



IOWA UNDERGROUND STORAGE TANK FUND

Susan E. Voss, Chairperson

Scott M. Scheidel, Administrator

Board Members:

Michael L. Fitzgerald ❖ Jeff W. Robinson ❖ Cathy A. Rottinghaus ❖ James M. Holcomb
Jeffrey R. Vonk ❖ Delia A. Meier ❖ Douglas M. Beech

NOTICE OF PUBLIC MEETING

A public meeting of the Iowa Comprehensive Petroleum Underground Storage Tank Fund Board has been scheduled for 9:30 a.m., Tuesday, July 12, 2005. **The meeting will be held at the Hotel Pattee located at 1112 Willis Ave, Perry, Iowa.**

The tentative agenda for the meeting is as follows:

9:30 a.m. Call to Order

1. Strategic Planning Session

Break for Lunch (about 11:30--1:00 p.m.)

2. Approval of Prior Board Minutes

3. Closed Session – Discussion of Pending and Imminent Litigation (To adjourn by 1:10 p.m.)

4. Public Comment Period

5. Board Issues

A. Fiscal 2006 Budget

B. Fiscal 2006 28E Agreement with Attorney General's Office

C. Adoption of Rules – IAC 591, Chapter 14 Amendment (AST claims)

D. Transfer of Funds from Revenue to Unassigned Revenue Fund

E. 12 Month Board Meeting Schedule

6. Approval of Program Billings

7. Monthly Activity Report and Financials Reviewed

8. Attorney General's Report

9. Claim Payment Approval

10. Contracts Entered Into Since June 2, 2005 Board Meeting

11. Other Issues as Presented

12. Correspondence and Attachments



IOWA UNDERGROUND STORAGE TANK

Financial Responsibility Program

Susan E. Voss, *Chairperson*

Scott M. Scheidel, *Administrator*

Board Members: Michael L. Fitzgerald Jeff W. Robinson Cathy A. Rottinghaus James M. Holcomb
Jeffrey R. Vonk Delia A. Meier Douglas M. Beech

Φ Φ Φ *MEMO* Φ Φ Φ

TO: **UST Board Packet Recipients**

FROM: Scott Scheidel

DATE: July 5, 2005

RE: Annual Strategic Planning Session Board Meeting

The Annual Strategic Planning Session of the Iowa UST Fund Board will be held on Tuesday July 12, 2005 at the Hotel Pattee at 1112 Willis Avenue in Perry, Iowa. The meeting will begin at 9:30 a.m. with the Strategic Planning Session being held in the morning. After a break for lunch the remainder of the meeting agenda will be concluded.

Lunch is not provided to the public in attendance, but ample time will be allowed for members of the public to take a lunch break. The Hotel Pattee has a restaurant on site. Attire is casual.

Directions are attached on the following sheet.

Directions to the Hotel Pattee 1112 Willis Ave., Perry, Iowa

From Des Moines take **I-35/I-80** to exit #127, **GRIMES/URBANDALE**.

Take a **Right** onto **Hwy 141 West** for approximately 25 miles to Perry.

Turn **Right** onto **Willis Avenue** and go 2 miles to arrive at the **Hotel Pattee** (on the **Right**)

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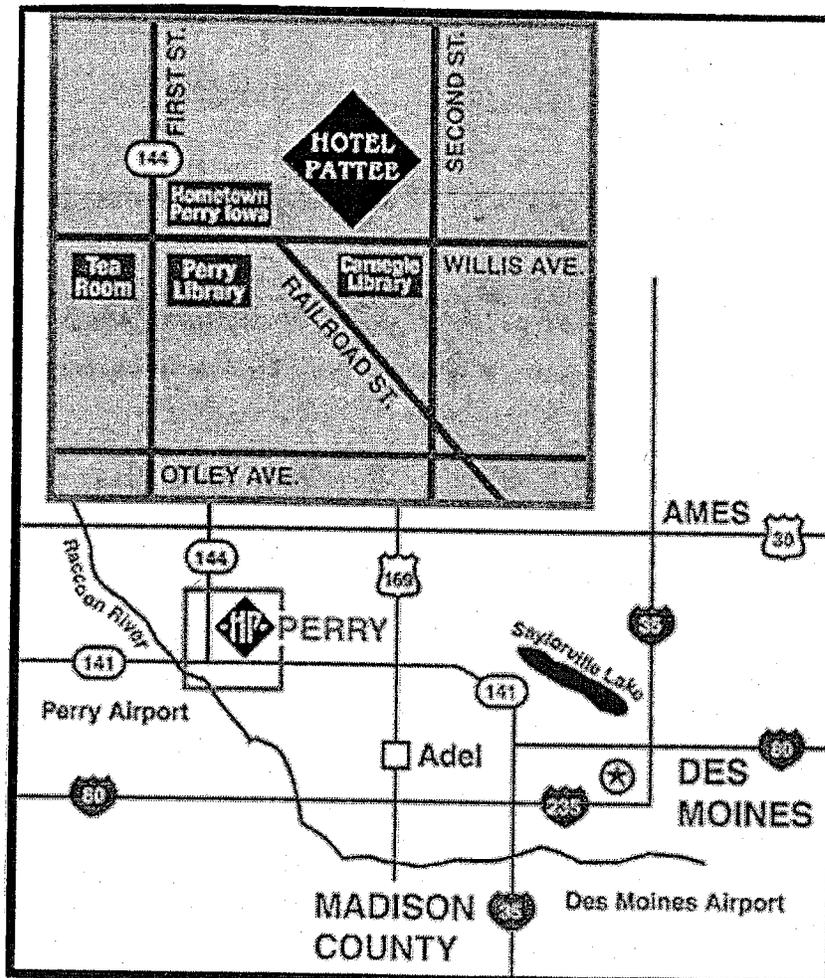
From US-20 West take exit #153A, **DES MOINES**, onto **I-35 South** and go 30.8 miles.

Take exit #111B, **AMES**, onto **US-30 West** for 23.9 miles.

Take exit #126, **OGDEN/ADEL**, onto **US-169 South** for approximately 14 miles.

Turn **Right** onto **141st Street** toward **Hwy 141 West** for approximately 2 miles.

Turn **Right** onto **Willis Avenue** and go 2 miles to arrive at the **Hotel Pattee** (on the **Right**)



Strategic Planning Session



IOWA UNDERGROUND STORAGE TANK FUND

Susan E. Voss, Chairperson

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Jeffrey R. Vonk ❖ Delta A. Meier ❖ Douglas M. Beech

TO: IOWA UST BOARD
FROM: SCOTT SCHEIDEL
SUBJECT: STRATEGIC PLANNING OUTLINE
DATE: JULY 12, 2005

The following is a tentative outline for the Strategic Planning Session on July 12, 2005:

I. Evaluation of Past Goals and Program Status

- A. Current Program Status
- B. Status of 28E Agreements
- C. Attorney General's Report
- D. Prior Year's Goals
 - 1. Remedial Program – "Getting Site to Closure"
 - 2. Transfer Installer/Inspector/Tester Licensing Program
 - 3. Complete AST Reimbursements and Close Out AST Fund
 - 4. Legislative Initiatives

II. DNR Report on UST Issues

III. Program Goals – Fiscal 2006

- A. Issues from Last Year
- B. Remedial Program – "Getting Site to Closure"
- C. Transfer of Installer/Inspector/Tester Licensing Program
- D. Complete AST Reimbursements and Close Fund Out
- E. Maintain Short and Long Term Solvency
- F. Comparison of Iowa UST Program with Other States' Programs
- G. Legislative Initiatives

IV. UST State Fund Administrators' Conference

V. Summary

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Approval of Prior Board Minutes



IOWA UNDERGROUND STORAGE TANK FUND

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MINUTES IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND PROGRAM

June 2, 2005

COMMISSIONER'S CONFERENCE ROOM IOWA INSURANCE DIVISION, 330 EAST MAPLE STREET DES MOINES, IOWA

Susan Voss called the Iowa UST Board meeting to order at 10:01 A.M. A quorum was present. Roll call was taken with the following Board members present:

Cathy Rottinghaus (via telephone)
Delia Meier (via telephone)
Stephen Larson (for Michael Fitzgerald) (via telephone)
Liz Christiansen (for Jeffrey Vonk) (via telephone)
Douglas Beech
Jim Holcomb
Jeff Robinson

Also present were:

David Steward, Attorney General's Office
Scott Scheidel, Administrator
Lacey Skalicky, Program Administrator's Office
James Gastineau, Program Administrator's Office

APPROVAL OF PRIOR BOARD MINUTES

The minutes from the April 29, 2005 meeting were reviewed. Mr. Holcomb moved to approve the minutes, Mr. Beech seconded the motion, and by a vote of 6-0, the minutes were approved.

CLOSED SESSION

Ms. Voss noted there were no matters dealing with litigation for discussion in closed session pursuant to Iowa Code Chapter 21. Therefore no closed session convened.

PUBLIC COMMENT

Ms. Voss requested any comments from the public present. Jeff Hove from the Petroleum Marketers and Convenience Stores of Iowa stated that he would reserve his public comment for a more relevant time when the Board Issues were addressed.

BOARD ISSUES

A. Legislative Update

Mr. Scheidel presented a memo to the Board regarding the impact of the 2005 legislative session on the UST Fund. He explained that the first impact on the Board was that of the passage of legislation which extended the work-completed deadline for aboveground storage tank upgrade or closure claims to December 31, 2005. In addition, the legislature included a \$5 million transfer of UST funds for a new water quality initiative, in an amendment to the Standings Appropriations bill which passed as such. Mr. Scheidel advised the Board that the Governor would most likely look to the UST Fund for additional funding of the water quality initiative next year, as the initiative had no identified ongoing funding source. He told the Board they should keep that in mind, when developing a position to represent the Board's interests before the legislature next year.

Mr. Scheidel stated that some legislators had introduced language, early in the session, to pay back specific State funds that had been raided in recent years, as those monies were earmarked for specific goals, which had been or would be averted to some extent by the removal of funds. However, Mr. Scheidel explained that the issue never attained serious consideration from the majority of legislators.

Mr. Scheidel reviewed with the Board the history of the legislature appropriating money from the UST Fund to finance other State initiatives. He explained that the last two years have left the UST Fund untapped, however the three years prior resulted in \$59 million transferred from the UST Fund to other State agencies to fund items including teachers' and State employees' salary increases, State employee health coverage, and an IT initiative of some kind.

Mr. Scheidel stated that the Board would discuss legislative initiatives at their Strategic Planning Session in July, and they should include in those goals how to represent their position to legislators regarding reimbursement of funds appropriated in years past, as well as, prevention of future appropriations from the UST Fund. In addition, Mr. Scheidel told the Board that the Board had a good start from this year to get legislation passed next year authorizing the Department of Natural Resources (DNR) to require closure of private wells where a funding source exists. Another legislative initiative of the Board would be how to respond to proposed legislation regarding E-85, as Mr. Scheidel explained that a draft proposing an insurance program for E-85 tanks was introduced at the end of session. The funding source and the administrative source identified in that draft were the UST Fund and Board.

B. Transfer of Funds – Marketability Fund to AST Fund

Mr. Scheidel discussed with the Board the need to transfer more money into the AST Fund to address the aboveground storage tank (AST) claims. He stated that \$6 million had been transferred from the Marketability Fund previously to the AST Fund, and \$5.5 million had been expended to date. The Marketability Fund currently held approximately \$2.2 million, and Mr. Scheidel expected that more money would be needed for the AST Fund in the future, as well.

Ms. Christiansen moved to approve the transfer of the remaining funds in the Marketability Fund into the AST Fund for AST claim payments, and Mr. Holcomb seconded the motion. Approved 6-0.

C. Update on DNR UST Program Funding Discussions

Mr. Scheidel presented the Board with a 28E agreement between the Board and the Department of Natural Resources (DNR) to provide funding assistance for the UST Section of the DNR. Mr. Scheidel stated the agreement had been previously distributed to Board members for review prior to today's meeting. He explained the agreement provided the UST Section of the DNR with \$400,000 funding for FY 2006, which equaled the approximate amount of tank management fees the UST Fund received each year. In addition, the agreement included two milestones per quarter, upon which additional increments of funding would be contingent. The first milestone for each quarter required the DNR to actively transition toward the implementation of third party inspections by July 1, 2006 and to accept a transfer of the UST Installer/Inspector licensing program by July 1, 2006. The second milestone for each quarter required the DNR to complete 300 inspections to receive its quarterly funding beyond the \$100,000 per quarter from tank management fees. The quarterly contingency funding would be \$75,000 for milestones achieved.

Mr. Scheidel told the Board that the DNR had not yet accepted the terms of the agreement, and the DNR wanted longer term funding in addition to separate funding for an IT initiative to implement the third party inspection program. He stated the Board would take this initial step today to decide whether the language within the agreement was acceptable to them as an offer to the DNR

Mr. Holcomb inquired about the separate funding amount requested by the DNR for the IT initiative. Mr. Scheidel stated the DNR had requested an amount of \$193,000. He stated that he had issued an inquiry to Petroleum Marketers Mutual Insurance Company (PMMIC) regarding a similar program, and they had found a program for a figure in some range within \$50,000. Mr. Scheidel stated the \$700,000 total funding proposed in the 28E agreement could be used by the DNR for funding of their IT initiative, but the agreement did not provide for further funding specifically for the IT initiative.

