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

NOTICE OF PUBLIC MEETING

A public meeting of the Iowa Comprehensive Petroleum Underground Storage Tank Fund Board has been scheduled for 10:00 a.m., Friday, April 28, 2006. **The meeting will be held at the Department of Insurance, 330 E Maple, Des Moines Iowa.**

The tentative agenda for the meeting is as follows:

10:00 a.m. Call to Order

1. Approval of Prior Board Minutes ✓
2. Closed Session – Discussion of Pending and Imminent Litigation (To adjourn by 10:30 a.m., if needed) No
3. Public Comment Period – None
4. Board Issues
   - A. Legislative Update
   - B. Fire Marshal's Office – AST System Application Funding
   - C. DNR 28E Agreement for FY06 Funding – 2nd Quarter
   - D. DNR Update
5. Approval of Program Billings
6. Monthly Activity Report and Financials Reviewed
7. Attorney General's Report – approved costs to attend State Fund Conf. reimbursed by NEIWPCC
8. Claim Payment Approval
9. Contracts Entered Into Since March 31, 2006 Board Meeting
10. Other Issues as Presented
11. Correspondence and Attachments

→ Thurs
May 25th – next mtg
No June Board Mtg.
July – Annual Mtg. July 11th possibly Walcott

2700 Westown Parkway, Suite 320 West Des Moines, Iowa 50266 Ph. 515-225-9263 Fax: 515-225-9361

Approval of Prior Board Minutes

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

MINUTES
IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND PROGRAM

March 31, 2006

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

Angela Burke Boston, chairing for Susan Voss, called the Iowa UST Board meeting to order at 10:02 A.M. A quorum was present. Roll call was taken with the following Board members present:

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

Also present were:

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

APPROVAL OF PRIOR BOARD MINUTES

The minutes from the February 24, 2006 meeting were reviewed. Ms. Christiansen requested an amendment to the minutes on page 5 in the 1st full paragraph in line 3, which read, "DNR expected to 'hire' an instructor." She requested the record be changed to "DNR was working with DMACC to select an instructor." Ms. Rottinghaus moved to approve the minutes as amended, Ms. Christiansen seconded the motion, and by a vote of 5-0, the minutes were approved with the amendment.

CLOSED SESSION

Ms. Burke Boston 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. Burke Boston requested any comments from the public present. There were no comments at this time.

BOARD ISSUES

A. Legislative Update

Mr. Scheidel presented the Board with a memo and copies of 6 different bills on file in the State Legislature. The first was the Agriculture and Natural Resources Appropriation bill House File (HF) 2540. There had been a provision in the file that transferred money from the Iowa UST Fund to the Department of Economic Development for an E-85 tank engineer position. That provision had since been removed from the bill. The bill did include a $200,000 transfer from the Iowa UST Fund to the Department of Natural Resources (DNR), which has occurred annually. The next appropriation bill (HF 2759) provided funding from the Iowa Values Fund for a program to provide money to tank owners to upgrade their equipment to be compatible with renewable fuels. The funding in this bill was tied to the passage of the next bill discussed, HF 2754. Of the ethanol bills, this one showed the greatest probability for passage, due to its incentive approach rather than a mandate approach toward tank owners for distributing ethanol products. Mr. Scheidel stated that bill did pass through the House, and was amended on the floor with regard to the statute referenced for this bill, which was changed from 455G to 215G, the section of the Iowa Code that provides statutory regulation for the Department of Economic Development. He also explained that the Senate ethanol bills (SF 2380, SF 2383, SF2385) might still be debated, and although the language in those bills did not affect the Board, they neither addressed the incompatibility of existing underground storage tanks (UST's) with renewable fuels. When that issue is addressed, the Senate may look to the Iowa UST Fund for funding of the infrastructure upgrade at that time.

Mr. Scheidel noted to the Board that even though HF 2754 was passed by the House, there was no guarantee that the Senate would not amend the bill in a manner that would ultimately affect the Board. Potentially, the Board may be added to provide additional funding for the infrastructure fund, or the Board may be tasked with the administration of the program. Additionally, the Senate still retained strong sentiment that an ethanol mandate should be implemented, therefore a compromise somewhere just short of a mandate may be reached between the houses.

Lastly, Mr. Scheidel referred to a provision in HF 2754 that affects the DNR's responsibility when a clear and present danger exists with regard to a site's UST upgrade. If a tank owner were to break ground to upgrade their UST's on a site previously classified as no further action (NFA), the DNR could not alter the classification due to the discovery of new contamination unless a clear and present danger existed.

B. Cost Recovery/ Lien Authority Discussion

Mr. Scheidel presented a memo to the Board discussing the policy of cost recovery against site owners that did not have Iowa UST Fund eligibility, specifically for sites assessed and UST's removed through special project claims managed and paid for in full by the Iowa UST Fund.

Mr. Gastineau discussed the history of the tank closure project claims, stating that expenditures to date total $3,074,397.50. Of the total expended, $611,756.90 had been transferred to eligible claims as eligible costs incurred, and $17,350.00 had been recovered as a result of liens on two site properties.

Mr. Gastineau further explained that the Iowa Code 455G.13 provided the Board authority to pursue cost recovery. Pursuant to the rules associated with this statute, a lien exists where an underground storage tank (UST), which was the subject of corrective action, was or is situated and the Board has incurred expenses related to the property. The lien shall be in the amount the owner or operator of the UST is liable to the Fund, which is the total cost of corrective action incurred, if the owner or operator is not eligible for Fund benefits, or if eligible the amount of any unpaid portion of the co-payment due. The lien attaches at the later of the following: the date the Fund incurs an expense related to the property or the date the Board mails a certified letter, return receipt requested, to the last-known address of the owner or operator demanding payment for Fund expenses.

Mr. Gastineau stated that to date, liens had only been filed in a few cases. Results of the liens have included settlements to the Fund, documentation and determination of eligibility for claim payments, or no response at all. He noted that the previous administrator (before Aon) did not practice cost recovery through liens. Mr. Gastineau requested direction from the Board how they would like the Administrator's office to proceed with regard to cost recovery. He pointed out several factors for the Board to consider with regard to a cost recovery policy. One item for consideration was that often times the current owner affected by a lien filed by the Board was neither the UST owner nor operator. Also, Mr. Gastineau explained that most site properties were only worth a fraction of the total expended by the Board on the site. In addition, he provided the Board with several examples special project claim expenditures and the results of the current Administrator's cost recovery efforts. Lastly, Mr. Gastineau provided the Board with a memo from Dave Wornson of the DNR explaining his opinion regarding the Board's cost recovery policy.

Mr. Steward stated the Board had the statutory authority to perfect the liens, which currently existed, by filing the liens with the County Recorders' Offices. In his opinion, not perfecting the liens would limit the Board's cost recovery options. A lien may lead to a settlement or the Board may choose to release a lien at some point in time in the future. Ms. Meier stated that she felt strongly that the Board should exercise their authority to perfect these liens.

Ms. Christiansen said that she'd like to discuss with DNR staff the limitations that a cost recovery policy would place on their ability to gain access to sites for similar special projects. Mr. Scheidel explained that the current notification letters include language stating the Board may or may not choose to cost recover expenses paid through the filing of a lien on the site property. Mr. Gastineau stated that only one site out of all special project sites had not moved forward due to the possibility of cost recovery being pursued. Mr. Beech agreed that the option of perfecting liens should be utilized. And Mr. Holcomb stated they had been remiss in not using the option more in the past.

Mr. Holcomb made a motion to direct the Administrator to perfect liens on all sites, for which the Board has expended money that the claimant was not eligible to receive, whether in the

form of benefits or co-payment. Said lien will be perfected 90 days after the demand for payment. Mr. Beech seconded the motion. Approved 5-0.

Mr. Beech suggested the Board discuss any future lien releases based on settlements, etc. on a case-by-case basis as they present in the future.

C. DNR Update

Tim Hall from the DNR distributed a memo to the Board discussing current activities at the DNR. He stated that currently Elaine Douskey was the acting interim supervisor for the UST/LUST Section, and they hoped to select a permanent supervisor shortly after the final interviews on April 17th or 18th. He stated that the third-party inspection rules had been adopted by the Environmental Protection Commission at its March 20, 2006 meeting, and the rules would become effective on May 17, 2006.

Mr. Hall discussed the usefulness of the new temporary full-time staff to review reports. He stated the DNR had not fully staffed these positions (4 FTE) until March. Additionally, he reported that the technical staff from various DNR sections would meet to discuss the draft report from Iowa State University (ISU) regarding the permeability of plastic water lines, including PVC. As a result of that meeting, he expected to receive a draft of the Departmental position on the findings of the report for discussion with the Iowa UST Board.

Next, Mr. Hall explained that the UST/LUST Section staff had been working on staffing needs and finding potential improvements to each task within their report review process. They had identified 21 tasks, and they were currently trying out streamlined options to monitor their effectiveness. Mr. Hall outlined 5 specific improvements to the process in his memo for the Board's information. He explained that DNR staff would like to meet with stakeholders to go over the business process improvements identified by staff.

Lastly, Mr. Hall offered to provide space within the DNR's website to offer general Fund information regarding eligibility, to minimize DNR staff time responding to basic inquiries. He stated the content of such information would be discussed with the Administrator and subject to Board approval.

Mr. Beech inquired about the level of difficulty to change a portion of the RBCA rules. Mr. Scheidel explained that it would depend on public perception, and if the scope of the change were agreeable to stakeholders, then the public comment period would be surmountable. Mr. Hall stated that his staff would be more concerned with obtaining agreement up front from all technical departments of the DNR representing a unified understanding of the appropriate technical change being requested in rule before the Environmental Protection Commission.

Mr. Scheidel noted to the Board that April 1, 2006 was the first day of the 4th quarter of fiscal year 2006, at the end of which the Board's 28E agreement was to transition into a new 28E agreement with the DNR for fiscal year 2007. The new 28E agreement was to include the transfer of tank management fees for registered UST's from the Iowa UST Fund to the DNR, as well as, the transfer of the UST contractor's licensing program responsibility from the Board to the DNR UST Section. He stated he would work with Mr. Steward to draft the new 28E agreement for Board review over the next couple months.

Soon

PROGRAM BILLINGS

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

1. Aon Risk Services ..... $ 112,830.33
   Consulting Services – April 2006 ($62,750.00)
   Claims Processing Services – April 2006 ($50,080.33)

2. Attorney General's Office $8,554.48
   Services provided for Underground Storage Tank Program
   February 2006 billing

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 Ms. Christiansen, the billings were approved by a vote of 5-0.

MONTHLY ACTIVITY REPORT

Mr. Scheidel presented to the Board the February activity report, financials and opt-in report that were included in the Board packet for their review. Mr. Scheidel noted that several more claims had been closed in February. Additionally, he noted that the 33 remaining, open aboveground storage tank (AST) claims were awaiting final invoices or were involved in disputes over the expenses submitted for reimbursement.

ATTORNEY GENERAL'S REPORT

Mr. Steward had no items for discussion for this meeting. Mr. Scheidel noted that he had attended the first appeal hearing in over a year with Assistant Attorney General Tim Benton regarding an appeal.

CLAIM AUTHORITY

Mr. Gastineau presented the following claim authority requests:

1. Site Registration 8600275 – Krause Gentle Corp, Cambridge

This was a second Board report for a site that was classified as high risk for municipal water wells. The groundwater site-specific target levels (SSTL's) had been met, and the system had been shut down. The soil was to be re-sampled, however if samples do not pass, other options would include Tier III or excavation. Previous approval to $195,138.09 had been granted, of which $202,018.50 was expended to date. Additional authority to $275,000 was requested for a site monitoring report (SMR), a possible risk based corrective action (RBCA) Tier II report, a possible corrective action design report (CADR), and implementation of the CADR.

A motion to approve the claim authority was submitted by Mr. Holcomb and seconded by Ms. Christiansen. Approved 5-0.

2. Site Registration 8811209 – Taylor County, Sharpsburg

This site was classified high risk, however the latest site monitoring report (SMR) had recommended a low risk classification. Previous approval to $75,000 had been granted, of which $71,044.60 was expended to date. Additional authority to $100,000 was requested for a site monitoring report (SMR), a possible corrective action design report (CADR), and possible implementation of an excavation.

A motion to approve the claim authority was submitted by Ms. Christiansen and seconded by Mr. Beech. Approved 5-0.

3. Site Registration 8913674 – Don's Standard, Manchester

This site was classified high risk, and had met SSTL's following the replacement of nearby water wells. However, the levels had not met the steady and declining criteria. Underground storage tanks had been pulled in December 2004. In October of 2005 significant free product was reported. The owner and groundwater professional stated that no recent releases of contamination had occurred and that the product appeared to be old. The free product assessment report was not yet received by the DNR, however the free product had caused an increase in contaminant levels. Previous approval to $75,000 had been granted, of which $85,679.05 was expended to date. Additional authority to $185,000 was requested for a SMR, and possible CADR, excavation, and free product recovery (FPR).

A motion to approve the claim authority was submitted by Mr. Holcomb and seconded by Ms. Christiansen. Approved 5-0.

4. Site Registration 8607672 – Ron Halbrook dba Casey's, Ankeny

This site was classified high risk for PVC water lines only. All other pathways were classified as no further action. A non-eligible party, the purchaser, had incurred the cost after the site clean-up report (SCR). Previous approval to $75,000 had been granted, of which $10,573.54 was expended to date. Additional authority to $125,000 was requested for implementation of the PVC replacement. Mr. Gastineau explained that based on the current ISU study on PVC water lines, the Administrator was requesting authority for their replacement costs, however the work would not go forward until the DNR had taken a position on the new PVC information provided in the study.

