We will have to have more conversations with the DNR," said board Chair Paul Toot, who also recommended drafting a letter to send to the DNR office.

It is the property owner's responsibility to clean the contaminated area, but Sanders said it is creating a public health hazard and the board needs to step in to make sure this concern is addressed quickly.

"We have some responsibility," Sanders said.

Jody Posegate, of Nevada, is the resident who lives in the home directly south of the leaking underground tank, and said that while she was notified of the leak several months ago, she has never smelled anything and is not concerned about the leaking tank's effect on her property.

"It really hasn't impacted us at all," Posegate said. "I'm not going to be digging 10 feet down. The people who buy it, that's their problem."

Posegate currently babysits for two of her grandchildren, which was one of the reasons the board expressed concern with fixing the issue quickly.

Posegate said she believes the leak has not really impacted her property because testing in her basement showed normal chemical levels.

Telephone messages left Tuesday at the Iowa DNR Land Quality Bureau, which is in charge of dealing with leaking underground tanks, were not returned.

A telephone message left Tuesday for the multi-state trust which was created following the gas station's bankruptcy and which is conducting environmental assessments of the site and neighboring properties was not returned.

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

Held: Thursday, February 4, 2016 at 9:30 in room 5W of the Wallace building
Site: Craig's Service, Manson
LUST No. 8LTM14
Status: First conference; no further meetings scheduled
Synopsis: The site is high risk for groundwater to water line and low risk for protected groundwater source. The certified groundwater professional (CGP) will install one monitoring well and conduct quarterly groundwater sampling of seven wells in Tier 3 to evaluate plume mobility. If the groundwater plume is stable, an institutional control can be established to prevent drinking water wells (DWWs) on the property and clear the low risk pathway. Plume stability could be used to show the groundwater contamination will not reach the water main. If all goes well, the site might be recommended for reclassification as soon as January 30, 2018. These conference notes will serve as the Tier 3 Work Plan.

Participating

RP: Craig Neiland of Craig's Service (by phone)
Funding: Steve Reinders of Cunningham Lindsey (CL) (by phone)
CGP: Jennifer Baker of Seneca Environmental (in person)
DNR: Matt Graesch, Project Manager, & Jeff White, Conference Facilitator (in person)

Funding Report by Steve Reinders of Cunningham Lindsey

- \$58,874 spent to date.
- There is a Global Settlement, so a \$400 copay is possible if the costs exceed about \$100,000.
- Pre-approved costs should be reimbursed to a cap of \$1,000,000.

Background and Recommendations by Jennifer Baker, CGP with Seneca Environmental

- All the tanks are out except for two that are filled in place beneath the building.
- The building was enlarged to cover most of the property. Monitoring wells were destroyed; I don't know for sure which are remaining.
- The site is high risk for (groundwater) waste oil to water line. I propose monitoring in Tier 3 to show the groundwater plume is stable. The groundwater flow direction is toward the water line but monitoring well B-22 is between the plume and the water line; it has been clean.
- The site is low risk for groundwater ingestion for protected groundwater source (PGWS). The city won't pass an ordinance prohibiting water wells, but once we can show the plume is stable and contained on the site we can clear this pathway with an environmental covenant on the property prohibiting private water wells.
- We propose quarterly sampling of five existing monitoring wells with installation of two more, for a total of seven. Reporting will be annual for two years.

Discussion

DNR: This Tier 3 approach is acceptable. The high risk groundwater plume is waste oil which is not very mobile.

CGP: If this Tier 3 approach doesn't work, we could look at replacing the water line. However, the city has not been responsive to replacing this water main. Nor have they been responsive to passing an ordinance about water wells.

RP: I am okay with an environmental covenant prohibiting water wells on my property.

CGP: Since the receptor ID plume extends off the site to other properties, we will have to show the groundwater plume is stable before an on-site environmental covenant can be effective.

I propose monitoring MW5, MW6, MW14, B18, and B22. I think two monitoring wells will need to be installed: one to the west near WS8 and another to the west of B22.

RP: Monitoring wells WS8 and B23 are still there.

RP: The property to the north used to be a John Deere facility but it belongs to the city now. The building has been torn down and the property is open. I don't think MW14 is still there, but the city probably won't mind if you put it back.

CGP: I will check with the city about installing a new monitoring well just north of the building.

DNR: We don't need semi-annual reports. Annual will be sufficient as long as monitoring results are as-expected. If results show an unstable plume or other unexpected outcome, reporting frequency may need to increase.

Groundwater analyses must be by OA1/OA2. You should analyze for MtBE on all third-quarter samples, at least for the first year.

If the SMR after the 8th sampling can show the plume is stable, the SMR should contain an environmental covenant prohibiting water wells on the property. Hopefully this SMR can recommend reclassification of the site.

Selected Corrective Action and Schedule

- DNR sends out conference notes by 2/10/16.
- CGP submits a budget by 2/5/16 for:
 - Installing one monitoring well.
 - Sampling seven monitoring wells (MW5, MW6, WS8, B18, B22, B23, and a new well to the north) quarterly for OA1/OA2 for 8 quarters. MtBE will be sampled semi-annually during the third quarter, likely only for one year.
 - Providing an environmental covenant prohibiting drinking water wells or non-drinking water wells on the property.
 - Submitting site monitoring reports (SMRs) annually.
- CL evaluates the budget by 2/12/16.
- The first Tier 3 site monitoring report (SMR) will be due by 1/30/17.

- ***Note: In the conference, the due date for the Tier 3 SMRs was October 30. In order to cut down on required reporting, the due dates for the SMRs are moved to January 30, 2017 and January 30, 2018.***

- Hopefully, the 2018 SMR can recommend reclassification.

Everyone agreed to this approach and schedule.

Matt Graesch, 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 Matt Graesch at the UST Section of the DNR.