Ms. Meier asked Mr. Scheidel about the Board action taken last year at this time. Mr. Scheidel reviewed that the Board had agreed to provide the DNR with \$300,000 (approximate tank management fees) for UST Section funding for FY 2005, with an additional \$300,000 if certain milestones were met. Those milestones were not met, and therefore the additional \$300,000 was left out of the 28E agreement that was recently drafted and entered into in May of 2005. Ms. Meier stated that the Board seemed to be going in the wrong direction as it pertained to the intent of the Board decision one year prior, as the Board had directed the DNR to identify and work to obtain permanent, future funding sources for the UST Section. The DNR had not secured permanent funding for the future operation of the UST Section, and therefore, the Board was addressed with another request to enter into a 28E agreement to provide funding for fiscal year 2006. Mr. Scheidel explained that because tank management fees collected had gone up to \$400,000 this year, the 28E agreement included the \$400,000 funding figure for next year.

Mr. Scheidel stated that one of the intended purposes of the fiscal year 2006 agreement was to assist the DNR in a transition toward operating on a smaller budget in the future; a budget which would potentially be fully funded by tank management fees. Tank registration and management was currently administered by the DNR's UST Section.

Ms. Christiansen inquired about the DNR's specific concerns with the current agreement language. Mr. Scheidel stated the DNR had reservations, because they wanted the Board to offer additional funding for the IT initiative that they had planned. Also, the DNR wanted the Board to offer an agreement for a two-year term (i.e. another potential \$700,000 in funding for fiscal year 2007) to allow the DNR time to complete a smooth transition of services and staffing to implement the third party inspections.

Tim Hall of the DNR spoke to the Board more specifically about the DNR's plans and concerns. He stated that the need for an IT system to support the implementation of third party inspections was paramount, as those sites and inspections must be managed with the integrity that only a well-constructed database system could provide. The data involved to manage third party inspections would not be well maintained on paper only. Mr. Hall stated that the DNR was open and interested in obtaining other bids for the installation of such a system for a better price. Also, Mr. Hall stated the DNR felt strongly that the two-year timeline was more reasonable and realistic to implement and transition to the use of third party inspections. He explained that the UST Section could adopt rules and implement the use of the third party inspections within one year, however an additional year would be necessary to allow the DNR to analyze the effectiveness of the program and to ensure that the DNR would be meeting all of its obligations set in administrative rules.

Mr. Hall stated that he appreciated the Board's desire to get out of the UST business and focus on their mission to clean up LUST sites, however he felt the effectiveness of the UST Section would be in jeopardy if the transition were rushed, and there was no time to operate the two inspection programs concurrently to identify any shortcomings with the new third party inspections.

Jeff Hove of the Petroleum Marketers and Convenience Stores of Iowa (PMCI) stated that his group supported the language in the current agreement, and he stated that if the rules were written correctly the first time with regard to the implementation of the third party inspections, then he felt the DNR should have enough time within the next year to implement and operate both inspection programs to compare the effectiveness of the third party inspections and make the necessary adjustments.

Mr. Scheidel recommended to the Board that they approve the proposed offer, with an acknowledgement that an amendment may be considered in the future to allow for funding of an IT system receive and maintain data for the third party inspection program. However, an amendment would be dependant upon the DNR providing evidence to the Board that all other sources of funding for the project had been pursued and/or exhausted. Mr. Holcomb inquired about the efficacy of the numbers proposed in the agreement. Mr. Scheidel stated that he felt the \$700,000 would appropriately fund the UST Section as is for another year, and the agreement didn't dictate how the DNR would transition their operations and staff toward the next year's budgeted operations. He felt the funding provided in the agreement was adequate to accomplish that.

Mr. Holcomb asked what the projected outcome of the agreement would be. Mr. Steward responded by saying that the purpose of the agreement was stated in the first paragraph of the agreement, and basically communicated that the Board could expect that the UST Section of the DNR should be transitioned to a point at which they could operate on a budget provided for by tank management fees by July 1, 2006. Ms. Christiansen inquired whether or not the agreement precluded the Board from amending the agreement or entering into subsequent agreements for funding for another year. Mr. Steward said that it did not. Ms. Christiansen expressed concern over the DNR's ability to get rules drafted and finalized and accepted by committee within one year's time.

Mr. Beech discussed with the Board the perspective from one year ago, when the DNR came to the Board and acknowledged that they were facing future budget shortfalls. He explained that the DNR had an opportunity to identify inefficiencies and to develop a plan for their transition to third party inspections, and therefore the DNR had already exhausted one year of potential planning, with funding provided for by the Board totaling \$500,000 (including \$200,000 appropriated funds). And from that perspective, DNR was now entering into the second year of their transition.

He felt the agreement before the Board would properly fund the DNR's second year of development into their transition to third party inspections, and an amendment to the agreement would then allow for a third year of Board funding for the UST Section, when the tank management fees (referenced in the current agreement) should be sufficient for that purpose by that third year.

Mr. Hall reiterated to the Board that the DNR didn't know how the structure of the third party inspection program would look once implemented, and he had heard that other states using similar programs had to increase their staff to manage and regulate their own third party inspection programs.

Mr. Beech agreed with Mr. Hall's concerns that the UST Section may require additional funding to work out the kinks of the new program, however he questioned whether the additional funding should come from the UST Fund.

Mr. Holcomb moved to approve the offer, as presented, and to enter into the 28E Agreement if agreed to by the DNR. Mr. Beech seconded the motion. Ms. Christiansen abstained from the vote. The motion was passed on a vote of 5-0.

D. REPORT ON DNR LUST PROGRAM REPORT REVIEW PROCESS IMPROVEMENT EVENT

Mr. Hall reported to the Board on the DNR's latest business process improvement (Kaizen) event held the week before. The goal of the week-long event was to address the report review process (risk based corrective action (RBCA) reports, site monitoring to reclassify reports (SMR's). Mr. Hall stated the event did not meet the objectives set in the minds of most of the attendees, a group including representatives from the DNR, Aon, GAB Robins, PMCI, PMMIC and Preston Engineering Inc. (PEI). He stated that he noted many good instances of ideas shared, but he received significant feedback in the form of frustration.

Mr. Scheidel explained that the group involved had difficulty quantifying the issue in order to begin the assessment and proposed changes of the issue. He stated the group lacked a consensus with regard to the following:

- Are we asking for the right data in the reports to be reviewed?
- Are we reviewing the right data in the reports once received?
- What's the most efficient way to review the data in the report?

Mr. Scheidel also felt that many great ideas were proposed during the week, however none of the ideas could obtain complete support or even compromised support among the members of the group. Ms. Voss inquired about a follow up meeting. Mr. Hall explained that typically the events were followed by 100% complete and immediate compliance with the procedures which resulted from the event, however no procedures were agreed upon to implement and/or comply with. He stated that he did plan to schedule a follow up meeting in this case with the individuals in attendance to analyze the cause of their inability to come to a consensus. And he would like to complete such a meeting prior to his follow up meeting with the consultant representative, who mediated the event for the DNR. Ms. Christiansen concurred with that plan.

PROGRAM BILLINGS

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

1. Aon Risk Services\$ 107,695.58
Consulting Services – June 2005 (\$60,000.00)
Claims Processing Services – June 2005 (\$47,695.58)
2. Attorney General's Office\$10,647.95
Services provided for Underground Storage Tank Program
April 2005 billing
3. Iowa Dept of Inspections & Appeals\$1,215.00
Administrative Hearings on behalf of the Iowa UST Program
Jan-Mar 2005

The Board directed the Administrator's Office to omit the Attorney General's Office billing detail for future Board packets and only provide the summary listing of charges.

No additional billings for outside cost recovery counsel were presented by the Attorney General's office for this meeting. On a motion by Mr. Holcomb and a second by Mr. Beech, the billings were approved by a vote of 6-0.

MONTHLY ACTIVITY REPORT

Mr. Scheidel stated to the Board that the April activity report, financials and opt-in report were included in the Board packet for their review. Mr. Scheidel notified the Board that early in the next fiscal year, the Board should consider moving some money from the Unassigned Revenue

Fund to the Remedial Fund, as the Remedial Fund balance had continued to drop further below \$10 million in April.

ATTORNEY GENERAL'S REPORT

Mr. Steward stated that the Attorney General's Office had nothing to report at this meeting.

CLAIM PAYMENTS

Mr. Gastineau presented the following claim payments:

1. Site Registration 8607706 – Doolittle Oil Co., Ames

This site was classified as high risk for soil leaching to groundwater ingestion, soil leaching to groundwater vapor, and groundwater ingestion to municipal well. An excavation was proposed, but was limited by an IDOT highway. Some remediation in the right-of-way may be needed. Previous approval to \$75,000 granted, of which \$70,191.36 had been expended to date. Additional authority to \$310,000 was requested for a site monitoring report (SMR), a possible corrective action design report (CADR), implementation of the excavation and free product recovery (FPR).

Motion to approve the claim payment was submitted by Mr. Holcomb and seconded by Ms. Christiansen. Approved 6-0.

2. Site Registration 8603352 – Kwik Trip, Jesup

This was a third Board report for a non-granular bedrock site that was high risk for three drinking water wells. City water was to be extended to the three well owners and their wells were to be plugged, allowing a site reclassification to low risk. Monitoring would then continue until the site could be reclassified to no action required (NAR). Previous approval to \$128,994.69 granted, of which \$124,063.47 had been expended to date. Additional authority to \$300,000 was requested for a site monitoring report (SMR) and implementation of the installation of water line and well-plugging.

Motion to approve the claim payment was submitted by Mr. Beech and seconded by Mr. Holcomb. Approved 6-0.

3. Site Registration 8606234 – Hutchinson, Inc., Manchester

SCTL 44

This site was classified high risk for groundwater ingestion for one drinking water well. The chemical of concern was diesel. There was free product in several monitoring wells. The site-specific target levels (SSTL's) had been achieved but steady and declining criteria had not been met. Free product at the site was the driving factor for remediation. The diesel UST was to be removed, with soils excavated to remove the product trapped in the soil. If an excavation cannot be completed due to groundwater infiltration, other options to remove free product may include soil vapor extraction (SVE) and groundwater treatment. Previous approval to \$75,000 granted, of which \$42,452.31 had been expended to date. Additional authority to \$185,000

was requested for the site monitoring report (SMR), tank pull, implementation of the excavation, and free product recovery (FPR)

Motion to approve the claim payment was submitted by Mr. Holcomb and seconded by Ms. Christiansen. Mr. Beech abstained from the vote. Approved 5-0.

Mr. Holcomb stepped out of the meeting at 11:05 A.M.

4. Site Registration 8606704 – Michael P. Nelson, Neola

This site was classified high risk for groundwater vapor to enclosed space, soil leaching to groundwater and soil vapor to enclosed space for one residential basement and four residential sewers. The site had free product and very high soil and groundwater contaminant levels. Vapor sampling had failed. Contamination was deep and an excavation would be expensive, but due to soil type, it was considered the best option. Previous approval to \$75,000 granted, of which \$24,617.01 had been expended to date. Additional authority to \$300,000 was requested for a SMR, implementation of the excavation and FPR.

Motion to approve the claim payment was submitted by Ms. Christiansen and seconded by Mr. Beech. Approved 5-0.

5. Site Registration 8607269 – Wayne's Kwik N' EZ, Batavia

This was a second Board report for a site which was classified high risk for two non-drinking water wells and a sanitary sewer line. Remediation at this site would be difficult due to a shallow water table and tight soil. In a corrective action meeting, it was agreed to excavate 4,000 to 5,000 yards of the possible 12,000+ yards of contaminated soils. This would still leave soil and groundwater above SSTL's. Contamination had migrated off site. A follow-up system was probable. Previous approval to \$374,000 granted, of which \$136,109.31 had been expended to date. Additional authority to \$674,000 was requested for a SMR, a possible CADR and implementation of the excavation.

Motion to approve the claim payment was submitted by Mr. Larson and seconded by Ms. Christiansen. Approved 5-0.

6. Site Registration 8607330 – Dillavou Oil, Waverly

This was a second Board report for a site which was classified high risk. The current air sparge/soil vapor extraction (AS/SVE) system at the site appeared to have had a great influence in most areas of the site. However one area was not cleaning up, which may have been due to higher clay content in that area. The groundwater professional was proposing a limited excavation in that area. The excavation would be backfilled with granular material, allowing the AS/SVE system to influence this area. Previous approval to \$170,000 granted, of which \$131,825.63 had been expended to date. Additional authority to \$305,000 was requested for a SMR, implementation of the excavation and FPR.

Motion to approve claim payment was submitted by Mr. Beech and seconded by Ms. Christiansen. Approved 5-0.

Mr. Holcomb returned to the meeting at 11:08 A.M.

7. Site Registration 8607873 – City of Elliott (former S&M Oil)

This was the second Board report for this site which was classified high risk for one city water well within 150 feet. The prior excavation was successful in reducing groundwater concentrations at the source from 13,000 ppb to non-detect. All wells in the excavation area were less than SSTL's. Some soil contamination remained above the vapor target levels along the north edge of the excavation in IDOT right-of-way and groundwater remained elevated in one monitoring well. A corrective action meeting was scheduled to address remaining high risk pathways of groundwater ingestion and soil vapor. Previous approval to \$175,000 granted, of which \$165,706.52 had been expended to date. Additional authority to \$300,000 was requested for a SMR, a possible CADR, implementation of the CADR.