A motion to approve the claim authority was submitted by Mr. Holcomb and seconded by Ms. Christiansen. Approved 4-0. Mr. Beech abstained from the vote.

5. Site Registration 8608356 – Kimm Oil Co., Blairstown

This site was classified high risk for the groundwater vapor to enclosed space, groundwater to surface water, and soil leaching to protected groundwater source pathways. The site was low risk for the groundwater to protected groundwater source and soil and groundwater to potential enclosed space receptors. Free product was present at the site. A free product recovery system had been installed, and additional remediation may be necessary in the future if the soil and groundwater concentrations do not continue to decline. Previous approval to $75,000 had been

granted, of which $86,351.45 was expended to date. Additional authority to $255,000 was requested for a SMR, CADR, FPR and implementation of an excavation.

A motion to approve the claim authority was submitted by Mr. Holcomb and seconded by Ms. Christiansen. Approved 5-0.

6. CRPCA 0206-28 Walnut

This state lead project was contracted in October 2002 to address a 3-site commingled plume in Walnut, Iowa. The contract included RBCA assessment and CADR to investigate the contamination risks. The sites were classified high risk for proximity to 2 municipal water wells, multiple plastic water lines, and several vapor receptors. In addition, two of the sites had free product present requiring recovery activities. A Tier III evaluation was being completed to possibly reclassify the risk to the municipal wells and plastic water lines to no action required. Previously, a CADR had been developed, approved and implemented. The system was installed to reduce contaminant levels for the vapor receptors and to remove free product from the sites. It was determined that the system could be enhanced to increase removal rates and decrease long-term operation and monitoring costs.

Therefore additional contract authority was requested to $500,000 for dual phase system enhancement, continued operation and maintenance and monitoring. A motion to approve the contract authority was submitted by Mr. Holcomb and seconded by Ms. Christiansen. Approved 4-1. Mr. Beech dissented.

CONTRACTS ENTERED INTO SINCE THE FEBRUARY 24, 2006 BOARD MEETING

The Board had entered into one agreement since the February 24, 2006 meeting. The Board entered into a 28E agreement addendum with DNR to extend the tank closure project through July 15, 2007.

OTHER ISSUES

Jeff Hove of the Petroleum Marketers and Convenience Stores of Iowa (PMCI) inquired about the length of time that high-risk sites would be held up awaiting a clear decision and/or rules regarding PVC water lines, as a result of the pending study underway at Iowa State University. Mr. Scheidel stated that the DNR was scheduled to meet and develop a position with regard to PVC within the next 30 days or so. He had also suggested that the burden of proof during corrective action meetings might shift from the Fund having to provide a reason why not to replace PVC water lines to the DNR having to provide a reason why replacement of PVC water lines is imminent at a site. Tim Hall suggested that the DNR could file emergency rules, if rule change becomes necessary, in order to implement the new policy immediately.

Mr. Scheidel stated that the next Board meeting was scheduled for Friday, April 28, 2006.

CORRESPONDENCE AND ATTACHMENTS

Ms. Burke Boston asked if there was any further business, and there being none, Ms. Rottinghaus moved for adjournment. Mr. Holcomb seconded the motion, and on a 5-0 vote, the Board adjourned at 11:06 A.M.

Respectfully Submitted,

Scott M. Scheidel
Administrator

Closed Session

Discussion of Pending and Imminent Litigation

Public Comment

Board Issues

A. Legislative Update

4A

IOWA UNDERGROUND STORAGE TANK FUND

Susan E. Voss, Chairperson — *Scott M. Scheidel, Administrator*

Board Members:
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ΦΦΦ *MEMO* ΦΦΦ

TO: **Iowa UST Board**

FROM: Scott Scheidel

DATE: April 27, 2006

RE: 2006 Legislative Issues

HF 2754 (attached) has passed both the House and Senate and is awaiting signature by the Governor. HF 2754 establishes Renewable Fuel standards. Included in the bill is the creation of a Renewable Fuel Infrastructure Board and Fund to assist in the upgrading of the distribution system for E-85 and Biodiesel in the State.

As the bill is currently written it requires a couple of things from the UST Board. First, three or more UST Board members **must** meet with the Infrastructure Board. These three or more members **must** be available to the Infrastructure Board when they make decisions on financial awards.

Second, the UST Board *may* require that any applications be forwarded by the Department of Economic Development (DED) for their review and potential ranking prior to the Infrastructure Board receiving those applications.

These two provisions were placed in the bill in response to a request from the Petroleum Marketers and other stakeholders that the UST Board administer the program. There are notes on the copy of the bill that would change the language to wording that would place administration of the program with the UST Board. The floor managers of the appropriations bill (HF 2759) agreed to make the changes in that bill. Despite that promise, the bill was passed without the changes. The changes may be able to be made in the House, but it is not certain.

The aforementioned appropriation bill also affects the UST Fund. As passed out of the Senate it added $7 million of UST Fund money to the previous $6 million of Values Fund monies. Any unexpended monies would remain with DED as the bill currently reads. Language to revert any unused monies could be added in the House as well.

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B. Fire Marshal's Office – AST System Application Funding

IOWA UNDERGROUND STORAGE TANK FUND

Susan E. Voss, Chairperson *Scott M. Scheidel, Administrator*

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ΦΦΦ MEMO ΦΦΦ

TO: **Iowa UST Board**

FROM: Scott Scheidel

DATE: April 14, 2006

RE: Fire Marshal Database for AST Inspections

Background

As part of the Aboveground Storage Tank (AST) program created by the Legislature, the Board was given authority to enter into a 28E agreement to assist the Fire Marshal with the procurement of a new data handling system for their registrations and inspections. The Fire Marshal staff has looked at several options for a new system including purchasing from an outside vendor, using DNR system with modifications, developing their own from scratch either with a vendor or state IT assets and modification of another existing state system. I have met with them throughout the process to keep abreast of their progress.

Issue

The Fire Marshal has chosen to have the state Information Technology Enterprise (ITE) personnel modify an existing database system for their use. The total cost of the project is not to exceed $55,000. A scope of work for the modification is included with this memo. They have asked whether the Board would be willing to fund the modifications. The other potential funding is from the IOWAccess Advisory Council.

Recommendation

The IOWAccess Board meeting is May 10th. I recommend the UST Fund Board authorize the funding of the Fire Marshal's proposal if, and only if, the IOWAccess funding is not made available for the project. If IOWAccess denies, in whole or part, their proposal, then I would recommend authority for the Administrator and Board Counsel to enter into a 28E agreement to provide for the ITE funding for the project.

Future Support & Maintenance Costs covered by Fire Marshall's office
motion passed,

2700 Westown Parkway, Suite 320 West Des Moines, Iowa 50266 Ph: 515-225-9263
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STATE OF IOWA

Iowa Department of Administrative Services

DAS

Iowa Department of Public Safety
Fire Marshall's Office

10195 Above-Ground Storage Tanks System
Statement of Work

Draft Version 1.0

Prepared by: Jeff Johnson
DAS ITE

Date as February 13, 2006

Iowa Department of Administrative Services
DAS
Information Technology Enterprise

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1 EXECUTIVE SUMMARY

The 10195 Above Ground Storage Tank project will take an existing application that has been created for the Department of Inspections and Appeals Food Safety Bureau and modify it to provide the following functional deliverables:

- A registration database that will allow the Fire Marshal's office to track all tanks/compartments by compartment number, facility location, and facility ownership.
- An automated renewal process will be created to aid the gathering of annual license fees.
- Functionality will be created allowing the Fire Marshal's office to perform electronic inspections which will include the ability to track violations, re-check visits, and add inspection photos.
- The application will allow for the electronic tracking of plan reviews

In addition to the desktop application, internet functionality will be created to provide the following deliverables:

- Facilities will be able to use the website to pay all renewal and/or penalty fees through a proved e-payment engine.
- Fuel delivery companies will be able to perform tank searches to insure that all tanks receiving deliveries have been inspected and licensed.
- Facilities will be allowed to submit review plans through the website, speeding the process of delivering plans to the Fire Marshal's office.
- The public will be able to search facilities for all inspections completed.
- The public will be able to search facilities for all incidents uncovered during inspections.
- The public will be able to submit online complaints against facilities

The current data that is held by the Fire Marshal's office will be migrated into this new application to insure consistency and continuity in day to day activities.

2 PROJECT SCOPE

Project scope will be limited to the modification of the existing inspections application, and the creation of the Fire Marshal's Office website according to documented requirements. Any variance from the agreed upon requirements will go through the standard change control process mentioned later in this document.

2.1 PROJECT OBJECTIVES

The project plans to provide the Fire Marshal's office with a streamlined process for renewing and tracking all above ground storage tanks and compartments. The application created will add efficiency and speed to the existing process and expects to increase revenues to the office though a more complete tracking of all fees owed by facilities.

The website created will add a public face to the Fire Marshal's office providing the pubic with an easy way to check on their local facilities. Additional safety measures will be added by allowing fuel delivery companies to ability to check licensure of facilities PRIOR to fuel deliveries.

2.2 PROJECT DELIVERABLES

2.2.1 DELIVERABLE 1

Tank and compartment tracking application, including renewals and inspections gathering functionality.

2.2.2 DELIVERABLE 2

Create a website for both public and approved user use to view all public facing data regarding the inspections and tracking of above ground storage tanks.

2.2.3 DELIVERABLE 3

An e-payment engine will be added to allow facilities the ability to pay all fees or penalties online with credit cards or e-checks.

2.3 ADDITIONAL CONSIDERATIONS

The following alternatives have been identified during the discovery process. These items are low priority at this time:

- Advanced data sharing (e.g., DNR)
- Citizen / First Responder Inspections
- Mapping features (web)
- Education / Training Schedule & Information

2.4 IOWACCESS FUNDING REQUIREMENTS

For projects funded from the IowAccess fund, certain requirements must be met in order to qualify for these funds:

- The customer's obligation for development and first year hosting costs is limited to those monies allocated from the IowAccess fund for this project. However, DAS/ITE is under no obligation to provide uncompensated work in order to complete the project. The first year is to begin upon the earlier of the following two events: (1) the completion of the project and signing of the updated SLA and/or the Customer Acceptance Form, or (2) the project is passed into production support. The first year may also begin at the discretion of the COO of ITE.
- The application must provide a service to the citizens of the State of Iowa.
- The funds allocated to the project will cover the total cost of implementation of the project; including the design and development, the first year's hosting fees, networking costs, server and software purchases, etc. This work will be billed directly to the IowAccess Revolving Fund.
- The development must be done primarily by or through the Information Technology Enterprise.
- The application must be hosted on ITE equipment for a period of not less than 2 years, after the first full year as described within these requirements.
- The organization owning the application must provide the funding for the second and any subsequent, year's hosting and maintenance out of funds other than those provided through IowAccess.
- Hours expended by or through ITE will be limited to the extent that allocated monies are available to pay for those hours.

3 PROJECT PROPOSAL

3.1 PROPOSED SOLUTION

The solution proposed will migrate all pertinent data stored in the existing data set owned by the Fire Marshal's office. This data will power a desktop application that will allow multiple user access to all levels of tracking and reporting.

The website will be fed by this data as it presents public information to the public.

3.2 PROJECT-LEVEL DEPENDENCIES

- The project will modify an existing application and will have no other dependencies.

3.3 ASSUMPTIONS

- Development work will begin on 5/1/2006
- Customer will devote appropriate time for testing

3.4 RISK ASSESSMENT

Risk Description	Response Strategy
Resource Constraints	Proper project management/resource management.
Timeline and budget control	Weekly status and budget reports
Workflow degradation/interruption	Minimize impact on business processes as development proceeds

3.5 PROJECT SCHEDULE

Milestones	Plan Date
*Execution Phase Start Date	5/1/2006
Customer Acceptance testing begins	7/24/2006
Customer Acceptance testing complete	9/8/2006
Customer Acceptance Sign-off	9/8/2006
SLA Signatures	9/15/2006

Production Rollout	9/18/2006
Project Completion	9/18/2006

*The Execution Phase Start Date is dependent upon the receipt of a signed SOW no later than 4/24/2006 No work will be done in the Execution Phase without receipt of the signed document.

3.6 PROJECT BUDGET

Category	Estimated Costs
Application Development	$35,000
Testing	$15,000
Project Management / Consulting	$5000
Total	$55,000

3.7 PROJECT TEAM

Project Manager	Jeffery R. Johnson
Technical Architect	Michael Tutty
Programmer	TBD
Programmer	TBD

4 PROJECT METHOD

4.1 CHANGE CONTROL PROCESS

DAS/ITE believes that to deliver a successful project, effective project control procedures must be followed. DAS/ITE will use the change control process requiring sign-off by the DPS Project Sponsor, DPS Project Manager, Jeff Miller and the ITE project manager Jeff Johnson for all changes. Changes may impact requirements, resources, schedules and costs

4.2 COMMUNICATION PLAN

4.2.1 STATUS REPORT DETAIL

Weekly status/budget reports will be delivered to the customer no later than the end of day Tuesday. These reports will/can be delivered to all funding groups if required.

4.2.2 PROJECT MEETINGS.

Weekly status meetings will be held to discuss project progress and to review any issues residing on the project issue log. The issue log will track all issues as they arise, documenting the issue, ownership, and any projected resolution date.

4.3 ROLES AND RESPONSIBILITIES

Customer Project Sponsor

Name: [redacted] Phone: [redacted]

ITE Project Manager

Name: Jeffery R Johnson Phone: 515-281-6868

ITE Manager

Name: Mark Uhrin Phone: 515-281-5818

5 BILLING

5.1 BILLING METHOD AND CYCLE

Automated Funds Transfer All accrued charges will be billed through ITE's standard billing process – the PACE Billing System, based on time and materials.

State agencies on the Integrated Information for Iowa system (I/3) agree to process payments to ITE under the general annual certification done by their agency for all costs included in this SLA. The general provision of the certification agreement between the agency and ITE include coverage for these items.

General coverage includes: Agency authorizes monthly transfer of payment in I/3 from them to ITE for billed amounts for services to the agency. ITE agrees to present a timely invoice, provide notice of transfer at least 4 working days from transfer date and to ensure error resolution regardless of transfer timing.

5.2 BILLING RATES

The fiscal and time estimates provided in this document are intended for planning purposes only. All work is to be done on a time and materials basis, using ITE published rates.

Any services provided by ITE as described in this document will be billed at ITE's rate in effect at the time of service delivery. Questions about ITE's rates, billed services, or related descriptions for specific billing line items may be directed to the Finance Division (Business Office) of DAS.

ITE's billing rates may be adjusted periodically and are published on the following Intranet web site:

(**http://das.ite.iowa.gov/rates/index.html**).

This site includes a list of services, descriptions for the services provided by ITE, as well as the current rates for these services. The rate for the staff working on this project at the time of the document, February 23, 2006, is $84.59 for ITS 4 & 5 positions.

5.3 BILLING CONTACTS

DAS / ITE Billing Contact
Joan Rowley 281-6907

Customer Billing Contact
name

###-####

6 TERMS AND TERMINATION

Any and all changes made under this agreement will be handled in the Change Control Process.

6.1 TERMINATION DUE TO LACK OF FUNDS OR CHANGE IN LAW

Either party shall have the right to terminate this SLA without penalty by giving sixty (60) days' written notice to the other as a result of any of the following:

- Adequate funds are not appropriated or granted to allow either party to operate as required and to fulfill its obligations under this SOW;
- Funds are de-appropriated, not allocated or if funds needed by either party, at either Party's sole discretion, are deemed insufficient for any reason;
- Either party authorization to operate is withdrawn or there is a material alteration in the programs administered by either Party;
- Either Party's duties are substantially modified.

6.2 TERMINATION DUE TO NON-APPROPRIATION

Notwithstanding any other provision of this SOW, if funds anticipated for the continued fulfillment of the SOW are, at any time, not forthcoming or are insufficient, either through the failure of the State to appropriate funds or funding from a federal funding source is reduced or discontinued for any reason, or through discontinuance or material alteration of the program for which funds were provided, DPS shall give the ITE written notice as soon as practical documenting the lack of funding, discontinuance or program alteration. Unless otherwise agreed to by the parties, the Agreement shall terminate on the last day of the fiscal year for which appropriations were available. However, in the event that an appropriation to cover the cost of this SOW becomes available within sixty (60) days subsequent to termination under this section, the ITE agrees to re-enter the Agreement with ITE under the same provisions, terms and conditions as the original SOW.

6.3 TERMINATION

DPS may terminate this Agreement, without penalty or incurring further obligation, upon one hundred twenty (120) days written notice. ITE may terminate this Agreement, without penalty or incurring further obligation, upon one hundred twenty (120) days written notice. ITE shall be entitled to compensation for services provided up to and including the termination date.

7 CUSTOMER ACCEPTANCE

Selecting the first acceptance line below will signify that DPS/Fire Marshal wishes to proceed with the work as defined in this document.

___ I accept this estimate and would like to proceed into the Execution Phase.
___ This Project will continue under the IowAccess Funding Requirements described in section 2.4of this document.
___ This Project will not use IowAccess Funds and the accounting code this project is to be billed to is _____.

___ I accept this statement of work and do not want to proceed.

_____	_____
Customer Sponsor Signature	ITE Sponsor Signature
_____	_____
Date	Date

ID	Task Name	Work	Duration	Start	Finish	Cost	Predecessors
1	**10195 DPS AGST**	**557.5 hrs**	**94.86 days?**	**Mon 5/1/06**	**Fri 9/8/06**	**$49,618.63**	
2	**PLANNING**	**0 hrs**	**1 day?**	**Mon 5/1/06**	**Mon 5/1/06**	$0.00	
3	**EXECUTION**	**557.5 hrs**	**94.86 days?**	**Mon 5/1/06**	**Fri 9/8/06**	**$49,618.63**	
4	*Execution begins*	*0 hrs*	*0 days*	*Mon 5/1/06*	*Mon 5/1/06*	*$0.00*	
5	**DESIGN**	**106.5 hrs**	**16.33 days?**	**Mon 5/1/06**	**Tue 5/23/06**	**$9,422.03**	
6	Data Model Design	8 hrs	4 days?	Mon 5/1/06	Thu 5/4/06	$1,007.28	4
7	Create and Populate Initial DB	2 hrs	1 day?	Fri 5/5/06	Fri 5/5/06	$251.82	6
8	**Report Design**	**8.5 hrs**	**1.33 days?**	**Mon 5/8/06**	**Tue 5/9/06**	**$719.02**	
22	**Application Design**	**24 hrs**	**3.75 days?**	**Mon 5/8/06**	**Thu 5/11/06**	**$2,030.16**	
33	**Website Design**	**64 hrs**	**10 days?**	**Tue 5/9/06**	**Tue 5/23/06**	**$5,413.76**	
45	*Design Complete*	*0 hrs*	*0 days*	*Tue 5/23/06*	*Tue 5/23/06*	*$0.00*	*44*
46	**CONSTRUCTION**	**262 hrs**	**55.02 days?**	**Mon 5/8/06**	**Mon 7/24/06**	**$25,054.98**	
47	Migrate DPS Data	60 hrs	30 days?	Mon 5/8/06	Mon 6/19/06	$7,554.60	7
48	**Shared Components**	**31 hrs**	**8.28 days?**	**Tue 6/20/06**	**Fri 6/30/06**	**$3,035.49**	
56	**Admin Application**	**74 hrs**	**11.56 days?**	**Tue 6/27/06**	**Wed 7/12/06**	**$6,259.66**	
71	**Inspections Application**	**10 hrs**	**1.56 days?**	**Wed 7/12/06**	**Fri 7/14/06**	**$845.90**	
78	**Reports**	**32 hrs**	**5 days?**	**Fri 6/30/06**	**Fri 7/7/06**	**$2,706.88**	
95	**Website**	**55 hrs**	**10.74 days?**	**Fri 7/7/06**	**Mon 7/24/06**	**$4,652.45**	
113	*Construction Complete*	*0 hrs*	*0 days*	*Mon 7/24/06*	*Mon 7/24/06*	*$0.00*	*112*
114	**TESTING**	**189 hrs**	**34.84 days?**	**Mon 7/24/06**	**Fri 9/8/06**	**$15,141.61**	
115	**Shared Components**	**24 hrs**	**3.75 days?**	**Mon 7/24/06**	**Thu 7/27/06**	**$2,030.16**	
120	**Admin Application**	**71 hrs**	**12.92 days?**	**Thu 7/27/06**	**Tue 8/15/06**	**$5,667.53**	
135	**Inspections Application**	**28 hrs**	**4.38 days?**	**Tue 8/15/06**	**Tue 8/22/06**	**$2,368.52**	
142	**Website**	**28 hrs**	**7.85 days?**	**Tue 8/22/06**	**Thu 8/31/06**	**$1,860.98**	
146	**Reports**	**38 hrs**	**5.94 days?**	**Thu 8/31/06**	**Fri 9/8/06**	**$3,214.42**	
160	*Testing Complete*	*0 hrs*	*0 days*	*Fri 9/8/06*	*Fri 9/8/06*	*$0.00*	*159*
161	*CLOSURE*	*0 hrs*	*0 days*	*Mon 5/1/06*	*Mon 5/1/06*	*$0.00*	

C. DNR 28E Agreement for FY06 – 2nd Quarter

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

ΦΦΦ *MEMO* ΦΦΦ

TO: **Iowa UST Board** 1st qrt milestones all paid

FROM: Scott Scheidel

DATE: April 14, 2006

RE: DNR 28E Funding Agreement – 2nd Quarter

Background

The Board entered into an agreement to provide funding for the DNR's UST compliance section. The agreement tied the quarterly payments to completion of certain milestone activities. A portion each quarter is tied to the meeting of administrative deadlines associated with development of a third party inspection program and the other portion is tied to completion of at least 300 UST inspections per quarter. To evaluate the completion of inspections, DNR has provided a list of sites inspected during the quarter and UST Fund staff reviews a representative sample (10%) to measure compliance. The full payment was made for the 1st quarter ending September 30, 2005.

Issue

The administrative milestone was met for the quarter ending December 31, 2005. Additionally, DNR has provided the list of inspections for the quarter ending December 31, 2005 and 10% have been reviewed for compliance.

Recommendation

motion passed to not pay 1 obstained 1 nay

Based on the completion of the administrative milestone, I would recommend payment of that portion of the quarterly payment. Based on the review of files with inspections completed, I would recommend ~~not paying~~ the inspection portion of the milestone. The review found 7 of the 32 sites reviewed were for one operator in the Waterloo/Cedar Falls area all on the same day. There were no comments or recommendations on the inspection. The inspections provided no value to the regulated party or to the UST compliance section.

2700 Westown Parkway, Suite 320 West Des Moines, Iowa 50266 Ph: 515-225-9263
Toll Free: 877-312-5020 Fax: 515-225-9361

4 E (new)

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

TO: Iowa UST Board

FROM: Scott M. Scheidel

SUBJECT: Contractor Markups – Non-Subcontracted Services

DATE: April 27, 2006

Background

In coordination with the Department of Natural Resources (DNR) and Board authority, corrective actions involving an active remedial system have been implemented on numerous LUST sites. In many cases, the corrective action involves a variety of services including those provided by the contractor, subcontracted services and services directly paid by the claimant. Services performed by the contractor are paid at standard or negotiated rates. Subcontracted services paid for by the contractor are allowed a reasonable mark-up to allow the contractor profit for the cost of handling the expense. Services not directly contracted for, such as utility fees and landfill disposal fees, are eligible expenses, however because these are direct costs to the claimant, mark-up has not been allowed.

The Administrator's office has been notified of several instances where a claimant is reported to be unable to pay for the costs of the utility fees or landfill disposal costs as an upfront cost, subject to reimbursement. This hardship has in several instances led to the shut down of a remedial system or the delay in the implementation of an approved corrective action. The Administrator has allowed a markup to be provided for these costs, where the claimant has been determined to be unable to pay for the services, which would qualify him for hardship funding, and where the contractor agrees to pay for the services.

In providing a limited markup contractors are provided some assurance that corrective actions may proceed without the problems created by utility or soil disposal cost issues. The limited markup will also allow a more efficient handling of the claims for the site, in that fewer transactions will be necessary and fewer checks need be issued by the State. A proposed markup of 5%, will allow the contractor the costs incurred in handling the expense through their books.

Summary

It is recommended that the Board approve a policy to allow contractors a markup of 5% on non-subcontracted services, such as utility charges and landfill disposal costs, without requiring the claimant to qualify for hardship funding. The intent of the markup is to allow the contractor to recoup their costs in handling the expense through their books, yet at the same time give all stakeholders some assurance that future remedial work may proceed.

Motion to approve - passed

D. DNR Update

Approval of Program Billings

5

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

MEMORANDUM

TO: UST Board Members
FROM: Scott Scheidel
DATE: April 24, 2006
SUBJECT: Additional Bills for Payment (CARRY-IN)

NOTICE

The following is an additional UST bill requiring Board approval for payment:

1. Iowa Department of Inspections & Appeals.....$205.00
   Administrative Hearings on behalf of Iowa UST
   January – March 2006

Approved

2700 Westown Parkway, Suite 320
Toll Free: 877-312-5020

West Des Moines, Iowa 50266

Ph: 515-225-9263
Fax: 515-225-9361

IOWA DEPARTMENT OF

INSPECTIONS & APPEALS

THOMAS J. VILSACK
GOVERNOR

SALLY J. PEDERSON
LT. GOVERNOR

STEVEN K. YOUNG, DIRECTOR

INVOICE

Invoice Date: **04/19/06**

Buyer: Iowa UST Financial Responsibility Program
Attn: Scott Scheider, Administrator
2700 Westown Pkwy, Ste 320
West Des Moines, IA 50266

Seller: Department of Inspections and Appeals
Lucas State Office Building
Des Moines, IA 50319

Services For: Administrative Hearings on behalf of the Iowa UST Financial Program
Period of Service: Jan – March

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

Document number	Fund	Agency	Org	Rev Source	Sub Rev	Hours	Amount
427JP109505	0001	427	3101	0301		2.50	$205.00

This billing is in accordance with Section 10A.107, Code of Iowa, 2004.

Please direct questions to Julie Jones at (515) 281-6459.