Motion to approve claim payment was submitted by Ms. Christiansen and seconded by Mr. Holcomb. Approved 6-0.

8. Site Registration 8606287 – Troy Store, Troy Mills

This site was classified high risk for the groundwater ingestion pathway for eleven drinking water wells and four plastic water line receptors. An AS/SVE system had been recommended for the site and would need to run for a couple of years to meet the SSTL's. Previous approval to \$75,000 granted, of which \$25,838.66 had been expended to date. Additional authority to \$175,000 was requested for a SMR, CADR, and implementation of the CADR.

Motion to approve the claim payment was submitted by Mr. Holcomb and seconded by Ms. Christiansen. Approved 6-0.

9. Site Registration 8600148 – Charlie's Repair, Remsen

This site was classified high risk for the soil vapor to enclosed space pathway. Soil vapor sampling had exceeded target levels at two sampling locations. An AS/SVE system was being installed at the site to address the high risk pathways. Previous approval to \$75,000 granted, of which \$85,280.95 had been expended to date. Additional authority to \$185,000 was requested for a SMR and implementation of the CADR.

Motion to approve the claim payment was submitted by Ms. Christiansen and seconded by Mr. Holcomb. Approved 6-0.

10. Site Registration 8608692 – CJ's Oil Co., Kalona

This site was classified high risk for soil leaching to a protected groundwater source and the soil vapor to enclosed space pathway. The soil source was often submerged and, as a result, soil vapor sampling had not been completed to address the soil vapor receptors. A multi-phase extraction system was being recommended for the site. Previous approval to \$75,000 granted, of which \$78,474.23 had been expended to date. Additional authority to \$350,000 was requested for a SMR, CADR, implementation of the CADR, and FPR.

Motion to approve the claim payment was submitted by Mr. Beech and seconded by Mr. Holcomb. Approved 6-0.

11. Site Registration 8605608 – Delcar, Inc., Mapleton

This site was classified high risk for the soil vapor to sanitary sewer pathway for the on-site sewer service. Vapor sampling had failed. Free product was present at the site. Sanitary sewer relocation combined with vacuum extraction using a vac-truck on the free product well was recommended. Previous approval to \$75,000 granted, of which \$67,424.23 had been expended to date. Additional authority to \$230,000 was requested for a SMR, implementation of the CADR, and FPR.

Motion to approve the claim payment was submitted by Ms. Christiansen and seconded by Mr. Holcomb. Approved 6-0.

12. Site Registration 8915618 – Ubben Oil, Meservey

This site was classified as high risk for the soil vapor to enclosed space pathway for the on-site sanitary sewer. Soil vapor sampling at the receptor had failed. An excavation was proposed to remove soil contamination. Previous approval to \$75,000 granted, of which \$32,151.59 had been expended to date. Additional authority to \$150,000 was requested for a SMR and the excavation.

Motion to approve the claim payment was submitted by Mr. Holcomb and seconded by Ms. Christiansen. Approved 6-0.

13. Site Registration 8601203 – Mills County, Tabor

This site was classified no action required with significant free product. The DNR was requiring the aggressive removal of the free product. An active product removal pump was in place but monitoring well replacement and system repairs were necessary at the time with additional future costs anticipated. Previous approval to \$75,000 granted, of which \$66,840.44 had been expended to date. Additional authority to \$117,000 was requested for a soil excavation.

Motion to approve the claim payment was submitted by Mr. Holcomb and seconded by Ms. Christiansen. Approved 6-0.

14. Site Registration 8607897 – City of Iowa Falls

This site was classified as high risk for soil leaching to protected groundwater source and low risk for groundwater ingestion to protected groundwater source. The site was also low risk for groundwater vapor to enclosed space. It was recommended that monitoring continue and work be completed to establish a city ordinance preventing the installation of drinking and non-drinking water wells. Previous approval to \$75,000 granted, of which \$90,308.60 had been expended to date. Additional authority to \$140,000 was requested for a SMR, implementation of an institutional control, and FPR.

Motion to approve the claim payment was submitted by Ms. Christiansen and seconded by Mr. Holcomb. Approved 6-0.

CONTRACTS ENTERED INTO SINCE THE APRIL 1, 2005 BOARD MEETING

The Board had entered into three contracts since the April 29, 2005 Board meeting. The Board entered into contracts with GeoTek Engineering & Testing Services Inc., Raymond Professional Group, Inc, and MSA Professional Services, Inc. for the completion of engineering services at sites which would require plastic water line replacement, as part of their remediation processes.

 Mr. Scheidel explained to the Board that since the contracts memo was drafted, he had learned that Raymond Professional Group, Inc. had folded their Davenport offices and had been acquired by another entity. He stated their contract was no longer in effect, and the two remaining firms contracted should be able to address the current number of sites in need of their services. If not, the Board would have to discuss contracting with another firm.

OTHER ISSUES

Lacey Skalicky presented the Board with a memo regarding the Annual Strategic Planning Session scheduled for Tuesday, July 12, 2005. The meeting would be held at the Hotel Pattee in Perry at 9:30 A.M.

CORRESPONDENCE AND ATTACHMENTS

Ms. Voss asked if there was any further business, and there being none, Mr. Holcomb moved for adjournment. Ms. Rottinghaus seconded the motion, and on a 6-0 vote, the Board adjourned at 11:20 A.M.

Respectfully Submitted,



Scott M. Scheidel
Administrator

Closed Session

Discussion of Pending and Imminent Litigation

Public Comment Period

Board Issues

A. Fiscal 2006 Budget

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
BUDGET FISCAL 2006**

UST REVENUE FUND (Bonding)

Balance of Fund, July 1, 2005	\$	-
Receipts:		
Tank Management Fees	\$	400,000.00
Motor Vehicle Use Tax	\$	17,000,000.00
Intra State Transfers	\$	-
Interest Income	\$	-
Interest Income - Capital Reserve Fund	\$	-
	<u>\$</u>	<u>17,400,000.00</u>
Disbursements:		
Bond Interest Payment	\$	2,426,240.15
Bond Principal Payment	\$	7,170,000.00
Transfer To/(From) UST Bond Fund	\$	-
Transfer to Unassigned Revenue Fund	\$	7,803,759.85
	<u>\$</u>	<u>17,400,000.00</u>
Balance of Fund, June 30, 2006	<u>\$</u>	<u>-</u>

UST UNASSIGNED REVENUE FUND (Non-Bonding)

Balance of Fund, July 1, 2005	\$	25,000,000.00
Receipts:		
Installer's Licensing/Exam Fees	\$	8,000.00
Request for Proposal Fees (Filing Fees)	\$	100.00
Copying/Filing Fees	\$	-
Fines & Penalties	\$	25,000.00
Refund/Overpayment	\$	-
Transfer From UST Revenue Fund 471	\$	7,803,759.85
Intra State Fund Transfers Received	\$	-
Amort / Accretion	\$	(200,000.00)
Interest Income	\$	1,500,000.00
	<u>\$</u>	<u>9,136,859.85</u>
Disbursements:		
UST Administrator's Fees	\$	1,292,346.96
Attorney General's Fees	\$	100,000.00
Attorney's Fees: Cost-Recovery Administration	\$	-
Cost Recovery Expense	\$	-
Custodial Fees	\$	1,000.00
Actuarial Fees	\$	-
Auditor of the State Fees	\$	4,400.00
Bank Service Charges	\$	2,700.00
Bond Trustee's Fees	\$	6,000.00
DNR Appropriation H30 A	\$	-
Department of Revenue (DAS) EPC Collection Fees	\$	5,000.00
Environmental Protection Charge Refunds	\$	-
Inspection & Appeals Service Fees	\$	5,000.00
Installer's License/Exam Fee Refunds	\$	-
Iowa Finance Authority Expenses	\$	-
Legal and Professional Fees	\$	-
Licensing - Contractual Services	\$	-
Postage / Printing / Miscellaneous / Lien Filing Fees	\$	100.00
Professional Admin Services (Investments)	\$	25,000.00
Rebate	\$	-
Tank Closure Claims	\$	200,000.00
Travel Expenses-UST Board Members	\$	-

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
BUDGET FISCAL 2006**

Warrant Float Expense	\$	-
28E Agreement - RBCA (DNR part-time staff)	\$	-
28E Agreement - DNR Staff Assistance	\$	240,000.00
28E Agreement - Univ. of Iowa Water Well Analysis	\$	-
Transfer to Remedial Non-Bonding Fund	\$	12,000,000.00
Transfer to AST Fund	\$	5,000,000.00
Intra State Fund Transfer to Dept. of Natural Resources	\$	700,000.00
Intra State Fund Transfers Paid (Water Quality Initiative)	\$	5,000,000.00
	\$	24,581,546.96
Balance of Fund, June 30, 2006	\$	9,555,312.89
 UST REMEDIAL NON-BONDING FUND		
Balance of Fund, July 1, 2005	\$	7,500,000.00
Receipts:		
Cost Recovery (Remedial Refunds)	\$	-
Misc. Income - (Eligibility Settlements or Lien Settlements)	\$	20,000.00
CRP Buy-In		
Interest Income		
Intra State Fund Transfers Received	\$	12,000,000.00
	\$	12,020,000.00
Disbursements:		
Retroactive Claims	\$	1,000,000.00
Remedial Claims	\$	16,000,000.00
Intra State Fund Transfers Paid		
Refund of CRP Buy-In		
	\$	17,000,000.00
Balance of Fund, June 30, 2006	\$	2,520,000.00
 UST MARKETABILITY FUND		
Balance of Fund, July 1, 2005	\$	-
Receipts:		
Interest	\$	-
Use Tax		
	\$	-
Disbursements:		
Transfer to Agrifutures Revolving Loan Fund		
Transfer to Aboveground Storage Tank Fund	\$	-
	\$	-
Balance of Fund, June 30, 2006	\$	-
 UST INNOCENT LANDOWNERS FUND		
Balance of Fund, July 1, 2005	\$	26,500,000.00
Receipts:		
Cost Recovery (ILO Refunds)	\$	1,000.00
Intra State Fund Transfers Received		
Transfer from Marketability Fund		
	\$	1,000.00
Disbursements:		
Cost Recovery Reimbursement	\$	-

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
BUDGET FISCAL 2006**

Cost Recovery Global Settlement	\$	-
Other Contractual Services	\$	-
Attorney's Fees - Global Cost Recovery Settlements	\$	-
Intra State Fund Transfers Paid	\$	-
AG - Cost Recovery Expenses	\$	-
Global Settlement Claims	\$	700,000.00
Innocent Landowner Claims	\$	1,000,000.00
	\$	1,700,000.00
Balance of Fund, June 30, 2006	\$	24,801,000.00
ABOVEGROUND STORAGE TANK FUND		
Balance of Fund July 1, 2005	\$	2,200,000.00
Receipts:		
Transfer from Unassigned Revenue Fund	\$	5,000,000.00
	\$	5,000,000.00
Disbursements:		
AST Claims	\$	7,000,000.00
	\$	7,000,000.00
Balance of Fund on June 30, 2006	\$	200,000.00
UST LOAN GUARANTEE FUND (Non-Bonding)		
Balance of Fund, July 1, 2005	\$	1,150,000.00
Receipts:		
Loan Application Fees		
Interest Income	\$	20,000.00
	\$	20,000.00
Disbursements:		
Processing of Loan Applications		
Interest Rate Buydown		
Payments on Loan Losses		
		\$0.00
Balance of Fund, June 30, 2006	\$	1,170,000.00
UST BOND FUND (Bonding)		
Series 1990 A		
Balance of Fund, July 1, 2005	\$	-
Receipts:		
Transfer From/(To) UST Revenue Fund		
Transfer From Revenue Refunding Bonds 1997 Series A Escrow		
Interest Income		
	\$	-
Disbursements:		
Principal Payments to Bondholders		
Interest Payments to Bondholders		
Trustee Fee		
	\$	-
Balance of Fund, June 30, 2006	\$	-

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
BUDGET FISCAL 2006**

Series 1991 A	
Balance of Fund, July 1, 2005	\$ -
Receipts:	
Transfer From/(To) UST Revenue Fund	
Transfer From Revenue Refunding Bonds 1997 Series A Escrow	
Interest Income	
	\$ -
Disbursements:	
Principal Payments to Bondholders	
Interest Payments to Bondholders	
Trustee Fee	
	\$ -
Balance of Fund, June 30, 2006	<u>\$ -</u>
Series 1994 A	
Balance of Fund, July 1, 2005	\$ -
Receipts:	
Transfer From/(To) UST Revenue Fund	
Accrued Interest From Sale of Bonds	
Interest Income	
	\$ -
Disbursements:	
Principal Payments to Bondholders	
Interest Payments to Bondholders	
Trustee Fee	
	\$ -
Balance of Fund, June 30, 2006	<u>\$ -</u>
Series 1997 A Revenue Refunding Bonds	
Balance of Fund, July 1, 2005	\$ 4.66
Receipts:	
Transfer From/(To) UST Revenue Fund	
Transfer From/(To) UST Cost of Issuance Fund	
Accrued Interest From Bonds	
Interest Income	
	\$ -
Disbursements:	
Principal Payments to Bondholders	
Interest Payments to Bondholders	
Trustee Fee	
	\$ -
Balance of Fund, June 30, 2006	<u>\$ 4.66</u>
Combined UST Bond Fund Balances, June 30, 2006	<u>\$ 4.66</u>

UST CAPITAL RESERVE FUNDS (Bonding)

Series 1990 A	
Balance of Fund, July 1, 2005	\$ 3,990,710.18
Receipts:	

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
BUDGET FISCAL 2006**

Proceeds From Issuance of Bonds		
Disbursements:		
Transfer Interest to Revenue Fund		
Balance of Fund, June 30, 2006	\$	3,990,710.18
Series 1991 A		
Balance of Fund, July 1, 2005	\$	2,641,220.03
Receipts:		
Proceeds From Issuance of Bonds		
Disbursements:		
Transfer to Cost of Issuance Fund		
Balance of Fund, June 30, 2006	\$	2,641,220.03
Series 1994 A		
Balance of Fund, July 1, 2005	\$	(394,430.21)
Receipts:		
Proceeds From Issuance of Bonds		
Disbursements:		
Balance of Fund, June 30, 2006	\$	(394,430.21)
Combined UST Capital Reserve Fund Balances, June 30, 2005	\$	6,237,500.00
TOTAL FUND BALANCES, June 30, 2006	\$	44,483,817.55

FOOTNOTES:

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

**B. Fiscal 2006 28E Agreement with
Attorney General's Office**

AGREEMENT

This agreement is entered into on this 11th day of June 2005, by and between the Department of Justice [hereinafter the Department] and the Underground Storage Tank Fund, [hereinafter the Fund], for the fiscal year 2006.