LUCAS STATE OFFICE BUILDING, 321 EAST 12TH STREET, DES MOINES, IOWA 50319-0083

ADMINISTRATION (515) 281-5457 FAX: (515) 242-6863
ADMINISTRATIVE HEARINGS (515) 281-4843 FAX: (515) 281-4477
HEALTH FACILITIES (515) 281-4115 FAX: (515) 242-5022
INVESTIGATIONS (515) 281-5714 FAX: (515) 242-6507
Telephone Number for the Hearing Impaired: (515) 242-6515

Underground Storage Tanks (State Treasurer)

PAY PERIOD	HOURS	CASE NUMBER	CASE NAME	ALJ
12/16-12/29/05	1.00	05UST001 05UST002	ALLEN SINCLAIR MUD E.	MARTY FRANCIS
12/30/1/12/06	1.00	05UST002	MUD E.	MARTY FRANCIS
1/13-1/26/06	0.50	05UST001	ALLEN SINCLAIR	MARTY FRANCIS
TOTAL	2.50			

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

MEMORANDUM

TO: UST Board Members
FROM: Scott Scheidel
DATE: April 21, 2006
SUBJECT: Summary of Bills for Payment

NOTICE

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

1. Aon Risk Services.....$112,830.33
   Consulting Services May 2006 -- $62,750.00
   Claims Processing Services May 2006 -- $50,080.33

2. Attorney General's Office $7,562.43
   Services provided for Underground Storage Tank Program
   March 2006 Billing

3. Iowa Department of Revenue $2,237.34
   Environmental Protection Charge collection – 3rd Q billing

2700 Westown Parkway, Suite 320 West Des Moines, Iowa 50266 Ph: 515-225-9263
Toll Free: 877-312-5020 Fax: 515-225-9361

Risk Services | AON

Iowa Comprehensive Petroleum

Invoice No. 9500000046433

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

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

Client Account No.	Invoice Date	Currency	Relationship Manager
10756349	Apr-03-2006	US DOLLAR	Scott Scheidel

Named Insured	Service Term	Trans. Eff. Date	Description	Amount
Iowa Comprehensive Petroleum	Jan-01-2006 - Jan-01-2007	May-01-2006	Renewal - Service Fee	
			Service Fee	57,750.00
			Consulting Expense	5,000.00
			TOTAL INVOICE AMOUNT DUE	62,750.00

Comments

Installment 5 of 12
Monthly Fee
Payment due within 20 days of Transaction Effective Date.

TO AVOID POTENTIAL DISRUPTION IN COVERAGE, PLEASE PAY IMMEDIATELY.
For Wire instructions, contact your Relationship Manager.

Please see reverse side for statement regarding Aon compensation.

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

Client Account No.	Invoice No.	Invoice Date	Currency	Amount Due
10756349	9500000046433	Apr-03-2006	US DOLLAR	62,750.00

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

Send remittance to:

Aon Risk Services, Inc. of Nebraska
Aon Risk Services Companies,Inc.
75 Remittance Drive - Suite 1943
Chicago IL 60675-1943

Risk Services | AON

Iowa Comprehensive Petroleum

Invoice No. 9500000046431

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

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

Client Account No.	Invoice Date	Currency	Relationship Manager
10756349	Apr-03-2006	US DOLLAR	Scott Scheidel

Named Insured	Service Term	Trans. Eff. Date	Description	Amount
Iowa Comprehensive Petroleum	Jan-01-2006 - Jan-01-2007	May-01-2006	Renewal - Service Fee	
			Service Fee	0.00
			Consulting Expense	50,080.33
			TOTAL INVOICE AMOUNT DUE	50,080.33

Comments

Installment 5 of 12
GAB Robins Monthly Claims Service
Payment due within 20 days of Transaction Effective Date.

TO AVOID POTENTIAL DISRUPTION IN COVERAGE, PLEASE PAY IMMEDIATELY.
For Wire instructions, contact your Relationship Manager.

Please see reverse side for statement regarding Aon compensation.

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

Client Account No.	Invoice No.	Invoice Date	Currency	Amount Due
10756349	9500000046431	Apr-03-2006	US DOLLAR	50,080.33

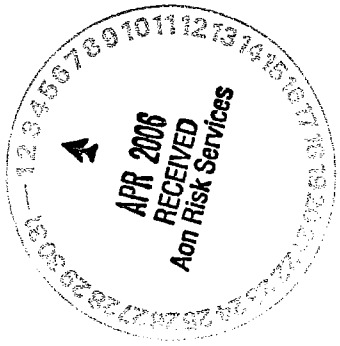
Iowa Comprehensive Petroleum
Underground Storage Tank Fund
2700 Westown Pkwy, #320
West Des Moines IA 50266

Send remittance to:

Aon Risk Services, Inc. of Nebraska
Aon Risk Services Companies,Inc.
75 Remittance Drive - Suite 1943
Chicago IL 60675-1943

IOWA ATTORNEY GENERAL'S OFFICE

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



Invoice Date: 03/30/06

Buyer:
Aon Risk Services
2700 Westown Pkwy, Ste 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: March

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

Document Number	Account Coding					Description	Amount
	Fund	Agency	Org	Sub Org	Rev Source		
112AG089027	0001	112	2301		0285		$ 7,562.43

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

Iowa Attorney General's Office
Invoiced Services

Billing Period:	**March**
Billing Total:	**$7,562.43**
DSS @ 33%	$1,312.84
TDB @ 25%	$988.59
RCH @25%	$590.83
CLJ @50%	$905.75
Payroll 3/9/06	$3,798.01
DSS @ 33%	$1,301.67
TDB @ 25%	$986.10
RCH @25%	$588.97
CLJ @50%	$887.68
Payroll 3/23/06	$3,764.42
Westlaw (.06% of total)	$0.00
Health Insurance	$0.00
Worker's Comp FY06 (Annual Prem.)	$0.00
Phone charges	$0.00
	$7,562.43

DSS = David Steward **33%**
Dave is our Asst Attorney General who provides the Board with legal counsel, drafts agreements and settlements with other State agencies and claimants.

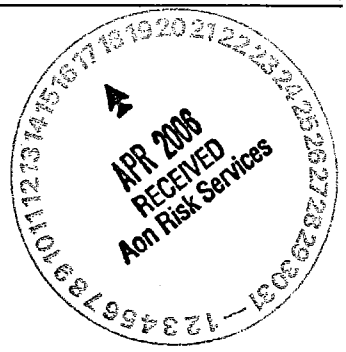
TDB = Timothy Benton **25%**
Tim is our other Asst Attorney General who provides the Board with the coordination of administrative hearings on UST Fund claim denial appeals, as well as the negotiation of any settlements.

RCH = Richard Heathcote **25%**
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 Jacobe **50%**
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.

Director: Mark R. Schuling
Hoover State Office Building
Des Moines, Iowa 50319
www.state.ia.us/tax

Iowa Department of Revenue



April 13, 2006

Scott Scheidel
Underground Storage Tank Program
2700 Westown Parkway Suite 320
West Des Moines, IA 50266

Dear Mr. Scheidel:

I am enclosing our 1st quarter EPC billing. I ask that you direct it to the appropriate person for approval and payment.

If you or the board require more detailed information, please call or write me at anytime.

Your assistance is fully appreciated.

Sincerely,

Roxane Foster
515 281-5228

Enclosures

cc: Stefanie Devin, Treasurer's Office

ENVIRONMENTAL PROTECTION CHARGE
COSTS INCURRED BY THE DEPARTMENT OF REVENUE
JANUARY - MARCH FY 2006

Compliance Division	
Examination Section:	
Personnel	$ 498.16
Indirect Costs	$ -
Total	$ 498.16
Field Audit Section:	
Personnel	$ 1,320.70
Indirect Costs	$ -
Total	$ 1,320.70
Revenue Operations Division	
Customer Accounts Section:	
Personnel	$ 10.86
Postage	$ -
Total	$ 10.86
Processing Section:	
Personnnel	$ 95.54
Indirect Costs	$ -
Total Revenue Operations Division	$ 106.40
Technology & Information Management Division	
Personnel	$ 312.08
Postage	$ -
Printing	$ -
Indirect Costs	$ -
Total	$ 312.08
DEPARTMENT TOTAL	**$ 2,237.34**

G:\AD\BUDGET\06 EXPENDITURE REPORTS\[06EXPRPT - FINAL EPC.xls]Apr-Jun

Please use the following accounting codes for the Environmental Protection Charges for the 1st quarter FY 06.

06-0001-6 EX04 -	**0285**	$	**498.16**
FO04 -			**1,320.70**
CA01 -			**10.86**
PR01 -			**95.54**
TM03 -			**312.08**
Total for Revenue		$	**2,237.34**

G:\AD\BUDGET\[EPC2.xls]Jan-Mar

Monthly Activity Report and Financials Reviewed

A. March Activity Report

Iowa UST Fund
Monthly Activities Report

March 2006

Claims	Open Claims February Ending	Open & Closed Monthly Net Changes	Open Claims March Ending	Open & Closed Totals since Inception
RETROACTIVE				
number	92	(2)	90	443
reserve	$5,584,902.47	($38,614.66)	$5,546,287.81	$5,546,287.81
paid	$13,237,005.28	($5,046,336.33)	$8,190,668.95	$13,300,619.94
total	$18,821,907.75	($5,084,950.99)	$13,736,956.76	$18,846,907.75
REMEDIAL				
number	1,133	(24)	1,109	4,428
reserve	$68,187,929.84	($1,163,906.89)	$67,024,022.95	$67,024,022.95
paid	$91,603,452.89	($401,289.71)	$91,202,163.18	$163,518,989.56
total	$159,791,382.73	($1,565,196.60)	$158,226,186.13	$230,543,012.51
INNOCENT LANDOWNER				
number	293	(6)	287	1,010
reserve	$12,956,458.36	($360,989.13)	$12,595,469.23	$12,595,469.23
paid	$10,762,147.08	($34,017.87)	$10,728,129.21	$17,957,134.20
total	$23,718,605.44	($395,007.00)	$23,323,598.44	$30,552,603.43
GLOBAL OPT-IN				
number	336	3	339	1,214
reserve	$2,179,941.19	($13,286.05)	$2,166,655.14	$2,166,655.14
paid	$2,450,545.84	$73,695.28	$2,524,241.12	$7,958,750.20
total	$4,630,487.03	$60,409.23	$4,690,896.26	$10,125,405.34
AST CLAIMS				
number	33	(20)	13	414
reserve	$986,722.96	($559,802.00)	$426,920.96	$426,920.96
paid	$224,879.04	($134,800.00)	$90,079.04	$10,925,904.87
total	$1,211,602.00	($694,602.00)	$517,000.00	$11,352,825.83

RT Claims	#
New	0
Reopened	0
Closed	2

RM Claims	#
New	0
Reopened	0
Closed	24

ILO Claims	#
New	3
Reopened	0
Closed	9

GS Claims	#
New	13
Reopened	3
Closed	13

AST Claims	#
New	0
Reopened	2
Closed	22

Invoice Type Totals	March	FYTD	Program to Date
American Soils	$0	$0	$5,678,423
AST Removal	$62,981	$682,950	$1,991,380
AST Upgrade	$247,537	$2,209,635	$5,298,561
CADR Charges	$34,518	$244,136	$4,261,244
Corrective Action	$154,900	$1,154,982	$46,917,702
Free Prod Recover	$83,570	$536,109	$5,653,639
Monitoring	$340,141	$1,872,001	$14,009,805
New UST Pull 2004	$69,697	$507,803	$536,521
Operations/Maint	$131,535	$699,974	$4,961,125
Over-excavation	$196,071	$2,384,339	$16,242,567
Plastic Water Lines	$9,142	$624,359	$624,359
Post RBCA Evals	$15,760	$38,796	$37,796
RBCA	$65,309	$426,105	$23,831,187
Remed Imp/Const.	$614,875	$4,057,135	$19,308,535
SCR Charges	$33,886	$33,886	$54,097,676
Site Check	$0	$3,000	$116,720
Soil Disposal	$0	$0	$596,767
Tank (UST) Pull	$0	$26,620	$4,774,177
Tank (UST) Upgrade	$0	$0	$5,883,408
Tier III	$10,302	$81,323	$966,186
Utilities	$34,786	$147,026	$150,034
Well Closure	$36,220	$183,802	$1,996,197
Total Invoice Types	$2,141,229	$15,913,981	$217,934,008

Budgets Approved to Date		
March	10	$417,797
Trailing 12 mos	155	$7,668,729
Prev Trail 12 mos	187	$7,882,272
Total Since Jan 2003	759	$25,639,558

UST Licenses in force:	216

Corrective Action Meetings	
Scheduled:	94
Completed:	532
MOA's	273

Project Claims	Open	Closed	Pending
CRP's	35	57	0
Tank Closure	2	3	0
Plastic Water Line	2	0	0

B. March Financial Report

IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FOR THE MONTH ENDING MARCH 31, 2006

/1 - UST REVENUE FUND (Bonding)

Balance of Fund, March 1, 2006		$4,250,000.00
Receipts:		
Tank Management Fees	$0.00	
Motor Vehicle Use Tax	$0.00	
Intra State Fund Transfers Received	$0.00	
Interest Income	$0.00	
Interest Income - Capital Reserve Fund	$0.00	
		$0.00
Disbursements:		
Bond Interest Payment	$0.00	
Bond Principal Payment	$0.00	
Transfer to Unassigned Revenue Fund	$0.00	
		$0.00
Balance of Fund, March 31, 2006		**$4,250,000.00**

0450 - UST UNASSIGNED REVENUE FUND (Non-Bonding)