PARTIES

1. The Department is headed by the Attorney General, a constitutionally created elected official, whose duties are delineated in chapter 13 of the Iowa Code.
2. The Fund is a body created by statute and delegated powers in its enabling act and other related statutes.

DUTIES

1. The Department shall provide legal services to the Fund pursuant to chapter 13 of the Iowa Code through one or more attorneys within the Department.
2. Attorneys who provide legal services under this Agreement are subject to the supervision and direction of the Attorney General for all purposes.
 - A. The Attorney General shall make all assignments of attorneys to the Fund based on the available resources within the Department.
 - B. The Attorney General shall retain authority to determine compensation, conduct performance evaluations, determine the priority of work assignments and direct the work of all assigned attorneys.

PAYMENT

1. Payment by the Fund for legal services performed by the Department shall be based on an estimate of the total annual value of the legal services which includes, but is not limited to: the attorney time devoted to the agency; the difficulty of the legal work required; and the provision of support staff in the performance of the legal services.

- A. The Fund shall pay an amount not to exceed \$100,00 to the Department for legal services for the fiscal year 2006.
 - B. The Department shall bill the Fund for legal services monthly on an IET transfer document based on agreed expenses.
3. The Fund shall pay all Fund approved travel and miscellaneous expenses incurred in the performance of legal services in addition to the amount specified for legal services.
- A. Travel expenses include all expenses incurred by attorneys in relation to attending agency meetings, prosecuting contested case hearings and prosecuting or defending litigation, excluding tort claim defense.
 - B. Miscellaneous expenses include expert witness fees and expenses, deposition costs, copying costs, costs of supplies and other costs associated with the provision of legal services to the Fund.

DEPUTY ATTORNEY GENERAL

UST FUND

DATE

DATE

**C. Adoption of Rules – IAC 591, Chapter 14 Amendment
(AST Claims)**

**PETROLEUM UNDERGROUND STORAGE TANK
FUND BOARD, IOWA COMPREHENSIVE [591]**

Adopted and Filed

Pursuant to the authority of Iowa Code sections 455G.4(3) and 455G.23, the Iowa Comprehensive Petroleum Underground Storage Tank Fund Board hereby amends Chapter 14 Iowa Administrative Code.

Chapter 14 as amended provides an extended deadline for the reimbursement of claims for the removal or upgrade of Aboveground Storage Tank sites, pursuant to 455G.23

The amendments were published under Notice of Intended Action in the Iowa Administrative Bulletin on May 25, 2005, as **ARC 4187B**. No oral or written comments on the amendments were received. The amendments are identical to those published under Notice.

The Board adopted these amendments on July 12, 2005.

These amendments are intended to implement Iowa Code section 455G.23.

These amendments will become effective immediately upon filing.

ITEM 1—Amend subrule 591--14.8 as follows:

591—14.8 (455G) Upgrade expenses. Only upgrade expenses incurred after January 1, 2004, and not later than ~~February 18, 2005~~ December 31, 2005, are eligible for reimbursement. Only expenses reasonable and necessary to the installation or improvement of aboveground petroleum storage tank equipment or systems required to comply with 40 C.F.R. section 112 are eligible for reimbursement. Reasonable and necessary expenses include, but are not limited to, installation or upgrade of the following:

- a.* Secondary containment.
- b.* Corrosion protection
- c.* Loss prevention.
- d.* Security.
- e.* Drainage.
- f.* Removal of noncompliant tanks.

ITEM 2—Amend subrule 591--14.9 as follows:

591—14.9 (455G) Permanent Closure Expenses. Only expenses incurred for permanent closure

activities occurring after January 1, 2004, and not later than ~~February 18~~December 31, 2005, are eligible for reimbursement. Only expenses for activities reasonable and necessary to permanently close the aboveground petroleum storage tank site are eligible for reimbursement. Post-closure costs associated with activities to improve the aboveground petroleum storage tank site are not eligible for reimbursement. Reasonable and necessary activities eligible for reimbursement include, but are not limited to, the following:

- a.* removal of the tank and tank piping system.
- b.* removal of tank support and confinement systems.
- c.* removal of security systems.
- d.* disposal of waste petroleum and other waste material including concrete.

Susan Voss, Chairperson

**D. Transfer of Funds from Revenue to
Unassigned Revenue Fund**

E. 12 Month Board Meeting Schedule



IOWA UNDERGROUND STORAGE TANK FUND

Susan E. Voss, Chairperson

Scott M. Scheidel, Administrator

Board Members:

Michael L. Fitzgerald ❖ Jeff W. Robinson ❖ Cathy A. Rottinghaus ❖ James M. Holcomb
Jeffrey R. Vonk ❖ Delia A. Meier ❖ Douglas M. Beech

MEMO

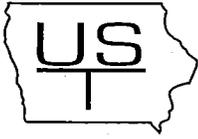
TO: UST Board Members
FROM: Scott Scheidel
DATE: July 6, 2005
RE: Board Meeting Dates

At last years' Strategic Planning Session the Board set a meeting schedule for the fourth Thursday of each month except during the months of January, February, March and April, in which alternate dates were to be selected on Mondays or Fridays where possible to accommodate the legislative session. This memo is to set the tentative dates for Fiscal 2006. The meeting dates will still be confirmed at the meetings two months prior and immediately prior. The tentative schedule for the next 12 months is:

- August 25, 2005
- September 22, 2005
- October 27, 2005
- December 8, 2005
- January 27, 2006 (tentative 4th Friday)
- February 24, 2006 (tentative 4th Friday)
- March 24, 2006 (tentative 4th Friday)
- April 28, 2006 (tentative 4th Friday)
- May 25, 2006
- July 13, 2005 (Thursday)

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Approval of Program Billings



IOWA UNDERGROUND STORAGE TANK FUND

Susan E. Voss, Chairperson

Scott M. Scheidel, Administrator

Board Members:

Michael L. Fitzgerald ❖ Jeff W. Robinson ❖ Cathy A. Rottinghaus ❖ James M. Holcomb
Jeffrey R. Vonk ❖ Della A. Meier ❖ Douglas M. Beech

MEMORANDUM

TO: UST Board Members
FROM: Scott Scheidel
DATE: July 5, 2005
SUBJECT: Summary of Bills for Payment

NOTICE

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

1. Aon Risk Services.....\$107,695.58
Consulting Services July 2005 -- \$60,000.00
Claims Processing Services July 2005 -- \$47,695.58
2. Attorney General's Office\$12,064.80
Services provided for Underground Storage Tank Program
Billing for May 2005
3. Attorney General's Office\$12,038.68
Services provided for Underground Storage Tank Program
Partial billing for June 2005

Invoice

AON AON Risk Services

Aon Risk Services, Inc. of Nebraska
 Insurance Services CA License No OE16975
 2700 Westown Parkway
 Suite 320
 West Des Moines IA 50266
 (515) 267-9101 FAX (515) 267-9045

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

Account Executive : Scheidel, Scott M

Payment due on effective date of coverage

Invoice Number	Invoice Date	Client Account Number	Currency
9500000038686	Jun-01-2005	10756349	US DOLLAR

Transaction Effective Date	Policy Number Named Insured	Policy Term	Insurance Company	Description	Amount
Jul-01-2005	Jan-01-2005 - Jan-01-2006 Iowa Comprehensive Petroleum			Service Fee Renewal	
			Installment # 7	Service Fee Consulting Expense	55,000.00 5,000.00
				Total Invoice Amount	60,000.00

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Invoice

AON *AON Risk Services*

Aon Risk Services, Inc. of Nebraska
 Insurance Services CA License No OE16975
 2700 Westown Parkway
 Suite 320
 West Des Moines IA 50266
 (515) 267-9101 FAX (515) 267-9045

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

Account Executive : Scheidel, Scott M

Payment due on effective date of coverage

Invoice Number	Invoice Date	Client Account Number	Currency
9500000038687	Jun-01-2005	10756349	US DOLLAR

Transaction Effective Date	Policy Number Named Insured	Policy Term	Insurance Company	Description	Amount
Jul-01-2005	Jan-01-2005 - Jan-01-2006			Service Fee Renewal	
	Iowa Comprehensive Petroleum				
			Installment # 7		
				Service Fee	0.00
				Consulting Expense	47,695.58
				Total Invoice Amount	47,695.58

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

Invoice Date: 05/26/05

Buyer: Aon Risk Services
 2700 Westown Parkway, Suite 320
 West Des Moines, IA 50266
 Attn: Scott Scheidel



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: May

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

Document Number	Account Coding				Rev Source	Description	Amount
	Fund	Agency	Org	Sub Org			
112AG138027	0001	112	2301		0285		\$ 12,064.80

Please direct billing questions to Karen Redmond at (515)281-6362.

**Iowa Attorney General's Office
Invoiced Services**

Billing Period:	May 2005
Billing Total:	\$12,064.80
DSS @ 50%	\$2,370.51
TDB @ 25%	\$1,166.53
RCH @50%	\$1,593.53
CLJ @75%	\$1,618.52
Payroll 5/5/05	\$6,749.09
DSS @ 50%	\$1,907.91
TDB @ 25%	\$944.97
RCH @50%	\$1,130.93
CLJ @75%	\$1,299.23
Payroll 5/19/05	\$5,283.04
Health Insurance paid 4/14/05	\$0.00
Worker's Comp FY05	\$0.00
TDB's phone charges- 5/1/05	\$32.67

DSS = David Steward 50%

Dave is our Asst Attorney General who provides the Board with legal counsel, drafts agreements and settlements with other State agencies and claimants.

TDB = Timothy Benton 25%

Tim is our other Asst Attorney General who provides the Board with the coordination of administrative hearings on UST Fund claim denial appeals, as well as the negotiation of any settlements.

RCH = Richard Heathcote 50%

Rich is a PhD hydrogeologist who consults for the Board by reviewing claim files and DNR records to assist in the determination of technologies used at sites. Rich reviews site files for the usage of RBCA Tier 3 reports; he also reviews proposals for CRP's or special projects.

CLJ = Cindy Jacobs 75%

Cindy is a legal secretary for the Environmental/UST Division of the Attorney General's Office located in the Lucas Building. Cindy completes status reports and maintains appeal files for UST claimants with regard to their UST Fund benefits' eligibility.

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

Invoice Date: 06/22/05

Buyer: Aon Risk Services
2700 Westown Parkway, Suite 320
West Des Moines, IA 50266
Attn: Scott Scheidel



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: June (First two pay periods)

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

Document Number	Account Coding					Description	Amount
	Fund	Agency	Org	Sub Org	Rev Source		
112AG157027	0001	112	2301		0285		\$ 12,038.68

Please direct billing questions to Karen Redmond at (515)281-6362.

**Iowa Attorney General's Office
Invoiced Services**

Billing Period:	June 2005
Billing Total:	\$12,038.68
DSS @ 50%	\$2,370.51
TDB @ 25%	\$1,166.53
RCH @50%	\$1,593.53
CLJ @75%	\$1,618.52
Payroll 6/2/05	\$6,749.09
DSS @ 50%	\$1,907.91
TDB @ 25%	\$944.97
RCH @50%	\$1,133.48
CLJ @75%	\$1,299.23
Payroll 6/16/05	\$5,285.59
Health Insurance paid 5/25/05	\$4.00
Worker's Comp FY05	\$0.00
TDB's phone charges-	\$0.00

DSS = David Steward 50%

Dave is our Asst Attorney General who provides the Board with legal counsel, drafts agreements and settlements with other State agencies and claimants.

TDB = Timothy Benton 25%

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Monthly Activity Report and Financials Reviewed

A. May/June Activity Report

Iowa UST Fund
Monthly Activities Report

Claims	May/June 2005						Fiscal Year-To-Date					
	open	change	closed	reopened	new	ending	open	change	closed	reopened	new	ending
RETROACTIVE												
number	102		1	0	0	101	105		6	2	0	101
reserve	\$7,402,445	\$273,679	\$0	\$0	\$0	\$7,676,124	\$7,739,588	(\$88,303)	\$0	\$24,839	\$0	\$7,676,124
paid	\$8,483,611	\$196,938	\$1,975	\$0	\$0	\$8,678,574	\$7,555,642	\$1,136,059	\$13,127	\$0	\$0	\$8,678,574
total	\$15,886,055	\$470,617	\$1,975	\$0	\$0	\$16,354,697	\$15,295,230	\$1,047,756	\$13,127	\$24,839	\$0	\$16,354,698
REMEDIAL												
number	1,291		21	3	0	1,273	1349		103	17	10	1,273
reserve	\$87,712,008	\$604,764	\$0	\$6,735	\$0	\$88,323,507	\$84,504,546	\$3,261,645	\$0	\$285,306	\$272,010	\$88,323,507
paid	\$92,299,703	\$1,959,510	\$46,551	\$6,348	\$0	\$94,219,011	\$82,746,786	\$11,713,849	\$252,040	\$10,415	\$0	\$94,219,011
total	\$180,011,711	\$2,564,274	\$46,551	\$13,083	\$0	\$182,542,518	\$167,251,331	\$14,975,494	\$252,040	\$295,721	\$272,010	\$182,542,517
INNOCENT LANDOWNER												
number	310		8	1	5	308	309		28	4	23	308
reserve	\$15,567,925	\$256,603	\$0	\$1	\$195,002	\$16,019,531	\$15,847,601	(\$551,386)	\$0	\$60,004	\$663,312	\$16,019,531
paid	\$10,767,509	\$213,100	\$4,637	\$0	\$0	\$10,975,972	\$9,464,390	\$1,527,069	\$22,179	\$0	\$6,692	\$10,975,972
total	\$26,335,434	\$469,702	\$4,637	\$1	\$195,002	\$26,995,502	\$25,311,990	\$975,682	\$22,179	\$60,004	\$670,004	\$26,995,501
GLOBAL OPT-IN												
number	378		28	5	5	360	408		108	16	44	360
reserve	\$3,479,223	\$30,129	\$0	\$15,502	\$30,096	\$3,554,950	\$3,032,629	\$236,707	\$0	\$75,827	\$209,787	\$3,554,950
paid	\$3,423,192	\$162,211	\$74,148	\$2,929	\$54,716	\$3,568,900	\$2,864,049	\$772,722	\$308,341	\$40,244	\$200,226	\$3,568,900
total	\$6,902,414	\$192,340	\$74,148	\$18,432	\$84,812	\$7,123,849	\$5,896,679	\$1,009,429	\$308,341	\$116,072	\$410,013	\$7,123,851
AST CLAIMS												
number	147		12	1	0	136	0		284	8	413	136
reserve	\$4,886,987	(\$41,337)	\$0	\$0	\$0	\$4,845,650	\$0	\$11,443,123	\$0	(\$139,320)	\$12,385,112	\$4,845,650
paid	\$503,962	\$479,496	\$301,006	\$0	\$0	\$682,452	\$0	\$8,033,320	\$6,804,774	\$230,846	\$979,358	\$682,452
total	\$5,390,949	\$438,159	\$301,006	\$0	\$0	\$5,528,102	\$0	\$19,476,443	\$6,804,774	\$91,526	\$13,364,470	\$5,528,102

Monthly Invoices:	TYPE	RBCA	CADR	Corrective	Rem Imp/Cons	Over-Exc	Monitoring	Old Tank Pull	FPR	O & M	Site Check	Well Closure
	AMOUNT	\$144,352	\$110,501	\$193,305	\$780,511	\$276,878	\$517,264	\$15,948	\$167,171	\$258,598	\$500	\$34,877

Licensing:	# in force	Failed Exams	New/Renew	Exp/Not Renew	# of Exams	Appl. Fees	Exam fees
INSTALLER/INSPECTOR	224	1	1	0	1	\$150	\$220

Community Remediation:	RFPs Issued	Contracts	Completed	Budget Approvals:	#	\$
REMEDICATION	0	0	0	TOTAL APPROVED IN PAST 12 MOS	175	\$8,499,417
PRIOR	45	44	8	APPROVED MAY 2005	13	630,473
CURRENT	0	0	0	APPROVED JUNE 2005	20	1,033,274
				REPORTS RECEIVED for MAY 2005	6	\$552,718
				EXPIRED IN MAY AND JUNE 2005	22	\$1,276,358
				EXPIRED IN JUNE 2005	10	\$675,713
				EXPIRATION DATE NEXT 60 DAYS	32	\$1,557,105

New Tank Pull	\$62,838
AST Upgrade	\$388,443
AST Removal	\$91,054
Total	\$3,042,237

Corrective Action Meetings	
Scheduled:	108
Completed:	320

C. May Financials

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FOR THE MONTH ENDING MAY 31, 2005**

0471 - UST REVENUE FUND (Bonding)

Balance of Fund, May 1, 2005		\$8,930,677.84
Receipts:		
Tank Management Fees	\$10,000.00	
Motor Vehicle Use Tax	\$0.00	
Intra State Fund Transfers Received	\$0.00	
Interest Income	\$0.00	
Interest Income - Capital Reserve Fund	\$0.00	
		\$10,000.00
Disbursements:		
Bond Interest Payment	\$0.00	
Bond Principal Payment	\$0.00	
Transfer to Unassigned Revenue Fund	\$0.00	
		\$0.00
Balance of Fund, May 31, 2005		\$8,940,677.84

0450 - UST UNASSIGNED REVENUE FUND (Non-Bonding)

Balance of Fund, May 1, 2005		\$34,199,330.28
Receipts:		
Installer's License Fees	\$355.00	
Request for Proposal Fees (Filing Fees)	\$0.00	
Copying/Filing Fees	\$0.00	
Fines & Penalties	\$3,300.00	
Refund/Overpayment	\$0.00	
Transfer From UST Revenue Fund 471	\$0.00	
Intra State Fund Transfers Received	\$0.00	
Compensation for Pooled Money Investments	\$0.00	
Amort / Accretion	(\$10,670.29)	
Buys/ Sells	\$0.00	
Interest Income	\$56,771.34	
		\$49,756.05
Disbursements:		
UST Administrator's Fees	\$107,695.58	
Attorney General's Fees	\$18,800.91	
Attorney's Fees: Cost-Recovery Administration	\$0.00	
Cost Recovery Expense	\$0.00	
Custodial Fees	\$0.00	

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FOR THE MONTH ENDING MAY 31, 2005**

Actuarial Fees	\$0.00	
Auditor of the State Fees	\$0.00	
Bank Service Charges	\$0.00	
Bond Trustee Fees	\$398.01	
Department of Revenue EPC Collection Fees	\$0.00	
Environmental Protection Charge Refunds	\$0.00	
Innovative Technology	\$0.00	
Inspection & Appeals Service Fees	\$0.00	
Installers/Inspectors/ Testers Licensing Refunds	\$0.00	
Iowa Finance Authority Expenses	\$0.00	
Legal and Professional Fees	\$0.00	
Licensing - Contractual Services	\$50.00	
Postage / Printing / Miscellaneous / Lien Filing Fees	\$0.00	
Professional Administrative Services (Investments)	\$13,521.70	
Rebate	\$0.00	
Tank Closure Claims	\$6,734.00	
Travel Expenses-UST Board Members	\$0.00	
Warrant Float Expense	(\$6,016.47)	
28E Agreement - RBCA (DNR Staff Training)	\$0.00	
28E Agreement - DNR Staff Assistance (PEI)	\$161,060.00	
28E Agreement - Univ. of Iowa Water Well Analysis	\$0.00	
Transfer to Remedial Non-Bonding Fund	\$0.00	
Intra State Fund Transfer to Dept. of Natural Resources	\$7,500.00	
Transfer to Innocent Landowner Fund	\$0.00	
		\$309,743.73
Balance of Fund, May 31, 2005		\$33,939,342.60

0208 - UST REMEDIAL NON-BONDING FUND

Balance of Fund, May 1, 2005		\$8,965,607.96
Receipts:		
Cost Recovery (Remedial Refund)	\$0.00	
Misc. Income (Eligibility Settlements or Lien Settlements)	\$0.00	
CRP Buy-In	\$0.00	
Interest Income	\$0.00	
Intra State Fund Transfers Received	\$0.00	
		\$0.00
Disbursements:		
Retroactive Claims	\$167,512.32	
Remedial Claims	\$886,159.90	
Intra State Fund Transfers Paid	\$0.00	
Refund of CRP Buy-In	\$0.00	
Balance of Outdated Warrants	(\$1,934.39)	
		\$1,051,737.83
Balance of Fund, May 31, 2005		\$7,913,870.13

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FOR THE MONTH ENDING MAY 31, 2005**

0478 - UST MARKETABILITY FUND

Balance of Fund, May 1, 2005		\$2,204,163.21
Receipts:		
Interest	\$31,045.36	
Use Tax	\$0.00	
		\$31,045.36
Disbursements:		
Transfer to Agrifutures Revolving Loan Fund	\$0.00	
Transfer to Aboveground Storage Tank Fund	\$0.00	
Transfer to Innocent Landowners Fund	\$0.00	
		\$0.00
Balance of Fund, May 31, 2005		\$2,235,208.57

0485 - UST INNOCENT LANDOWNERS FUND

Balance of Fund, May 1, 2005		\$26,937,549.07
Receipts:		
Cost Recovery (ILO Refunds)	\$0.00	
Intra State Fund Transfers Received	\$0.00	
Transfer from Marketability Fund	\$0.00	
Miscellaneous Income	\$0.00	
		\$0.00
Disbursements:		
Cost Recovery Reimbursement	\$0.00	
Cost Recovery Global Settlement	\$0.00	
Other Contractual Services	\$0.00	
Attorney's Fees - Global Cost Recovery Settlements	\$0.00	
AG - Cost Recovery Expenses	\$0.00	
Global Settlement Claims	\$86,416.00	
Innocent Landowner Claims	\$150,390.40	
Intra State Fund Transfers Paid (to AST Fund)	\$0.00	
Balance of Outdated Warrants	(\$7,529.26)	
		\$229,277.14
Balance of Fund, May 31, 2005		\$26,708,271.93

0455 - ABOVEGROUND STORAGE TANK FUND

Balance of Fund May 1, 2005		\$459,460.20
Receipts:		
Interest Income	\$2,400.29	
Corrected Warrant issued	\$0.00	
Transfer from Fund 478 (Marketability Fund)	\$0.00	
Transfer from Fund 485 (ILO Fund)	\$0.00	
		\$2,400.29
Disbursements:		
AST Claims	\$398,930.04	
		\$398,930.04
Balance of Fund on May 31, 2005		\$62,930.45

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FOR THE MONTH ENDING MAY 31, 2005**

0238 - UST LOAN GUARANTEE FUND (Non-Bonding)

Balance of Fund, May 1, 2005		\$1,128,631.89
Receipts:		
Loan Application Fees	\$0.00	
Interest Income	\$1,017.32	
		\$1,017.32
Disbursements:		
Processing of Loan Applications	\$0.00	
Payments on Loan Losses	\$0.00	
		\$0.00
Balance of Fund, May 31, 2005		\$1,129,649.21

UST BOND FUND (Bonding)

Series 1990 A

Balance of Fund, May 1, 2005		\$0.00
Receipts:		
Transfer From/(To) UST Revenue Fund	\$0.00	
Transfer From Revenue Refunding Bonds 1997 Series A Escrow	\$0.00	
Interest Income	\$0.00	
		\$0.00
Disbursements:		
Principal Payments to Bondholders	\$0.00	
Interest Payments to Bondholders	\$0.00	
Trustee Fee	\$0.00	
		\$0.00
Balance of Fund, May 31, 2005		\$0.00

Series 1991 A

Balance of Fund, May 1, 2005		\$0.00
Receipts:		
Transfer From/(To) UST Revenue Fund	\$0.00	
Transfer From Revenue Refunding Bonds 1997 Series A Escrow	\$0.00	
Interest Income	\$0.00	
		\$0.00
Disbursements:		
Principal Payments to Bondholders	\$0.00	
Interest Payments to Bondholders	\$0.00	
Trustee Fee	\$0.00	
		\$0.00
Balance of Fund, May 31, 2005		\$0.00

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FOR THE MONTH ENDING MAY 31, 2005**

Series 1994 A

Balance of Fund, May 1, 2005		\$4.66
Receipts:		
Transfer From/(To) UST Revenue Fund	\$0.00	
Accrued Interest From Sale of Bonds	\$0.00	
Interest Income	\$0.00	
		\$0.00
Disbursements:		
Principal Payments to Bondholders	\$0.00	
Interest Payments to Bondholders	\$0.00	
Trustee Fee	\$0.00	
		\$0.00
Balance of Fund, May 31, 2005		\$4.66

Series 1997 A Revenue Refunding Bonds

Balance of Fund, May 1, 2005		\$0.00
Receipts:		
Transfer From/(To) UST Revenue Fund	\$0.00	
Transfer From/(To) UST Cost of Issuance Fund	\$0.00	
Accrued Interest From Bonds	\$0.00	
Interest Income	\$0.00	
		\$0.00
Disbursements:		
Principal Payments to Bondholders	\$0.00	
Interest Payments to Bondholders	\$0.00	
Trustee Fee	\$0.00	
		\$0.00
Balance of Fund, May 31, 2005		\$0.00

Series 2004 A Revenue Refunding Bonds

Balance of Fund, May 1, 2005		\$0.00
Receipts:		
Transfer From/(To) UST Revenue Fund	\$0.00	
Transfer From/(To) UST Cost of Issuance Fund	\$0.00	
Accrued Interest From Bonds	\$0.00	
Interest Income	\$0.00	
		\$0.00
Disbursements:		
Principal Payments to Bondholders	\$0.00	
Interest Payments to Bondholders	\$0.00	
Trustee Fee	\$0.00	
		\$0.00
Balance of Fund, May 31, 2005		\$0.00

Combined UST Bond Fund Balances, May 31, 2005

	\$4.66
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**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FOR THE MONTH ENDING MAY 31, 2005**

0614 - UST CAPITAL RESERVE FUNDS (Bonding)

Series 1990 A

Balance of Fund, May 1, 2005	\$3,990,710.18
Receipts:	
Proceeds From Issuance of Bonds	\$0.00
Disbursements:	
Transfer Interest to Revenue Fund	\$0.00
Balance of Fund, May 31, 2005	\$3,990,710.18

Series 1991 A

Balance of Fund, May 1, 2005	\$2,641,220.03
Receipts:	
Proceeds From Issuance of Bonds	\$0.00
Disbursements:	
Transfer to Cost of Issuance Fund	\$0.00
Balance of Fund, May 31, 2005	\$2,641,220.03

Series 1994 A

Balance of Fund, May 1, 2005	(\$394,430.21)
Receipts:	
Proceeds From Issuance of Bonds	\$0.00
Disbursements:	
Debt Service for Issuance of Bonds	\$0.00
Balance of Fund, May 31, 2005	(\$394,430.21)

Combined UST Capital Reserve Fund Balances, May 31, 2005	\$6,237,500.00
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TOTAL FUND BALANCES, May 31, 2005	\$87,167,455.39
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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.