Balance of Fund, March 1, 2006		$22,775,630.77
Receipts:		
Installer's License Fees	$185.00	
Request for Proposal Fees	$0.00	
Copying/Filing Fees	$0.00	
Fines & Penalties	$19,280.00	
Refund/Overpayment	$0.00	
Transfer From UST Revenue Fund	$0.00	
Intra State Fund Transfers Received	$0.00	
Compensation for Pooled Money Investments	$0.00	
Amort / Accretion	$0.00	
Buys/ Sells	$411.78	
Interest Income	$185,764.43	
		$205,641.21
Disbursements:		
UST Administrator's Fees	$112,830.33	
Attorney General's Fees	$13,260.95	
Attorney's Fees: Cost-Recovery Administration	$0.00	
Cost Recovery Expense (Lien Filing)	$0.00	

IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FOR THE MONTH ENDING MARCH 31, 2006

Actuarial Fees	$0.00	
Auditor of the State Fees	$0.00	
Bond Trustee Fees - Bankers Trust	$0.00	
Custodial Fees - BONY	$360.07	
Department of Revenue EPC Collection Fees	$967.61	
Environmental Protection Charge Refunds	$0.00	
Inspection & Appeals Service Fees	$0.00	
Installers/Inspectors/ Testers Licensing Refunds	$0.00	
Legal and Professional Fees	$0.00	
Postage / Printing / Miscellaneous	$0.00	
Professional Administrative Services (Investments)	$11,332.00	
Rebate	$0.00	
Tank Closure Claims & Plastic Waterline Claims	$14,175.50	
Travel Expenses-UST Board Members	$0.00	
Warrant Float Expense	$0.00	
Transfer to Aboveground Storage Tank Fund	$0.00	
Transfer to Remedial Non-Bonding Fund	$0.00	
Transfer to Innocent Landowner Fund	$0.00	
28E Agreement - RBCA (DNR Staff Training)	$0.00	
28E Agreement - DNR Staff Assistance (PEI)	$0.00	
28E Agreement - DNR 4 Temporary FTE's	$0.00	
28E Agreement - DNR - FY06 Funding	$0.00	
Statutory Transfer to DNR - FY06	$0.00	
Statutory Transfer to Watershed Improvement Fund - FY06	$0.00	
		$152,926.46
Balance of Fund, March 31, 2006		**$22,828,345.52**

0208 - UST REMEDIAL NON-BONDING FUND

Balance of Fund, March 1, 2006		$9,885,490.63
Receipts:		
Cost Recovery (Remedial Refund)	$0.00	
Misc. Income (Eligibility Settlements or Lien Settlements)	$0.00	
Interest Income	$0.00	
Transfer Received from Unassigned Revenue Fund	$0.00	
		$0.00
Disbursements:		
Retroactive Claims	$97,194.17	
Remedial Claims	$1,301,611.19	
Balance of Outdated Warrants	$1,350.00	
		$1,400,155.36
Balance of Fund, March 31, 2006		**$8,485,335.27**

IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FOR THE MONTH ENDING MARCH 31, 2006

8 - UST MARKETABILITY FUND		
Balance of Fund, March 1, 2006		$781,241.23
Receipts:		
Interest	$81,884.37	
Use Tax	$0.00	
		$81,884.37
Disbursements:		
Transfer to Aboveground Storage Tank Fund	$0.00	
		$0.00
Balance of Fund, March 31, 2006		**$863,125.60**
0485 - UST INNOCENT LANDOWNERS FUND		
Balance of Fund, March 1, 2006		$24,910,020.30
Receipts:		
Cost Recovery (ILO Refunds)	$0.00	
Intra State Fund Transfers Received	$0.00	
Miscellaneous Income	$0.00	
		$0.00
Disbursements:		
Other Contractual Services	$0.00	
Global Settlement Claims	$156,262.29	
Innocent Landowner Claims	$260,467.97	
Balance of Outdated Warrants	$0.00	
		$416,730.26
Balance of Fund, March 31, 2006		**$24,493,290.04**
0455 - ABOVEGROUND STORAGE TANK FUND		
Balance of Fund March 1, 2006		$682,017.32
Receipts:		
Interest Income	$3,645.74	
Canceled Warrants/ Corrected Warrants	$0.00	
Transfer from Marketability Fund	$0.00	
Transfer from Unassigned Revenue Fund	$0.00	
		$3,645.74
Disbursements:		
AST Claims	$310,517.61	
		$310,517.61
Balance of Fund on March 31, 2006		**$375,145.45**

IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FOR THE MONTH ENDING MARCH 31, 2006

...38 - UST LOAN GUARANTEE FUND (Non-Bonding)		
Balance of Fund, March 1, 2006		$1,160,121.59
Receipts:		
Interest Income	$3,580.71	
		$3,580.71
Disbursements:		
Payments on Loan Losses	$0.00	
		$0.00
Balance of Fund, March 31, 2006		**$1,163,702.30**
UST BOND FUND (Bonding)		
Series 1990 A		
Balance of Fund, March 1, 2006		$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, March 31, 2006		$0.00
Series 1991 A		
Balance of Fund, March 1, 2006		$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, March 31, 2006		$0.00

IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FOR THE MONTH ENDING MARCH 31, 2006

Series 1994 A		
Balance of Fund, March 1, 2006		$0.00
Receipts:		
Transfer From/(To) UST Revenue Fund	$0.00	
Transfer From Revenue Refunding Bonds 2004 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, March 31, 2006		$0.00
Series 1997 A Revenue Refunding Bonds		
Balance of Fund, March 1, 2006		$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, March 31, 2006		$0.00
Series 2004 A Revenue Refunding Bonds		
Balance of Fund, March 1, 2006		$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, March 31, 2006		$0.00
Combined UST Bond Fund Balances, March 31, 2006		**$0.00**

IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FOR THE MONTH ENDING MARCH 31, 2006

0614 - UST CAPITAL RESERVE FUNDS (Bonding)

Series 1990 A	
Balance of Fund, March 1, 2006	$3,990,710.18
Receipts:	
Proceeds From Issuance of Bonds	$0.00
Disbursements:	
Transfer Interest to Revenue Fund	$0.00
Balance of Fund, March 31, 2006	$3,990,710.18
Series 1991 A	
Balance of Fund, March 1, 2006	$2,641,220.03
Receipts:	
Proceeds From Issuance of Bonds	$0.00
Disbursements:	
Transfer to Cost of Issuance Fund	$0.00
Balance of Fund, March 31, 2006	$2,641,220.03
Series 1994 A	
Balance of Fund, March 1, 2006	($394,430.21)
Receipts:	
Proceeds From Issuance of Bonds	$0.00
Disbursements:	
Debt Service for Issuance of Bonds	$0.00
Balance of Fund, March 31, 2006	($394,430.21)
Combined UST Capital Reserve Fund Balances, March 31, 2006	**$6,237,500.00**
TOTAL FUND BALANCES, March 31, 2006	**$68,696,444.18**

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 lableled "Non-Bonding" are funds not restricted as to use by the Revenue Bond indenture.

C. Year-to-Date Financial Report as of March 31, 2006

IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FISCAL YEAR TO DATE ENDING MARCH 31, 2006

			FISCAL 2006 BUDGET
0471 - UST REVENUE FUND (Bonding)			
Balance of Fund, July 1, 2005		$8,940,677.84	$8,940,677.84
Receipts:			
Tank Management Fees	$0.00		$400,000.00
Motor Vehicle Use Tax	$12,750,000.00		$17,000,000.00
Intra State Fund Transfers Received	$0.00		
Interest Income	($300.00)		
Interest Income - Capital Reserve Fund	$0.00		
		$12,749,700.00	$17,400,000.00
Disbursements:			
Bond Interest Payment	$3,745,438.27		$2,426,240.15
Bond Principal Payment	$5,850,801.88		$7,170,000.00
Transfer to Unassigned Revenue Fund	$7,844,137.69		$7,803,759.85
		$17,440,377.84	$17,400,000.00
Balance of Fund, March 31, 2006		**$4,250,000.00**	$8,940,677.84
0450 - UST UNASSIGNED REVENUE FUND (Non-Bonding)			
Balance of Fund, July 1, 2005		$33,542,834.89	$33,542,834.89
Receipts:			
Installer's License Fees	$7,325.00		$8,000.00
Request for Proposal Fees	$0.00		$100.00
Copying/Filing Fees	$0.00		
Fines & Penalties	$26,167.50		$25,000.00
Refund/Overpayment	$3,825.14		
Transfer From UST Revenue Fund	$7,844,137.69		$7,803,759.85
Intra State Fund Transfers Received	$0.00		
Compensation for Pooled Money Investments	$0.00		
Amort / Accretion	($68,928.51)		($200,000.00)
Buys/ Sells	($73,945.92)		
Interest Income	$1,652,318.68		$1,500,000.00
		$9,390,899.58	$9,136,859.85
Disbursements:			
UST Administrator's Fees	$985,187.06		$1,292,346.96
Attorney General's Fees	$93,750.75		$105,500.00
Attorney's Fees: Cost-Recovery Administration	$0.00		
Cost Recovery Expense (Lien Filing)	$0.00		
Actuarial Fees	$0.00		
Auditor of the State Fees	$4,189.02		$4,400.00
Bond Trustee's Fees - Bankers Trust	$1,500.00		$6,000.00
Custodial Fees - BONY	$1,147.63		
Department of Revenue EPC Collection Fees	$4,574.22		$5,000.00
Environmental Protection Charge Refunds	$55,018.10		
Inspection & Appeals Service Fees	$0.00		$5,000.00
Installers/Inspectors/Testers Licensing Refunds	$0.00		
Legal and Professional Fees	$0.00		
Postage / Printing / Miscellaneous	$86.00		$100.00
Professional Admin Services (Investments)	$39,393.98		$25,000.00
Rebate	$0.00		
Tank Closure Claims and Plastic Waterline Claims	$174,343.18		$200,000.00
Travel Expenses-UST Board Members	$233.24		
Warrant Float Expense	($4,947.23)		

IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FISCAL YEAR TO DATE ENDING MARCH 31, 2006

			FISCAL 2006 BUDGET
Transfer to Aboveground Storage Tank Fund	$1,000,000.00		$5,000,000.00
Transfer to Remedial Non-Bonding Fund	$12,000,000.00		$12,000,000.00
Transfer to Innocent Landowner Fund	$0.00		
28E Agreement - RBCA (DNR Staff Training)	$0.00		
28E Agreement - DNR Staff Assistance (PEI)	$375,913.00		$240,000.00
28E Agreement - DNR 4 Temporary FTE's	$0.00		
28E Agreement - DNR - FY06 Funding	$175,000.00		$700,000.00
Statutory Transfer to DNR - FY06	$200,000.00		
Statutory Transfer to Watershed Improvement Fund - FY06	$5,000,000.00		$5,000,000.00
		$20,105,388.95	$24,583,346.96
Balance of Fund, March 31, 2006		**$22,828,345.52**	$18,096,347.78
0208 - UST REMEDIAL NON-BONDING FUND			
Balance of Fund, July 1, 2005		$6,788,401.00	$6,788,401.00
Receipts:			
Cost Recovery (Remedial Refund)	$8,842.33		
Misc. Income (Eligibility Settlement or Lien Settlement)	$0.00		$20,000.00
Interest Income	$0.00		
Transfer Received from Unassigned Revenue	$12,000,000.00		$12,000,000.00
		$12,008,842.33	$12,020,000.00
Disbursements:			
Retroactive Claims	$742,927.23		$1,000,000.00
Remedial Claims	$9,568,003.33		$16,000,000.00
Balance of Outdated Warrants	$977.50		
		$10,311,908.06	$17,000,000.00
Balance of Fund, March 31, 2006		**$8,485,335.27**	$1,808,401.00

IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FISCAL YEAR TO DATE ENDING MARCH 31, 2006

			FISCAL 2006 BUDGET
0478 - UST MARKETABILITY FUND			
Balance of Fund, July 1, 2005		$88,722.94	$88,722.94
Receipts:			
Interest	$774,402.66		
Use Tax	$0.00		
		$774,402.66	$0.00
Disbursements:			
Transfer to Aboveground Storage Tank Fund	$0.00		
		$0.00	$0.00
Balance of Fund, March 31, 2006		**$863,125.60**	$88,722.94
0485 - UST INNOCENT LANDOWNERS FUND			
Balance of Fund, July 1, 2005		$26,562,368.39	$26,562,368.39
Receipts:			
Cost Recovery (ILO Refunds)	$391.50		$1,000.00
Intra State Fund Transfers Received	$0.00		
Miscellaneous Income	$0.00		
		$391.50	$1,000.00
Disbursements:			
Other Contractual Services	$0.00		
Global Settlement Claims	$716,702.15		$700,000.00
Innocent Landowner Claims	$1,352,767.70		$1,000,000.00
Balance of Outdated Warrants	$0.00		
		$2,069,469.85	$1,700,000.00
Balance of Fund, March 31, 2006		**$24,493,290.04**	$24,863,368.39
0455 - ABOVEGROUND STORAGE TANK FUND			
Balance of Fund July 1, 2005		$2,196,230.36	$2,196,230.36
Receipts:			
Interest Income	$71,500.00		
Canceled warrants/Corrected warrants	$0.00		
Transfer from Marketability Fund	$0.00		
Transfer from Unassigned Revenue Fund	$1,000,000.00		$5,000,000.00
		$1,071,500.00	
Disbursements:			
AST Claims	$2,892,584.91		$7,000,000.00
		$2,892,584.91	
Balance of Fund on March 31, 2006		**$375,145.45**	$196,230.36

IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FISCAL YEAR TO DATE ENDING MARCH 31, 2006

			FISCAL 2006 BUDGET
0238 - UST LOAN GUARANTEE FUND (Non-Bonding)			
Balance of Fund, July 1, 2005		$1,131,743.27	$1,131,743.27
Receipts:			
Interest Income	$31,959.03		$20,000.00
		$31,959.03	$20,000.00
Disbursements:			
Payments on Loan Losses	$0.00		
		$0.00	$0.00
Balance of Fund, March 31, 2006		**$1,163,702.30**	$1,151,743.27
UST BOND FUND (Bonding)			
Series 1990 A			
Balance of Fund, July 1, 2005		$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, March 31, 2006		$0.00	$0.00
Series 1991 A			
Balance of Fund, July 1, 2005		$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, March 31, 2006		$0.00	$0.00

IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FISCAL YEAR TO DATE ENDING MARCH 31, 2006

			FISCAL 2006 BUDGET
Series 1994 A			
Balance of Fund, July 1, 2005		$0.00	$4.66
Receipts:			
Transfer From/(To) UST Revenue Fund	$0.00		
Transfer From Revenue Refunding Bonds 2004 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, March 31, 2006		$0.00	$4.66
Series 1997 A Revenue Refunding Bonds			
Balance of Fund, July 1, 2005		$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		
		$0.00	
Disbursements:			
Principal Payments to Bondholders	$0.00		
Interest Payments to Bondholders	$0.00		
Trustee Fee	$0.00		
		$0.00	
Balance of Fund, March 31, 2006		$0.00	$0.00
Series 2004 A Revenue Refunding Bonds			
Balance of Fund, July 1, 2005		$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		
		$0.00	
Disbursements:			
Principal Payments to Bondholders	$0.00		
Interest Payments to Bondholders	$0.00		
Trustee Fee	$0.00		
		$0.00	
Balance of Fund, March 31, 2006		$0.00	$0.00
Combined UST Bond Fund Balances, March 31, 2006		**$0.00**	**$4.66**

IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FISCAL YEAR TO DATE ENDING MARCH 31, 2006

		FISCAL 2006 BUDGET
0614 - UST CAPITAL RESERVE FUNDS (Bonding)		
Series 1990 A		
Balance of Fund, July 1, 2005	$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, March 31, 2006	$3,990,710.18	$3,990,710.18
Series 1991 A		
Balance of Fund, July 1, 2005	$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, March 31, 2006	$2,641,220.03	$2,641,220.03
eries 1994 A		
Balance of Fund, July 1, 2005	($394,430.21)	($394,430.21)
Receipts:		
Proceeds From Issuance of Bonds	$0.00	
Disbursements:		
Debt Service for Issuance of Bonds	$0.00	
Balance of Fund, March 31, 2006	($394,430.21)	($394,430.21)
Combined UST Capital Reserve Fund Balances, March 31, 2006	**$6,237,500.00**	$6,237,500.00
TOTAL FUND BALANCES, March 31, 2006	**$68,696,444.18**	$61,382,996.24

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 lableled "Non-Bonding" are funds not restricted as to use by the Revenue Bond indenture.

D. March Opt-In Report

OPT-IN PROGRAM SUMMARY REPORT
April 28, 2006
For the Period March 1 to March 31, 2006

GENERAL PROGRAM SUMMARY:

Notices to potential claimants:	4
Eligible claims referred to GAB this period:	3
Number of 90-Day Notices sent this period:	4
Settlement Agreements outstanding at major oil company for execution:	0
Settlement Agreements forwarded to GAB for processing warrants or co-payment credit:	11
Number of claimants receiving warrants or co-payment credit this period:	38
Number of 1st Party Affidavits received in lieu of supporting docs (# this month/# Total to date):	0/83

WARRANTS MAILED THIS PERIOD SUMMARY:

	Number		Total
First Warrant	0	$	-
Additional Warrants	38	$	30,648.34
Co-Payment Credit	0	$	-
TOTALS:	**38**	**$**	**30,648.34**

PROGRAM PAYMENT DISBURSEMENT TO DATE:

Oil Company	Total Claims to Date	New Claims this Period	Payments Made to Date	Payments Made this Period
ARCO	53	0	$ 381,493.69	$ 6,834.57
PHILLIPS	249	0	$ 1,533,700.83	$ 8,672.08
AMOCO	300	0	$ 2,038,759.17	$ 6,756.68
CONOCO	106	0	$ 627,647.99	$ 1,041.77
SOUTHLAND	17	0	$ 88,461.97	$ -
FINA	12	0	$ 93,692.53	$ -
SUN/SUNOCO	175	0	$ 1,127,429.85	$ 1,732.79
TEXACO	147	0	$ 938,128.77	$ 4,295.60
CHAMPLIN	20	0	$ 93,968.59	$ -
KERR-McGEE	78	0	$ 488,702.55	$ 1,314.85
CHEVRON	24	0	$ 162,341.11	$ -
OXY	0	0	$ -	$ -
T.P.I. INC.	14	0	$ 115,324.14	$ -
TOTAL:	**1195**	**0**	**$ 7,689,651.19**	**$ 30,648.34**

ADDITIONAL WARRANT SUMMARY:

Arco	$ 6,834.57	Sunoco	$ 1,732.79
Phillips	$ 8,672.08	Texaco	$ 4,295.60
Amoco	$ 6,756.68	Champlin	$ -
Conoco	$ 1,041.77	Chevron	$ -
Southland	$ -	Kerr-McGee	$ 1,314.85
Fina	$ -	TPI, Inc.	$ -

Attorney General's Report

Claim Payment Approval

Claim Payment Authority Reports

	Site #	Site Name	1st Bd Rpt	2nd Bd Rpt	3rd Bd Rpt	4th Bd Rpt	Paid to Date	Recommended Authority	Approved Authority	Comments
1	8605242	Brooklyn Service Center	07/12/05				$43,693	$310,000	$310,000	
2	8606604	Raven Corp	09/23/04	02/15/05	07/12/2005		$488,467	$700,000	$700,000	
3	8608762	Smithland Country Store	07/12/05				$68,721	$455,000	$455,000	
4	8608860	Winchell Property	07/12/05				$47,116	$300,000	$300,000	1 dww + 1 ndww
5	8609417	Sport Wade Inc.	07/12/05				$42,157	$140,000	$140,000	
6	8607453	Lloyd Roundy Trust	07/12/05				$72,711	$225,000	$225,000	
7	8603183	Emmet County	07/12/05				$85,851	$235,000	$235,000	
8	8606317	Kum & Go LC	09/21/93	08/16/94	07/12/2005		$154,634	$305,000	$305,000	
9	8915763	Easter Enterprises	07/26/95	08/25/05			$221,790	$531,649	$531,649	ndww
10	8605829	West Liberty Oil Co	08/25/05				$88,499	$275,000	$275,000	
11	8606675	John's 66 Service	08/25/05				$41,748	$350,000	$350,000	
12	8607851	City of Fort Dodge	08/25/05				$76,414	$305,000	$305,000	
13	8608818	Donnellson Tire & Service	08/25/05				$49,383	$200,000	$200,000	ndww
14	8608856	Stewart & Sons LTD	08/25/05				$33,050	$220,000	$220,000	
15	8710458	Holt Gas	08/25/05				$71,903	$320,000	$320,000	
16	8915573	Wellman DX Oil Co.	08/25/05				$32,629	$100,000	$100,000	
17	8600049	Multi-County Oil	08/25/05				$66,421	$240,000	$240,000	5 municipal dww
18	8606755	Cass County	03/23/04	08/25/05			$151,944	$375,000	$375,000	Well owners connecting to rural water.
19	8607907	Sapp Bros. Petro Inc.	08/25/05				$79,117	$375,000	$375,000	City ordinance
20	8602051	Break Pointe Stores Inc.	08/25/05				$63,901	$200,000	$200,000	
21	8603368	Menke Co	08/25/05				$26,230	$275,000	$275,000	dww
22	8601445	Goetz Enterprises LLC	08/25/05				$51,946	$300,000	$300,000	
23	8606840	Gene Moeller Oil Co	08/25/05				$84,870	$150,000	$150,000	
24	7910293	ChevronTexaco Co	01/12/04	09/22/05			$82,998	$470,000	$470,000	
25	8916239	City of Council Bluffs	09/13/04	09/22/05			$95,705	$800,000	$800,000	
26	8605336	MT & TE Nelson LTC	05/16/03	09/22/05			$252,352	$350,000	$350,000	3 dww receptors (2 plugged)
27	8608855	Stewart & Sons LTD	09/22/05				$19,970	$170,000	$170,000	
28	8601911	Total Petroleum Inc.	05/17/04	10/27/05			$108,341	$270,000	$270,000	
29	8710407	Carolyn Hoelscher	10/27/05				$122,802	$305,000	$305,000	10 dww receptors; no alt H2O supply
30	8608070	Harold's 66 Service	10/27/05				$41,731	$170,000	$170,000	
31	8601372	Sires Oil Co.	10/27/05				$54,519	$240,000	$240,000	dww's
32	8600916	Darling DX Service	10/27/05				$28,460	$175,000	$175,000	dww's
33	8601176	Robertson DX	10/27/05				$53,276	$330,000	$75,000*	municipal dww & multiple private dww's
34	8608194	Krause Gentle Corp	10/27/05				$84,591	$305,000	$305,000	1 municipal dww
35	8601996	Franklin Raymond	10/23/01	10/27/05			$130,920	$350,000	$350,000	
36	8914481	George Dolan Heirs	10/27/05				$72,509	$260,000	$260,000	6 dww receptors
37	8606219	Fast Trak/DTM Inc.	03/24/04	10/27/05			$54,872	$350,000	$350,000	

dww=drinking water well
ndww=non drinking water well
PGS=protected groundwater source
SOL=State owned lake

Claim Payment Authority Reports

	Site #	Site Name	1st Bd Rpt	2nd Bd Rpt	3rd Bd Rpt	4th Bd Rpt	Paid to Date	Recommended Authority	Approved Authority	Comments
38	8606988	Elliott Oil Co.	10/27/05				$66,837	$300,000	$300,000	
39	8912377	McDonnell Feed Store	10/27/05				$53,897	$300,000	$300,000	
40	8811808	Young Plumbing & Heating	10/27/05				$79,830	$320,000	$320,000	dww (municipal well)
41	8609527	Chieftain Corp	12/08/05				$65,589	$200,000	$200,000	
42	8601750	The Car Stop Co.	12/08/05				$81,536	$93,600	$93,600	
43	7900001	Growth Unlimited	02/20/03	01/27/06			$157,636	$430,000	$430,000	
44	7910409	Davis County	01/27/06				$65,733	$200,000	$200,000	ndww receptor
45	8603861	Midway Oil Co	01/27/06				$38,759	$125,000	$125,000	
46	8605016	Heartland Coop	09/23/96	01/27/06			$162,118	$375,000	$375,000	municipal dww
47	8607914	Louisa County	09/16/03	01/27/06			$159,450	$385,000	$385,000	municipal dww to be relocated
48	8608712	Midway Oil Co	01/27/06				$166,383	$175,000	$175,000	
49	8810919	Terian Inc	01/27/06				$67,226	$225,000	$225,000	
50	8810920	Casey's Marketing Co	01/27/06				$66,560	$180,000	$180,000	
51	8912155	Floyd County	01/27/06				$72,625	$325,000	$325,000	2 municipal dww and 1 private dww
52	9016817	Bossom's Quasky Mart	01/27/06				$61,315	$400,000	$400,000	multiple dww
53	8600110	United Framers Merc Coop	01/27/06				$71,382	$420,000	$420,000	
54	8600797	Shiv, Inc.	01/27/06				$66,658	$292,000	$292,000	6 dww

dww=drinking water well
ndww=non drinking water well
PGS=protected groundwater source
SOL=State owned lake

IOWA UNDERGROUND STORAGE TANK PROGRAM
FIRST BOARD REPORT
APRIL 25, 2006
APPANOOSE COUNTY
HWY 2
CENTERVILLE
SITE REGISTRATION NUMBER: 8605169
LUST NUMBER: 8LTR80

RISK CLASSIFICATION:

HIGH	X	LOW		UNDETERMINED	

PRESENT CLAIM RESERVE: $ 360,000.00

ELIGIBILITY: The contamination was discovered on September 28, 1990, and was reported to the IDNR. A claim was filed on October 22, 1990. This is an eligible remedial claim that went to the County by tax deed with 100% funding.

COST INCURRED TO DATE:

1. Tank pull	$ 6,927.50
2. Site clean-up report	17,640.32
3. Free product recovery	11,125.00
3. RBCA Tier II report	13,000..00
4. Site monitoring reports	8,200.00
5. Post-RBCA evaluation	1,000.00
6. Remediation implementation	5,480.00
7. Over-excavation	4,675.00
TOTAL COSTS INCURRED TO DATE:	$ 68,047.82

PROJECTED COSTS:

	Risked Based Corrective Action Tier I & II Report		Tank Pull/Up-Grade.
X	Site Monitoring Report (SMR)	X	Free Product Recovery (FPR)
	Corrective Action Design Report (CADR)	X	Implementation of over-excavation

TOTAL PROJECTED COSTS: $ 175,000. to 400,000.00 +

Approved

TOTAL AUTHORITY RECOMMENDED: $ 375,000.00

COMMENTS: This site is high risk for the groundwater and soil leaching to groundwater ingestion pathways for three non-drinking water wells; for the groundwater and soil vapor pathways for one residential sewer; and for the groundwater and soil leaching to groundwater to plastic waterline pathways for two plastic waterline receptors. The non-drinking water wells cannot all be plugged. It is recommended that an over-excavation be completed to remove soil and groundwater contamination. Further remediation of the groundwater contamination may be required.

IOWA UNDERGROUND STORAGE TANK PROGRAM
FIRST BOARD REPORT
MARCH 18, 2006
AGVANTAGE FS INC.
1877 – 110TH STREET
HAZLETON
SITE REGISTRATION NUMBER: 8608434
LUST NUMBER: 9LTA48

RISK CLASSIFICATION:

HIGH	X	LOW		UNDETERMINED	

PRESENT CLAIM RESERVE: $ 250,000.00

ELIGIBILITY: Free product was found and the IDNR was notified 11/21/94. We set up both a remedial and insurance claim. Timely filed insurance extension and clean site check prior to October 26, 1990. A claim was received December 15, 1994. Contamination was determined to be pre-October 26, 1990, release. This is an eligible remedial claim.

COST INCURRED TO DATE:

1. Site clean-up report	$ 18,720.00
2. Free product recovery	4,601.00
3. Site monitoring reports	15,468.00
4. RBCA Tier II report	3,651.80
5. RBCA Tier III work plan	1,200.00
6. Post RBCA Evaluation meeting	1,000.00
7. CADR	8,490.00
8. Remediation implementation/construction	14,220.92
TOTAL COSTS INCURRED TO DATE:	$ 67,351.72

PROJECTED COSTS:

	Risked Based Corrective Action Tier I & II Report		Tank Pull/Up-Grade.
X	Site Monitoring Report (SMR)	X	Free Product Recovery (FPR)
	Corrective Action Design Report (CADR)	X	Implementation of over-excavation

Approved

TOTAL PROJECTED COSTS: $ 150,000. to 300,000.00

TOTAL AUTHORITY RECOMMENDED: $ 300,000.00

COMMENTS: The site is high risk for the groundwater ingestion to drinking water well pathway for one private well. The well cannot be plugged. In addition, rural water will be putting PVC lines through the area. Some minimal funds may be used to convert the planned PVC lines to cast iron. The work will be completed prior to the submittal of PVC study results at Iowa State University. The groundwater professional is proposing AS/SVE or ISOC technologies to address the drinking water well.

IOWA UNDERGROUND STORAGE TANK PROGRAM
FIRST BOARD REPORT
APRIL 19, 2006
KUM & GO LC
502 W. 2ND STREET
OTTUMWA
SITE REGISTRATION NUMBER: 8606327
LUST NUMBER: 7LTN71

RISK CLASSIFICATION:

HIGH	X	LOW		UNDETERMINED	

PRESENT CLAIM RESERVE: $ 225,000.00

ELIGIBILITY: The contamination was reported to the IDNR on June 8, 1990, following an insurance site check. This is an eligible remedial claim.

COST INCURRED TO DATE:

1. Site check and site clean-up report	$ 26,064.71
2. Tank pull and tank upgrade	18,767.62
3. Site monitoring reports	14,994.91
4. RBCA Tier II report & post-RBCA evaluation	5,303.07
5. Free product recovery	14,463.16
TOTAL COSTS INCURRED TO DATE:	$ 79,593.47

PROJECTED COSTS:

	Risked Based Corrective Action Tier I & II Report		Tank Pull/Up-Grade.
X	Site Monitoring Report (SMR)	X	Free Product Recovery (FPR)
?	Corrective Action Design Report (CADR)	X	Implementation of over-excavation

Approved

TOTAL PROJECTED COSTS: $ 95,000. to 200,000.00

TOTAL AUTHORITY RECOMMENDED: $ 280,000.00

COMMENTS: The site is high risk for vapor pathways only. Free product was late discovery, thought at first to be a new release. Further inquiry indicated it is from tanks removed or abandoned prior to June 1990.

IOWA UNDERGROUND STORAGE TANK PROGRAM
SECOND BOARD REPORT
APRIL 19, 2006
ELLIOTT OIL CO.
1049 W. 2ND
OTTUMWA
SITE REGISTRATION NUMBER: 8606983
LUST NUMBER: 7LTM74

RISK CLASSIFICATION:

HIGH [X] **LOW** [ ] **UNDETERMINED** [ ]

PRESENT CLAIM RESERVE: $ 400,000.00

PREVIOUS BOARD APPROVAL: $ 300,000.00
Number and Date of each previous Board Report: 1st: October 18, 2005

PREVIOUS COSTS INCURRED: $ 66,837.45

COSTS INCURRED SINCE LAST BOARD APPROVAL:

1. OE & replace distribution lines	256,450.38
2. Free product recovery	1,000.00
3. Site monitoring report	2,273.01

TOTAL COSTS INCURRED TO DATE: $ 326,560.84

PROJECTED COSTS:

[ ]	Risked Based Corrective Action Tier II Report	[ ]	Tank Pull/Up-Grade.
[X]	Site Monitoring Report (SMR)	[ ]	Free Product Recovery (FPR)
[?]	Corrective Action Design Report (CADR)	[X]	Implementation of CADR Approved

TOTAL PROJECTED COSTS: $ 40,000.00 to 200,000.00+

ADDITIONAL AUTHORITY RECOMMENDED:* $ 125,000.00

TOTAL AUTHORITY:** $ 425,000.00

COMMENTS: The contractors exceeded our Board authority on this site. The consultant had grossly underestimated costs to replace the tank system lines after the excavation (cost correction was made prior to the excavation) and costs to dispose of excavated soils. Due to high contamination levels, land farming was near impossible under IDNR requirements. For soil disposal, the consultant quoted $60.00 per yard when cost was actually $60.00 per ton at landfill, an increase of 50%. The excavation costs increased further due to winter weather problems. We are awaiting documentation to resolve issues on reasonable and necessary costs. The approved budget was $188,310.00 for the excavation. The site remains high risk; further corrective action may be necessary.

IOWA UNDERGROUND STORAGE TANK PROGRAM
FIRST BOARD REPORT
APRIL 20, 2006
CASEY'S MARKETING CO.
HWY 35
TIPTON
SITE REGISTRATION NUMBER: 8606602
LUST NUMBER: 7LTR08

RISK CLASSIFICATION:

HIGH	X	LOW		UNDETERMINED	

PRESENT CLAIM RESERVE: $ 275,000.00

ELIGIBILITY: The contamination was reported to the IDNR on August 10, 1990 following insurance site check indicated contaminated groundwater. This is an eligible remedial claim. A dispute on extent of pre-October 26, 1990, release occurred in October 1993 with significant disposal of contaminated soil at American Soils with tank pull.

COST INCURRED TO DATE:

1. Site check (pre-11/93)	$ 4,711.40
2. Site clean up report (pre-11/93)	18,061.03
3. American Soils (partial) (pre-11/93)	59,531.13
4. Free product recovery (post-11/04)	5,475.00
5. Post-RBCA evaluation & site monitoring reports (post-11/04)	5,410.33
6. Over-excavation (post-11/04)	95,501.67
TOTAL COSTS INCURRED TO DATE:	$ 188,690.56

PROJECTED COSTS:

	Risked Based Corrective Action Tier I & II Report		Tank Pull/Up-Grade.
X	Site Monitoring Report (SMR)	X	Free Product Recovery (FPR)
?	Corrective Action Design Report (CADR)	?	Implementation of CADR

Approval

TOTAL PROJECTED COSTS: $ 40,000. to 150,000.00 +

TOTAL AUTHORITY RECOMMENDED: $ 300,000.00

COMMENTS: Payments on this site ended in October 1993 pending documentation that soil removal was necessary and within allowable guidelines. The dispute was negotiated with a settlement agreement recently executed, resolving differences. Based upon new data, owner could not document soil remove within IUST guidelines. IUST agreed present soil and free product are from a pre-October 26, 1990 release from an old pump island distant from old and new tank pits. Costs after 2004 were pre-approved for reasonable only. Over-excavation was partially successful. The contamination is deep and extends under the street. Low range of costs is dependent upon passing soil gas.

Contracts Entered Into
Since March 31, 2006 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

ΦΦΦ *MEMO* ΦΦΦ

TO: **UST Board**

FROM: Scott Scheidel

DATE: April 21, 2006

RE: Contracts Entered Into Since March 31, 2006

Since the March 31, 2006 Board meeting, the Board has not entered into any new contracts.

2700 Westown Parkway, Suite 320 West Des Moines, Iowa 50266 Ph. 515-225-9263
Fax: 515-225-9361

Other Issues as Presented

Correspondence and Attachments

IOWA
PRESS CLIPPING BUREAU

Harlan News-
Advertiser
Harlan,IA
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33-36-120P

Renewable fuel bills approved

Two renewable fuel bills that should increase the use of biofuels passed the House and were sent to the Senate this week. HF 2754 provides legislation guidelines that will assist motor fuel retailers when they put in new biolfuel storage and dispensing systems. The bill passed on a broadly bipartisan 92-7 vote. Two amendments were defeated. One amendment that lost on a 44-53 vote to strip out the potential gas tax increase on non ethanol fuels if the goals for biofuels were not reached. The biofuel goals were 10% in 2010, 15% in 2015, 20% in 2020 and 25% in 2025. The gas tax on non ethanol would increase two cents a gallon for every 1% the goal was short in the target years.

The other amendment that was defeated was a requirement that all gas would contain ethanol. The proponents of the amendment argued that a mandate is an inexpensive way to increase ethanol use and to eliminate promotional tax credits. Opponents of the ethanol requirement were concerned about taking away choice and having choice keeps prices competitive.

HF 2559 passed 99-0 that provides funding for the Renewable Fuel Infrastructure program and appropriates $2 million per year for the next three fiscal years from the Grow Iowa Values Fund.

A bill HF 236, that I am the floor manager and one of the co-sponsors of passed out of the Ways and Means Committee with a unanimous vote this week. The bill would allow a $500 state tax credit for volunteer fire fighters or emergency medical personal. The credit could only be claimed once even if the volunteer was a member of both units. The volunteer would have to serve a full year before claiming the credit. The credit would be prorated monthly to the nearest five dollars if the volunteer left the unit after the one year. The one draw back to the bill as written is the volunteer would have to have paid at least $500 in state income tax to get the credit. I feel this bill has a good chance of passing this year. It still must pass the House and the Senate and the Governor sign the bill to become law. I appreciate the work and training that the volunteers do to prepare for an emergency, that we hope will never be needed.

The National Education Association released a report that Iowa is 41st in the nation in teacher salaries. Connecticut is first in the nation with an average teacher salary of $58,688 or$19,400 higher than Iowa's salary of $39,288. In the report there are 15 states with rankings from 29 to 43 with a spread of $3,000 between the states. Nevada is ranked 25th in the nation and the average salary is $4,110, or10.5% higher than Iowa.

In the same report is the student-to-teacher ratio in which Iowa is above that national average and the 14th highest in the nation. For every one teacher there are 13 students. Nationwide, there is one teacher for every 15.6 students. Five years ago, Iowa had one teacher for every 14.7 students. Iowa has 18,982 less students, but 833 more teachers than it did five years ago. K-12 education is funded on a student count driven formula.

Harlan News-Advertiser
Harlan,IA
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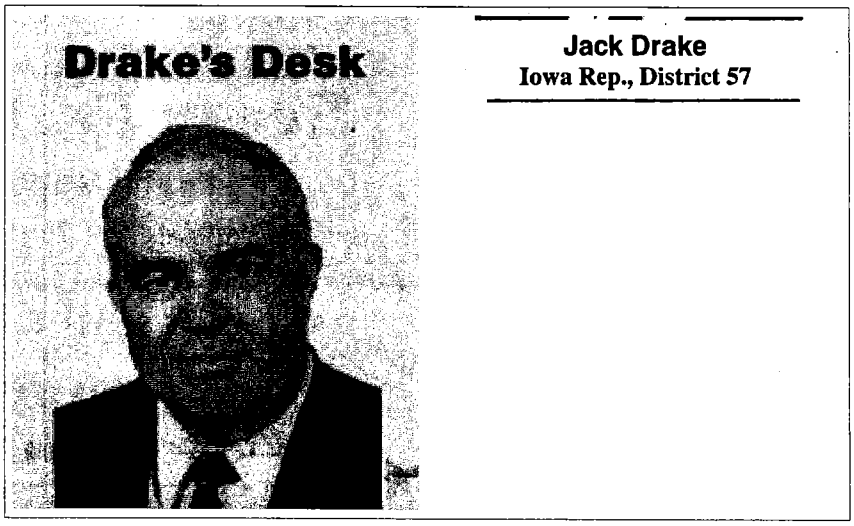

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PRESS CLIPPING BUREAU

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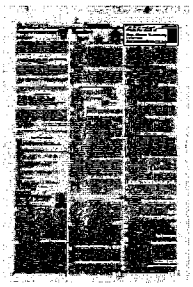

51-33-36-1208-2A

From the desk of

Rep. Chuck Soderberg
515-281-3221
chuck.soderberg@legis.state.ia.us

As we continue to work towards completing our work for this year's legislative session, I very much appreciate the ideas that you continually share with me. The Iowa House continues to pass a number of bills and is hopeful the Senate will take them up for consideration. We also remain very busy considering legislation in the Ways & Means and Appropriations Committees. This week, I will briefly review a few key issues and bills that either passed in the Iowa House or were passed out of committee and remain alive for further action.