**E. Fiscal Year-To-Date Financials
As of May 31, 2005**

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FISCAL YEAR TO DATE ENDING MAY 31, 2005**

		FISCAL 2005 BUDGET
0471 - UST REVENUE FUND (Bonding)		
Balance of Fund, July 1, 2004		\$0.00
Receipts:		
Tank Management Fees	\$410,000.00	\$374,000.00
Motor Vehicle Use Tax	\$17,000,000.00	\$17,000,000.00
Intra State Fund Transfers Received	\$41,144.00	
Interest Income	\$30,677.84	
Interest Income - Capital Reserve Fund	\$0.00	
	<u>\$17,481,821.84</u>	\$17,374,000.00
Disbursements:		
Bond Interest Payment	\$2,853,305.67	\$2,921,467.50
Bond Principal Payment	\$6,695,000.00	\$6,695,000.00
Transfer to Unassigned Revenue Fund	\$7,882,861.44	\$7,757,532.50
	<u>\$17,431,167.11</u>	\$17,374,000.00
Balance of Fund, May 31, 2005	<u>\$8,940,677.84</u>	\$0.00
0450 - UST UNASSIGNED REVENUE FUND (Non-Bonding)		
Balance of Fund, July 1, 2004		\$25,284,017.58
Receipts:		
Installer's License Fees	\$8,615.00	\$9,000.00
Request for Proposal Fees (Filing Fees)	\$75.00	\$900.00
Copying/Filing Fees	\$0.00	
Fines & Penalties	\$36,101.25	\$20,000.00
Refund/Overpayment	\$1,699,070.18	
Transfer From UST Revenue Fund 471	\$7,882,861.44	\$7,757,532.50
Intra State Fund Transfers Received	\$0.00	
Compensation for Pooled Money Investments	\$0.00	
Amort / Accretion	(\$185,896.58)	(\$350,000.00)
Buys/ Sells	(\$28,851.11)	
Interest Income	\$1,729,740.69	\$2,000,000.00
	<u>\$11,141,715.87</u>	\$9,437,432.50
Disbursements:		
UST Administrator's Fees	\$1,253,396.56	\$1,300,000.00
Attorney General's Fees	\$146,528.38	\$185,250.00
Attorney's Fees: Cost-Recovery Administration	\$0.00	
Cost Recovery Expense	\$0.00	
Custodial Fees	\$0.00	\$1,000.00
Actuarial Fees	\$0.00	
Auditor of the State Fees	\$4,200.00	\$4,200.00

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FISCAL YEAR TO DATE ENDING MAY 31, 2005**

		FISCAL 2005 BUDGET
Bank Service Charges	\$2,708.38	
Bond Trustee's Fees	\$5,963.52	\$5,000.00
Department of Revenue EPC Collection Fees	\$5,349.77	\$5,000.00
Environmental Protection Charge Refunds	\$29,876.00	
Innovative Technology	\$0.00	
Inspection & Appeals Service Fees	\$4,900.50	
Installers/Inspectors/Testers Licensing Refunds	\$35.00	
Iowa Finance Authority Expenses	\$0.00	
Legal and Professional Fees	\$3,500.00	
Licensing - Contractual Services	\$50.00	
Postage / Printing / Miscellaneous / Lien Filing Fees	\$106.45	\$650.00
Professional Admin Services (Investments)	\$37,145.34	\$100,000.00
Rebate	\$0.00	
Tank Closure Claims	(\$67,285.25)	\$300,000.00
Travel Expenses-UST Board Members	\$70.74	
Warrant Float Expense	(\$21,917.04)	\$25,000.00
28E Agreement - RBCA (DNR Staff)	\$0.00	\$15,000.00
28E Agreement - DNR Staff Assistance (PEI)	\$565,357.50	\$500,000.00
28E Agreement - Univ. of Iowa Water Well Analysis	\$0.00	\$65,000.00
Transfer to Remedial Non-Bonding Fund	\$123,562.00	
Intra State Fund Transfer to Dept. of Natural Resources	\$207,500.00	\$374,000.00
Transfer to Innocent Landowner Fund	\$185,343.00	
	\$2,486,390.85	\$2,880,100.00
Balance of Fund, May 31, 2005	\$33,939,342.60	\$31,841,350.08
0208 - UST REMEDIAL NON-BONDING FUND		
Balance of Fund, July 1, 2004	\$19,561,165.63	\$19,561,165.63
Receipts:		
Cost Recovery (Remedial Refund)	\$0.00	\$20,000.00
Misc. Income (Eligibility Settlement or Lien Settlement)	\$17,200.68	\$1,000,000.00
CRP Buy-In	\$0.00	
Interest Income	\$0.00	
Intra State Fund Transfers Received	\$0.00	
	\$17,200.68	\$1,020,000.00
Disbursements:		
Retroactive Claims	\$1,106,633.78	\$1,000,000.00
Remedial Claims	\$10,556,524.42	\$16,000,000.00
Intra State Fund Transfers Paid	\$0.00	
Refund of CRP Buy-In	\$0.00	
Balance of Outdated Warrants	\$1,337.98	
	\$11,664,496.18	\$17,000,000.00
Balance of Fund, May 31, 2005	\$7,913,870.13	\$3,581,165.63

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FISCAL YEAR TO DATE ENDING MAY 31, 2005**

		FISCAL 2005 BUDGET
0478 - UST MARKETABILITY FUND		
Balance of Fund, July 1, 2004		\$9,570,864.99
Receipts:		
Interest	\$664,343.58	\$900,000.00
Use Tax	\$0.00	
	<u>\$664,343.58</u>	\$900,000.00
Disbursements:		
Transfer to AST Fund	\$6,000,000.00	\$2,000,000.00
Transfer to Innocent Landowners Fund	\$2,000,000.00	
	<u>\$8,000,000.00</u>	\$2,000,000.00
Balance of Fund, May 31, 2005		<u>\$2,235,208.57</u>
		\$8,470,864.99
0485 - UST INNOCENT LANDOWNERS FUND		
Balance of Fund, July 1, 2004		\$28,531,162.93
Receipts:		
Cost Recovery (ILO Refunds)	\$400.00	\$20,000.00
Intra State Fund Transfers Received (from Unassigned Rev)	\$12.00	
Transfer from Marketability Fund	\$2,000,000.00	
Miscellaneous Income	\$0.00	
	<u>\$2,000,412.00</u>	\$20,000.00
Disbursements:		
Cost Recovery Reimbursement	\$0.00	
Cost Recovery Global Settlement	\$0.00	
Other Contractual Services	\$12.00	
Attorney's Fees - Global Cost Recovery Settlements	\$0.00	
AG - Cost Recovery Expenses	\$0.00	
Global Settlement Claims	\$696,926.62	\$800,000.00
Innocent Landowner Claims	\$1,133,570.24	\$2,500,000.00
Intra State Fund Transfers Paid (to AST Fund)	\$2,000,000.00	
Balance of Outdated Warrants	(\$7,205.86)	
	<u>\$3,823,303.00</u>	\$3,300,000.00
Balance of Fund, May 31, 2005		<u>\$26,708,271.93</u>
		\$25,251,162.93
0455 - ABOVEGROUND STORAGE TANK FUND		
Balance of Fund July 1, 2004		\$0.00
Receipts:		
Interest Income	\$15,684.01	
Canceled warrants/Corrected warrants	\$0.00	
Transfer from Fund 485 (ILO Fund)	\$8,000,000.00	\$2,000,000.00
	<u>\$8,015,684.01</u>	
Disbursements:		
AST Claims	\$7,952,753.56	\$2,000,000.00
	<u>\$7,952,753.56</u>	
Balance of Fund on May 31, 2005		<u>\$62,930.45</u>
		\$0.00

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FISCAL YEAR TO DATE ENDING MAY 31, 2005**

		FISCAL 2005 BUDGET
0238 - UST LOAN GUARANTEE FUND (Non-Bonding)		
Balance of Fund, July 1, 2004	\$1,109,683.13	\$1,109,683.13
Receipts:		
Loan Application Fees	\$0.00	
Interest Income	\$19,966.08	\$25,000.00
	\$19,966.08	\$25,000.00
Disbursements:		
Processing of Loan Applications	\$0.00	
Interest Rate Buydown	\$0.00	
Payments on Loan Losses	\$0.00	
	\$0.00	\$0.00
Balance of Fund, May 31, 2005	\$1,129,649.21	\$1,134,683.13
UST BOND FUND (Bonding)		
Series 1990 A		
Balance of Fund, July 1, 2004	\$0.00	\$0.00
Receipts:		
Transfer From/(To) UST Revenue Fund	\$0.00	
Transfer From Revenue Refunding Bonds 1997 Series A Escrow	\$0.00	
Interest Income	\$0.00	
	\$0.00	
Disbursements:		
Principal Payments to Bondholders	\$0.00	
Interest Payments to Bondholders	\$0.00	
Trustee Fee	\$0.00	
	\$0.00	
Balance of Fund, May 31, 2005	\$0.00	\$0.00
Series 1991 A		
Balance of Fund, July 1, 2004	\$0.00	\$0.00
Receipts:		
Transfer From/(To) UST Revenue Fund	\$0.00	
Transfer From Revenue Refunding Bonds 1997 Series A Escrow	\$0.00	
Interest Income	\$0.00	
	\$0.00	
Disbursements:		
Principal Payments to Bondholders	\$0.00	
Interest Payments to Bondholders	\$0.00	
Trustee Fee	\$0.00	
	\$0.00	
Balance of Fund, May 31, 2005	\$0.00	\$0.00

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FISCAL YEAR TO DATE ENDING MAY 31, 2005**

		FISCAL 2005 BUDGET
Series 1994 A		
Balance of Fund, July 1, 2004	\$4.66	\$0.00
Receipts:		
Transfer From/(To) UST Revenue Fund	\$0.00	
Accrued Interest From Sale of Bonds	\$0.00	
Interest Income	\$0.00	
	<u>\$0.00</u>	
Disbursements:		
Principal Payments to Bondholders	\$0.00	
Interest Payments to Bondholders	\$0.00	
Trustee Fee	\$0.00	
	<u>\$0.00</u>	
Balance of Fund, May 31, 2005	<u>\$4.66</u>	<u>\$4.66</u>
Series 1997 A Revenue Refunding Bonds		
Balance of Fund, July 1, 2004	\$0.00	\$0.00
Receipts:		
Transfer From/(To) UST Revenue Fund	\$0.00	
Transfer From/(To) UST Cost of Issuance Fund	\$0.00	
Accrued Interest From Bonds	\$0.00	
Interest Income	\$0.00	
	<u>\$0.00</u>	
Disbursements:		
Principal Payments to Bondholders	\$0.00	
Interest Payments to Bondholders	\$0.00	
Trustee Fee	\$0.00	
	<u>\$0.00</u>	
Balance of Fund, May 31, 2005	<u>\$0.00</u>	<u>\$0.00</u>
Series 2004 A Revenue Refunding Bonds		
Balance of Fund, July 1, 2004	\$0.00	\$0.00
Receipts:		
Transfer From/(To) UST Revenue Fund	\$0.00	
Transfer From/(To) UST Cost of Issuance Fund	\$0.00	
Accrued Interest From Bonds	\$0.00	
Interest Income	\$0.00	
	<u>\$0.00</u>	
Disbursements:		
Principal Payments to Bondholders	\$0.00	
Interest Payments to Bondholders	\$0.00	
Trustee Fee	\$0.00	
	<u>\$0.00</u>	
Balance of Fund, May 31, 2005	<u>\$0.00</u>	<u>\$0.00</u>
Combined UST Bond Fund Balances, May 31, 2005	<u>\$4.66</u>	<u>\$4.66</u>

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FISCAL YEAR TO DATE ENDING MAY 31, 2005**

<u>0614 - UST CAPITAL RESERVE FUNDS (Bonding)</u>	FISCAL 2005 BUDGET	
Series 1990 A		
Balance of Fund, July 1, 2004	\$3,990,710.18	\$3,990,710.18
Receipts:		
Proceeds From Issuance of Bonds	\$0.00	
Disbursements:		
Transfer Interest to Revenue Fund	\$0.00	
Balance of Fund, May 31, 2005	<u>\$3,990,710.18</u>	<u>\$3,990,710.18</u>
Series 1991 A		
Balance of Fund, July 1, 2004	\$2,641,220.03	\$2,641,220.03
Receipts:		
Proceeds From Issuance of Bonds	\$0.00	
Disbursements:		
Transfer to Cost of Issuance Fund	\$0.00	
Balance of Fund, May 31, 2005	<u>\$2,641,220.03</u>	<u>\$2,641,220.03</u>
Series 1994 A		
Balance of Fund, July 1, 2004	\$3,005,120.00	\$3,005,120.00
Receipts:		
Proceeds From Issuance of Bonds	\$0.00	
Disbursements:		
Debt Service for Issuance of Bonds	\$3,399,550.21	
Balance of Fund, May 31, 2005	<u>(\$394,430.21)</u>	<u>\$3,005,120.00</u>
Combined UST Capital Reserve Fund Balances, May 31, 2005	<u>\$6,237,500.00</u>	<u>\$9,637,050.21</u>
TOTAL FUND BALANCES, May 31, 2005	<u>\$87,167,455.39</u>	<u>\$79,916,281.63</u>

FOOTNOTES:

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

E. Opt-In Program Summary Reports

OPT-IN PROGRAM SUMMARY REPORT

July 12, 2005

For the Period May 1 - May 31, 2005

GENERAL PROGRAM SUMMARY:

Notices to potential claimants:	8
Eligible claims referred to GAB this period:	7
Number of 90-Day Notices sent this period:	11
Settlement Agreements outstanding at major oil company for execution:	3
Settlement Agreements forwarded to GAB for processing warrants or co-payment credit:	5
Number of claimants receiving warrants or co-payment credit this period:	45
Number of 1st Party Affidavits received in lieu of supporting docs (# this month/# Total to date):	1/65

WARRANTS MAILED THIS PERIOD SUMMARY:

	Number	Total
First Warrant	5	\$ 24,812.06
Additional Warrants	40	\$ 43,156.59
Co-Payment Credit	0	\$ -
TOTALS:	45	\$ 67,968.65

PROGRAM PAYMENT DISBURSEMENT TO DATE:

Oil Company	Total Claims to	New Claims this	Payments Made this	
	Date	Period	Payments Made to Date	Period
ARCO	51	0	\$ 345,008.02	\$ 1,917.11
PHILLIPS	244	0	\$ 1,424,204.99	\$ 1,279.04
AMOCO	294	2	\$ 1,855,812.66	\$ 22,358.20
CONOCO	105	1	\$ 592,242.10	\$ 23,256.37
SOUTHLAND	17	0	\$ 86,429.28	\$ -
FINA	12	0	\$ 83,030.98	\$ 1,726.25
SUN/SUNOCO	169	0	\$ 1,009,248.42	\$ 4,502.94
TEXACO	145	2	\$ 884,237.14	\$ 11,468.33
CHAMPLIN	19	0	\$ 83,454.50	\$ -
KERR-McGEE	76	0	\$ 440,602.89	\$ 1,460.41
CHEVRON	20	0	\$ 125,960.63	\$ -
OXY	0	0	\$ -	\$ -
T.P.I. INC.	14	0	\$ 112,475.22	\$ -
TOTAL:	1166	5	\$ 7,042,706.83	\$ 67,968.65

ADDITIONAL WARRANT SUMMARY:

Arco	\$ 1,917.11	Sunoco	\$ 4,502.94
Phillips	\$ 1,279.04	Texaco	\$ 3,968.33
Amoco	\$ 7,546.14	Champlin	\$ -
Conoco	\$ 20,756.37	Chevron	\$ -
Southland	\$ -	Kerr-McGee	\$ 1,460.41
Finna	\$ 1,726.25	TPI, Inc.	\$ -

OPT-IN PROGRAM SUMMARY REPORT

July 12, 2005

For the Period June 1 - June 30, 2005

GENERAL PROGRAM SUMMARY:

Notices to potential claimants:	0
Eligible claims referred to GAB this period:	3
Number of 90-Day Notices sent this period:	6
Settlement Agreements outstanding at major oil company for execution:	4
Settlement Agreements forwarded to GAB for processing warrants or co-payment credit:	8
Number of claimants receiving warrants or co-payment credit this period:	54
Number of 1st Party Affidavits received in lieu of supporting docs (# this month/# Total to date):	1/66

WARRANTS MAILED THIS PERIOD SUMMARY:

	Number	Total
First Warrant	3	\$ 29,904.22
Additional Warrants	69	\$ 69,510.45
Co-Payment Credit	0	\$ -
TOTALS:	72	\$ 99,414.67

PROGRAM PAYMENT DISBURSEMENT TO DATE:

Oil Company	Total Claims to	New Claims this	Payments Made this	
	Date	Period	Payments Made to Date	Period
ARCO	51	0	\$ 346,457.02	\$ 1,449.00
PHILLIPS	244	0	\$ 1,429,835.86	\$ 5,630.87
AMOCO	297	3	\$ 1,916,297.76	\$ 60,485.10
CONOCO	105	0	\$ 600,507.57	\$ 8,265.47
SOUTHLAND	17	0	\$ 87,048.66	\$ 619.38
FINA	12	0	\$ 83,030.98	\$ -
SUN/SUNOCO	169	0	\$ 1,021,350.00	\$ 12,101.58
TEXACO	145	0	\$ 892,338.88	\$ 8,101.74
CHAMPLIN	19	0	\$ 83,454.50	\$ -
KERR-McGEE	76	0	\$ 442,306.02	\$ 1,703.13
CHEVRON	20	0	\$ 125,960.63	\$ -
OXY	0	0	\$ -	\$ -
T.P.I. INC.	14	0	\$ 113,533.62	\$ 1,058.40
TOTAL:	1169	3	\$ 7,142,121.50	\$ 99,414.67

ADDITIONAL WARRANT SUMMARY:

Arco	\$ 1,149.00	Sunoco	\$ 12,101.58
Phillips	\$ 5,630.87	Texaco	\$ 8,101.74
Amoco	\$ 30,580.88	Champlin	\$ -
Conoco	\$ 8,265.47	Chevron	\$ -
Southland	\$ 619.38	Kerr-McGee	\$ 1,703.13
Fina	\$ -	TPI, Inc.	\$ 1,058.40

Attorney General's Report

Claim Payment Approval

IOWA UNDERGROUND STORAGE TANK PROGRAM

FIRST BOARD REPORT

JUNE 16, 2005

BROOKLYN SERVICE CENTER

2ND & JACKSON

BROOKLYN

SITE REGISTRATION NUMBER: 8605242

LUST NUMBER: 7LTO36

RISK CLASSIFICATION:

HIGH

LOW

UNDETERMINED

PRESENT CLAIM RESERVE:

\$ 275,000.00

ELIGIBILITY: The contamination was discovered and reported to the IDNR in June 1990 during site testing. The claim was filed on July 27, 1990. This is an eligible remedial claim.

COST INCURRED TO DATE:

1. Site check and site clean-up report	\$ 17,349.11
2. Free product recovery	268.80
3. RBCA Tier II report	5,328.75
4. Site monitoring reports	15,533.83
5. CADR	<u>5,212.02</u>
TOTAL COSTS INCURRED TO DATE:	\$ 43,692.51

PROJECTED COSTS:

<input type="checkbox"/> Risked Based Corrective Action Tier I & II Report	<input type="checkbox"/> Tank Pull/Up-Grade.
<input checked="" type="checkbox"/> Site Monitoring Report (SMR)	<input checked="" type="checkbox"/> Free Product Recovery (FPR)
<input type="checkbox"/> Corrective Action Design Report (CADR)	<input checked="" type="checkbox"/> Implementation of CADR

TOTAL PROJECTED COSTS:

\$ 190,000. to 315,000.00 +

TOTAL AUTHORITY RECOMMENDED:

\$ 310,000.00

COMMENTS: The site is high risk for the groundwater vapor, soil leaching to groundwater vapor, and soil vapor to enclosed space pathways for several sanitary sewer and basement receptors. Free product is present at the site. Vapor sampling has failed. A MPE system is being recommended for the site. The soils at the site are tight and meeting SSTL's may be difficult. A potential new release is currently being investigated. The preliminary results indicate a 20% PMMIC, 80% Fund split. Fingerprinting analysis of free product at the site is being conducted and may alter this split up or down.

IOWA UNDERGROUND STORAGE TANK PROGRAM
FIRST BOARD REPORT
JUNE 30, 2005
SMITHLAND COUNTRY STORE
209 E. MAIN
SMITHLAND
SITE REGISTRATION NUMBER: 8608762
LUST NUMBER: 7LTQ32

RISK CLASSIFICATION:

HIGH
 LOW
 UNDETERMINED

PRESENT CLAIM RESERVE: \$ 375,000.00

ELIGIBILITY: The contamination was discovered on the site during the site check and reported to the IDNR August 1990. The claim was filed October 25, 1990. This is an eligible remedial claim.

COST INCURRED TO DATE:

1. Site check and site clean-up report	\$ 35,446.91
2. Free product recovery	7,595.35
3. Tank pull and up-grade	14,486.64
3. RBCA Tier II report	6,345.00
4. Corrective action design report	4,847.10
TOTAL COSTS INCURRED TO DATE:	\$ 68,721.00

PROJECTED COSTS:

<input type="checkbox"/>	Risked Based Corrective Action Tier I & II Report	<input type="checkbox"/>	Tank Pull/Up-Grade.
<input checked="" type="checkbox"/>	Site Monitoring Report (SMR)	<input checked="" type="checkbox"/>	Free Product Recovery (FPR)
<input checked="" type="checkbox"/>	Corrective Action Design Report (CADR)	<input checked="" type="checkbox"/>	Implementation of CADR

TOTAL PROJECTED COSTS: \$ 250,000. to 500,000.00 +

TOTAL AUTHORITY RECOMMENDED:

\$ 455,000.00

COMMENTS: The site is high risk for groundwater ingestion for two drinking water wells and two plastic water lines, the groundwater vapor to enclosed space pathway for a number of basement and sewer receptors, and the groundwater to surface water pathway. The preferred corrective action for the site has not been determined, but a pilot test for SVE/AS is proposed to determine the feasibility of this technology.

**IOWA UNDERGROUND STORAGE TANK PROGRAM
 FIRST BOARD REPORT
 JUNE 30, 2005
 WINCHELL PROPERTY
 HIGH & RAILROAD
 KELLOGG
 SITE REGISTRATION NUMBER: 8608860
 LUST NUMBER: 8LTP11**

RISK CLASSIFICATION:

HIGH LOW UNDETERMINED

PRESENT CLAIM RESERVE: \$ 250,000.00

ELIGIBILITY: The contamination was discovered during the tank closure July 1990 and reported to the IDNR on July 11, 1990. The claim was filed October 25, 1990. This is an eligible remedial claim.

COST INCURRED TO DATE:

1. Site clean-up report and tank pull	\$ 20,457.45
2. RBCA Tier II report	22,229.00
3. Free product recovery	<u>4,429.50</u>
TOTAL COSTS INCURRED TO DATE:	\$ 47,115.95

PROJECTED COSTS:

<input type="checkbox"/> Risked Based Corrective Action Tier I & II Report	<input type="checkbox"/> Tank Pull/Up-Grade.
<input checked="" type="checkbox"/> Site Monitoring Report (SMR)	<input checked="" type="checkbox"/> Free Product Recovery (FPR)
<input type="checkbox"/> Corrective Action Design Report (CADR)	<input checked="" type="checkbox"/> Implementation of over-excavation

TOTAL PROJECTED COSTS: \$ 75,000. to 400,000.00

TOTAL AUTHORITY RECOMMENDED:

\$ 300,000.00

COMMENTS: The site is high risk for the groundwater ingestion one drinking water well, one non-drinking water well, and a PVC service line. The soil leaching to groundwater ingestion pathway is high risk for the drinking water well, the PVC service line, and the protected groundwater source pathway. The groundwater vapor to enclosed space pathway is high risk for the confined space receptor and four sanitary sewer receptors. Soil vapor to enclosed space pathway is high risk for two sanitary sewer receptors. An excavation is recommended to remove contaminated soils, which may also help to reduce the groundwater concentrations below SSTLs.

**IOWA UNDERGROUND STORAGE TANK PROGRAM
 FIRST BOARD REPORT
 JUNE 30, 2005
 SPORT WADE INC.
 109 W 1ST ST.
 LEON
 SITE REGISTRATION NUMBER: 8609417
 LUST NUMBER: 8LTU37**

RISK CLASSIFICATION:

HIGH LOW UNDETERMINED

PRESENT CLAIM RESERVE: \$ 145,000.00

ELIGIBILITY: This contamination was discovered during a site check and reported to the IDNR September 23, 1991. Claim form filed November 1991 with timely extension. This is an eligible remedial claim.

COST INCURRED TO DATE:

1. Site check and site clean-up report	\$ 16,147.03
2. RBCA Tier II report	17,440.00
3. Site monitoring reports	7,570.00
4. Post-Tier II evaluation	<u>1,000.00</u>
TOTAL COSTS INCURRED TO DATE:	\$ 42,157.03

PROJECTED COSTS:

<input type="checkbox"/> Risked Based Corrective Action Tier I & II Report	<input type="checkbox"/> Tank Pull/Up-Grade.
<input type="checkbox"/> Site Monitoring Report (SMR)	<input type="checkbox"/> Free Product Recovery (FPR)
<input type="checkbox"/> Corrective Action Design Report (CADR)	<input checked="" type="checkbox"/> Implementation of water line replacement

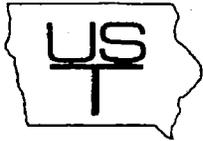
TOTAL PROJECTED COSTS: \$ 100,000.00

TOTAL AUTHORITY RECOMMENDED:

\$ 140,000.00

COMMENTS: The site is high risk for groundwater to plastic water line for a water main. The main has been replaced and the costs have exceeded the proposal budget due to unforeseen circumstances. With this PVC replacement, the site will reclassify to no further action.

**Contracts Entered Into
Since June 2, 2005 Board Meeting**



IOWA UNDERGROUND STORAGE TANK

Financial Responsibility Program

Susan E. Voss, *Chairperson*

Scott M. Scheidel, *Administrator*

Board Members: Michael L. Fitzgerald

Jeff W. Robinson

Cathy A. Rottinghaus

James M. Holcomb

Jeffrey R. Vonk

Delia A. Meier

Douglas M. Beech

Φ Φ Φ **MEMO** Φ Φ Φ

TO: UST Board

FROM: Scott Scheidel

DATE: July 5, 2005

RE: Contracts Entered Into Since June 2, 2005

The Board has entered into one contract since the June 2nd, 2005 Board Meeting:

- 1) The Board entered into a 28E agreement with the Department of Natural Resources (DNR) to provide funding in the amount of \$300,000 to the UST Section of the DNR for fiscal year 2005.

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Other Issues as Presented

Correspondence and Attachments

Retirement Party for Jim Humeston



IOWA



***Please join us on July 14 to celebrate
the retirement of Jim Humeston after
32 years with the state of Iowa.***

***The reception will be held from 1 PM to 3:30 PM
in the fourth floor conference rooms of the
Wallace Building at E. 9th and Grand in Des Moines.***

2A-51-120P

Something IN THE WATER

'I think they should have cleaned it up years ago. Now they are trying to force us to deal with it.'

TOM MCMAHON
Staff Writer

ATLANTIC - Some Cass County residents are skeptical about the county's move to force them to connect to its rural water system.

Peg Dower, who lives at the juncture of Interstate 80 and Highway 71 - an area the county has previously said is dangerous because of an underground gasoil leak - said she and other owners have had their well water tested and it shows no sign of contamination.

But state and county officials say they are protecting the property owners from likely future contamination. The Iowa Department of Natural Resources and the Cass County Board of Health have told the residents their computer-generated predictors indicate underground leaks will likely spread to their property at some point, although exactly when is unknown. The contamination could get into

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Water

Continued from Page 1A

their well water.

"The plan is based on a computer model of what might happen," Bower said. "They are trying to take away our rights without any hard evidence there is a problem," she said.

She said five property owners in the area who refused to hook up to the rural system are getting different information from the county.

Homeowners were originally told anyone within a 4,000-foot radius of the intersection of Boston Road and Highway 71 was in the danger zone and would need to connect to rural water.

Cass County Attorney Dan Feistner sent three property owners letters dated March 29 saying he had reviewed their properties with respect to the projected 4,000-foot contamination plume and discussed them with Darren Benning at Seneca Environmental Services, one of the contractors testing the plume area.

Feistner's letter indicates there may be a reduction in the projected plume that "may exclude your properties from the enforcement of the plan (Groundwater Protection Plan No. 1 passed and adopted Sept. 29, 2004 by the Cass County Board of Health).

Feistner advises the three - Darrell Begley, Gene Leslie and Lorraine Petersen/Dallas Westphalen - "that you may not fall under the plan. Seneca will not have its revised report completed for at least two months or so," he writes. "... because it appears your properties may fall outside a revised projected plume, I believe it is prudent at this time to wait for the final report from Seneca before making any final decisions with respect to your properties and enforcement of the plan against you in this matter."

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Circ. 16840
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LuAnn Begley said she doesn't understand how the county can predict how far and which way the plume will move. "I think they should have documentation as to where it is and exactly how far it has moved," she said.

Jim Humeston, DNR supervisor for the Underground Storage Tank Program, said such data is available in the contamination assessment reports for each site.

"If we hadn't protested this, we'd already be signed up for rural water," Begley said. She said some other property owners who signed on early are having second thoughts. "It was a scare tactic at first she said and some people signed on because they were afraid."

In response to a question about whether residents within the 4,000-foot plume area who may have signed up for rural water early on might be out of the danger zone if testing shrinks the plume area to 3,500 feet, Humeston said DNR cannot confirm the 3,500-foot radius will be adopted. "We don't know what the radius will be until we have the opportunity to review the sampling data," he indicated in an e-mail. "Since the plume radius is unknown it is not productive to identify (such) residents."

Steve Patterson, Cass County environmental health



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specialist, is the county's ground water protection plan author. He said the board of health is not happy with DNR changing its position as far as the plume's size. "It makes us look foolish," he said.

Patterson said he wrote the plan with advice from the Underground Storage Tank Fund, the agency charged with cleaning up underground petroleum leaks. "Then someone went to the governor and now they want to re-evaluate it."

Patterson said the board received information from rural water, Seneca and former Cass County Attorney Jim Barry, and acted on that information. "They (the board) feel taken advantage of," he said.

Humeston said his agency's decision to re-evaluate the accuracy of the 4,000-foot plume was based on complaints it received from residents and a legislator. "We had no involvement in the identification of the 4,000-foot plume radius," he wrote in an e-mail.

Patterson said additional data is being collected, but he is not certain who is doing the collecting. He said consultants other than Seneca did some of the initial testing and their results have never been received because of a contract dispute.

"The plume is projected by feeding the data into a computer program," Patterson said. "And the projection is only as good as the data that is entered. That is why they are asking for new data."

Humeston said the DNR has asked for additional sampling or revised reports on three sites in the area. He said his office requested a report from the county by April 18 on the Overland Truck Plaza. Humeston said Seneca is the consulting firm of record. He said the report had not been received as of Thursday.

Humeston said a report on the former Warren Oil site was requested by March 18 and had not been received as of Thursday. ATC is the consulting firm of record there, he said.

MPS engineering is the consultant of record for Hansen Valley Oil and the DNR requested a report on that site be submitted by Feb. 18. "MPS is reluctant to do the sampling because they haven't been paid for previous work conducted at the site,"

Humeston wrote in an e-mail. "We haven't received any sampling results (as of Thursday)."

Janet Westphalen, Dallas' wife, lives on one of the properties in question. It is currently owned by their son, Scott. She said they are happy with their well water and do not want to connect to the rural water at this time.

"The Valley (gas) station has been there for 40 years and there's never been a problem," she said. "If there is one now, they need to clean it up, not make people pay."

She said her son dug a new well a few years ago and he does not want to have to discontinue using it when there is no evidence of any problem with the well water. "We've had it tested and it is fine," Westphalen said.

LuAnn Begley agrees. "We hope the county will take us out of the plan and give us our rights back," she said. "But that doesn't help the others that are closer to the area."

That includes Bower and another property owner, Dennis Templeman. Both received a letter from Feistner, also dated March 29, that indicates his review of their properties and discussions with Benning shows they will fall under the plan. "Pursuant to my findings, even a modest reduction in the projected plume will not exclude either of your properties from the enforcement of the plan," he writes. Feistner advises Bower and Templeman to make arrangements with Seneca to sign up for and hook up to rural water.

Bower said she wonders how Feistner can make that determination without having Seneca's final report. Feistner did not return calls or respond to an e-mail.

The ground water protection plan adopted by the Cass County Board of Health Sept. 29, 2004, identifies the contaminated zone as the "area of Cass County that lies within a radius of 4,000 feet of the center of the intersection of Highway 71 and Boston Road." The plan requires that all domestic and public drinking water wells in the zone be removed from human consumption and usage. The plan allows the continued use of wells within the zone for irrigation and for caring and watering of domestic livestock and other

animals.

The plan further requires all properties within the zone to connect to rural water and forbids drilling any future wells for human use.

Patterson said the computer information showed two plumes - one a 500-foot area where chemicals were actually detected and the 4,000-foot potentially dangerous zone.

Many property owners have already signed up for rural water based on the county's initial plan. One of those properties was on the Westphalen property. Janet Westphalen said that house needed a new system.

Dennis Templeman and his two brothers all have properties on the family farmstead. All are within the plume area. Templeman said he isn't happy with the situation but has agreed to sign up for rural water. "They are forcing us to," he said.

Templeman said his property is south of the contaminated area and thinks it may be more at risk. "It is more likely to flow this way," he said. So far he has seen no evidence of contamination, although he has not had his water tested.

"I have been drinking this water for 61 years. It is good water," Templeman said.

He said he is frustrated because he does not know exactly where the contamination is located. "They have a computer drawing with a 4,000-foot circle around a center point," he said.

Templeman said he wishes the Board of Health or Department of Natural Resources would continue to test the water or clean up the contaminants but he's been told both would be too expensive.

He also said the county stands to benefit from the hook-up, as it has property near the gas stations - property that can't be sold until the water is changed.

Templeman is also upset because he said he now has to put a disclaimer on his property saying it could be contaminated.

Bower said she questions why she can water her produce with contaminated water and give it to her animals but cannot drink it herself. "I will let my fowl drink it. Then I eat their eggs," she said. "But I can't bathe in it. It doesn't make sense."

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In response, Humeston wrote in an e-mail, "We don't know the answer to her question. She should have her animals drink water from the rural water system if she is concerned about the water quality."

Bower also said properties on the other side of the Nishnabotna River but within 4,000 feet of the plume are not being required to connect to rural water. Patterson said he checked out that area and it contains no inhabited properties. "If someone wanted to build a house there, they would be prohibited from digging a well and would be on rural water if the plan is approved," he said.

Humeston said the river is not actually within the 4,000-foot area but the DNR doesn't "have reason to believe the plume will reach the Nishnabotna River in concentrations that would be that would be a risk to wildlife."

Bower said she doesn't think she should be forced to use water she does not like as well as her own well water or have to pay the monthly service fee when tests show her well water is not contaminated.

"They should keep testing the area and see if it really spreads," she said. Westphalen said switching to rural water will entail a minimal \$30 monthly fee. "Some people's has gone up

to \$60 or \$70 a month," she said.

Templeman would like to see someone else be responsible for the water fees. "This is not our fault," he said. He questions why the oil companies don't bear some responsibility.

Patterson said that is the Underground Storage Tank's purpose but there is not enough money to provide for ongoing testing or clean up all sites. "There are sites all over Iowa," he said. "To continually track them all would be expensive and a nightmare." Patterson said cleaning up the site was never an option the DNR presented.

Humeston said the UST Fund provides the money for assessments and residents should address their concern to them.

James Gastineau, a consultant with Aon Risk Services, who works with the UST Fund wrote in an e-mail, "The UST Fund will continue to reimburse the claimants for activities required by the DNR, subject to the limitations of the claims, in response to the petroleum contamination and the risk associated with the contamination in proximity to area receptors." So far those costs have been to pay for rural water hook-up.

When specifically told of residents' requests that funds be used to either clean up the site or provide ongoing well water testing, Gastineau replied, "To

date, funding has been used for assessment and corrective action activities required by the DNR. Funding will continue to be provided, to

the limit of the claims, for activities required by the DNR for corrective action and/or monitoring associated with the identified contamination."

Patterson said he understands homeowners' frustration. "They are right. It isn't their fault," he said. "They didn't create the problem."

But, Patterson said, he sees some advantages of going to the rural water system. "You have a guarantee of water and the resale value of property is usually higher if it has rural water," he said.

Begley said if her water becomes contaminated she could purchase bottled drinking and cooking water more cheaply than connecting to rural water. She, too, would like to see the county periodically test and see if the plume is actually spreading toward their property.

"I think they should have cleaned it up years ago," Begley said. "Now they are trying to force us to deal with it."

She said she is not sure what she and her husband will do if the county decides their property is in the plume. "My husband says he'll go sit in jail," she said. "We'll see what happens."



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127C-51-120P
Waterloo to receive Brownfields grants

WATERLOO — The federal government is providing additional funds to help clean up two of the city's former industrial eyesores.

Senators Tom Harkin, D-Iowa, and Charles Grassley, R-Iowa, announced Tuesday that Waterloo will receive \$250,000 through the U.S. Environment Protection Agency's Brownfields Cleanup and Redevelopment Program earmarked for the former Chamberlain Manufacturing complex, 550 Esther St., a former munitions plant that closed in 1994, and the former Construction Machinery

Co. site on Glenwood Street.

The city will receive \$50,000 to continue assessing the Chamberlain site, while \$200,000 will be used to help clean up known underground contamination at CMC. Previous federal grants helped demolish the fire-damaged CMC buildings, but the cleanup is required to help encourage redevelopment.

Among other Iowa cities receiving a share of some \$3.25 million from the program is Oelwein, which is getting \$400,000 to assess local hazardous substances and petroleum.