House Bill Will Boost Ethanol, Soy Diesel Use

On March 28, the House passed two bills to increase the use of renewable fuels by Iowa motorists. Renewable fuels include 2%, 5% and 20% biodiesel blends as well as E-10 and E-85 ethanol blends. Iowa is the largest producer of ethanol, with 27 ethanol plants up-and-running by the end of this year. An amendment was soundly defeated mandating an E-10 ethanol blended fuel. An E-10 mandate would eliminate existing tax credits, thus increasing fuel pump prices.

The bill, HF2754 establishes a partnership between consumers, retailers and farmers in Iowa to increase the consumption of renewable fuels and decrease the reliance on foreign oil. Today, over 8 percent of the fuel currently used in Iowa is renewable with approximately 80 percent of Iowa drivers using a 10 percent ethanol blend. The House bill expands Iowa's commitment to increase the renewable fuel percentage of use to 25 percent by the year 2025.

The House also expands the efforts to increase the fuel use of cars and trucks that have the option to run on an 85 percent blend, or "flex-fuel" vehicles, as they are commonly known. Approximately 100,000 flex-fuel vehicles are on the road in Iowa today. Unfortunately, there are less than 30 retailers in Iowa sell the E85 blend.

HF2759 provides funding for a Renewable Fuel Infrastructure program and appropriates $2 million per year for the next three years from the Grow Iowa Values Fund. The bill also shifts the agency with oversight and administrative support of this fund from the Iowa Department of Natural Resources (DNR) to the Iowa Department of Economic Development (DED).

House moves forward with Health Care Reform

One of the most important issues facing the Legislature this session was to find a way to help businesses and individuals access affordable health care coverage. Serving on this committee, we researched and analyzed many different areas affecting the price of health insurance. A significant step was taken on March 29th when the House Ways and Means Committee passed HF2529 to begin the reform of small business health care. It now moves to the House floor for further consideration. The bill addresses several key areas:

- Provides the ability for a business association to offer health insurance coverage to their members' businesses. Currently, most associations are prohibited from offering such coverage to their members. For most small businesses, this forces them into the small group coverage market, making health insurance very expensive.
- Wellness incentives would be permitted to take place. Current Iowa law does not permit employers or insurers to pass along to individual plan enrollees any savings associated with certain lifestyle choices. This division now permits this to take place.
- Assist small businesses to implement a wellness program with a tax credit of $50 per employee per year. This is intended to help offset some of the cost of a small business to implement

Akron
Hometowner
Akron, IA
Circ. 951
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a wellness program for employees such as preventative health care and wellness services such as vaccinations, nutritional counseling, and smoking cessation programs.

House Committee Recommends Revised Water Quality Standards Measure

The House Environmental Protection Committee passedSF2363 and will considered by the full House before the end of session. For the most part, there is a broad agreement between farmers, businesses, small rural and large urban communities and mainstream environmental groups that:

- Acknowledge that there is considerable water quality work to do in this state.
- Know that it needs to be done in a cost-effective manner that will simultaneously maximize water quality improvement to Iowa citizens, but at a cost that Iowans can live with.

The bill would provide a system to classify state waters as a designated stream segment when one of three criteria is met.

- Certain flow rates are met – this being that the last ten-year median flow rate is at least one cubic foot per second, barring rainfall events above a certain amount.
- The water is critical habitat of threatened aquatic specie.
- Credible data supports that certain low water flows provide a refuge for certain aquatic life.

The bill also allows the DNR to grant variances on operating permits for certain specified circumstances. It also creates a Watershed Quality Planning Task Force and requires a report to the General Assembly by June 30, 2008, on recommendations for a voluntary statewide water quality program. This will help set parameters to improve water quality, optimize voluntary efforts, and create economic incentives for voluntary nonpoint source reductions and point source discharge reductions.

Thanks to all who have attended my Saturday morning legislative forums this year.

If you have any questions or comments, please feel free to reach me during the week at (515)-281-3221, on weekends at (712)-546-6136 or email me at Chuck.Soderberg@legis.state.ia.us.

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IFBF supports bipartisan renewable fuels bill

Iowa's largest grassroots farm organization, the Iowa Farm Bureau Federation (IFBF), today applauded the House for passing HF 2754 that established a Renewable Fuels Standard (RFS) for Iowa.

The bill now moves to the Senate.

"This bill illustrates what can happen when groups work together for the greater good, "said IFBF President Craig Lang. "Farm Bureau members throughout Iowa want to achieve the highest level of renewable fuels use possible. HF 2754 is both aggressive and achievable *and* will help move Iowa one step closer to energy independence."

The bill has received widespread, bipartisan support from other groups including the Iowa Soybean Association, Iowa Cattlemen Association, Iowa Institute of Cooperatives, Agribusiness Association of Iowa, Petroleum Marketers and Convenience Stores of Iowa, the Iowa Motor Truck Association and John Deere.

"We all want to see Iowa take a leadership role in renewable fuels," said Dawn Carlson, Executive Director of the Petroleum Marketers and Convenience Stores of Iowa. "But in order forus to do that, we need to build the infrastructure and be able to sustain it for the long-term. HF 2754 can help us achieve that goal for the benefit of all Iowa."

The bill includes four key components advocated by Farm Bureau members throughout Iowa:

An aggressive and achievable RFS for ethanol and biodiesel.

An aggressive incentive program, including an additional incentive for the sale of E-85 and a new incentive for the sale of biodiesel. The incentive program focuses on moving retailers to sell and consumers to buy more renewable fuels.

Establishes accountability mechanisms to keep the state moving forward to achieve the RFS. Retailers who do not continue to increase the sale of ethanol (particularly E-85) will see their incentives phased out. In addition, if the state does not achieve the RFS at each level, the gas tax on non-blended gas will increase by two cents for every percent the state is short.

Creates an infrastructure board to oversee the distribution of infrastructure assistance. The infrustructure assistance is in the form of a grant for both ethanol and biodiesel.

"Ethanol and biodiesel are not just good for agriculture, they are also good for Iowa," said Lang. "We have an opportunity to really put Iowa on the map, grow new industries for the state and lead our nation in energy development. It's imperative that we work *together* to ensure that an aggressive, achievable bill addressing renewable fuels is passed this year."

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Expand efforts to make the state government lean

"This is a revolution of change. The desire to keep improving is contagious. We are addicted to success."

These comments were made recently by the deputy director for Iowa's Department of Natural Resources, Liz Christensen. Like many top officials in state government, she once believed that the old methods her agency used to issue business permits, licenses and certifications were efficient. Efficient enough, anyway.

Donna KATEN-BAHENSKY

Companies wishing to continue operations, expand existing facilities or construct new buildings in Iowa could do so only after completing a process that could take weeks, months or sometimes years.

That, however, was before introduction of Lean Enterprise to state government.

Successful businesses worldwide subscribe to the philosophy behind Lean — the continuous, critical evaluation and improvement of administrative and production processes. Lean allows for redeployment of scarce human and financial resources in the most efficient manner possible, eliminating steps in processes that add no value to the end product. This, in turn, leads to happier employees, reduced costs and increased product quality.

Limited introduction of Lean Enterprise to state government has provided significant benefits to departments and their constituencies. A proposal now before the Legislature would allow hiring an employee to coordinate and facilitate Lean events throughout state government. It deserves approval.

Business efficiency experts assert that up to 35 percent of the average employee's time is wasted on inefficient procedures. In health care, that number jumps to 60 percent. Statistics like these spurred the University of Iowa Hospitals & Clinics to host a series of week-long Lean "events" within several of its patient-care areas. The results: Treatment procedures and wait times improved 32 percent to 100 percent.

Such success inspired the Iowa Business Council to introduce a similar culture of continuous process improvement to the public sector. In 2003, the council collaborated with DNR to conduct the first Lean event in state government — examining procedures for air-quality permits for construction. A paperwork-routing process that once took 62 days was reduced to six, an efficiency improvement of up to 90 percent.

According to DNR Director Jeff Vonk, Lean did not diminish the actual time required for a permit's review by air-quality engineers. Efficiency improvement was realized in the days that paperwork sat on desks.

"A competitive business climate means regulatory functions need to perform as efficiently as possible," Vonk said. "Iowa now leads the nation in expediting the completion of required construction permits, accomplished without sacrificing any environmental benefit."

Thirty-three Lean events have now been conducted within 13 agencies of state government. The most recent occurred in Iowa Workforce Development. Director Richard Running and his staff examined the complaint process used for the Occupational Safety and Health Administration, which reviews more than 2,500 complaints annually.

The department sought to improve initial screening procedures and diminish complaint cycle times. The results: Procedural steps were reduced 58 percent, process handoffs declined 57.1 percent and delays dropped 50 percent.

"This is remarkable evidence of how seasoned employees can improve long-established processes," Running said. "Service levels for employees injured on the job are enhanced, and the employer doesn't wait as long now for a complaint to be resolved."

This record of success justifies creating an Office of Lean Enterprise within the Department of Management. The department submitted a request to the Legislature for $222,000 for fiscal year '07. Having a dedicated advocate for Lean Enterprise within the executive branch would produce an enormous return on investment for Iowa.

DONNA KATEN-BAHENSKY is director and chief executive officer of University of Iowa Hospitals and vice chair of the Iowa Business Council, a nonprofit, non-partisan organization whose 24 members include the top executives of 20 of the largest businesses in the state, the three Regent university presidents and Iowa's largest banking association.

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Leaner, more efficient

Lean is a philosophy that calls for the continuous evaluation of administrative and production processes. The following table lists significant results from the use of Lean processes in state government since 2003.

DEPT.	BUSINESS PROCESS	OLD SYSTEM	POST-LEAN PROCESS	DATE
DCA	Historical preservation office: HUD submittals	50% defective	100% complete	2004
	Great Places program	Concept only	Program designed in four days	2005
IWD	New elevator inspections	45 days	6 days	2005
IVH	Vets Home medication administration, unit-to-pharmacy-to-unit lead time	6 hours	4 hours	2005
DIA	Health facilities complaint intake		Steps reduced 56%; delays reduced 80%	2006

Source: Department of Management

THE REGISTER

DNR = Department of Natural Resources; DCA = Department of Cultural Affairs; IDED = Iowa Department of Economic Development; IWD = Iowa Workforce Development; DPS = Department of Public Safety; IVH = Iowa Veterans Home; DOC = Department of Corrections; DIA = Department of Inspections and Appeals.

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enewable fuel bill is a work in progress, sets standards

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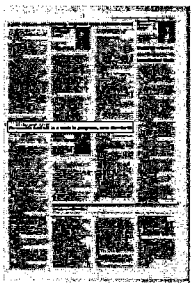


Tuesday, the Iowa House passed HF 2754, the renewable fuel bill, by a vote of 92-7. I was the floor manager of this bill through agriculture committee, caucus and on the floor..

HF 2754 proposes to establish in Iowa a renewable motor fuel goal of 25 percent by 2025. The bill has implementation provisions needed for achieving this goal.

HF 2754 creates financial incentives to both expedite private creation of both biodiesel mixing facilities and additional E-85 motor fuel retail facilities. It incorporates new and increased tax credits for retail fuel operators to encourage Iowans to utilize E-85 and biodiesel in their motor vehicles and machinery in the workplace.

This bill has been a work in progress; first, it was amended, and passed the House agriculture committee Feb. 28 by a bipartisan vote of 19-2. Then it was directed to the House ways and means committee, where it was amended and passed March 15 on another bipartisan vote of 22–2.

HF 2754 provides renewable fuel standard and petroleum replacement provisions that are designed to ensure Iowa motorists receive a product that performs well in their vehicles and by doing so protects and enhances the reputation of the Iowa renewable fuels industry.

The bill will establish a goal of 25 percent of the petroleum component of gasoline be replaced by renewable biofuels by 2025. This goal is broken down into increments: 10 percent by the end of 2009, 15 percent by the end of 2014 and 20 percent by the end of 2019. To keep on track, Iowa will need to sell 1.4 billion gallons of biofuels by 2020.

Currently, just over 8 percent of the gasoline sold in Iowa is made up of ethanol, and very little of the diesel dispensed in Iowa contain biodiesel.

To reach our first goal of 10 percent by 2010, we are going to sell more E-85 than we do today. We need to increase dramatically the number of flexfuel dispensing stations to enable more consumer convenient access to this product.

The components in HF 2754 establish a partnership among consumers, retailers, farmers and our state to increase the consumption of renewable fuels and decrease the reliance on foreign oil.

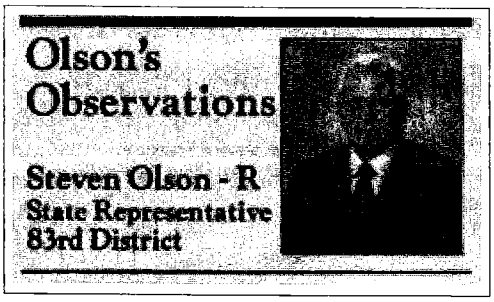
This partnership has already begun when you look at the entities supporting this bill: Iowa Soybean Association, Iowa Cattlemen's Association, Iowa Farm Bureau, Agribusiness Association of Iowa, Iowa Institute of Cooperatives, Iowa Motor Truck Association, Petroleum Marketers of Iowa and John Deere.

The state has a long way to go to reach the renewable fuel standards set forth in this bill. But we can get there, and that is why it is so important to include the following components in HF 2754:

- An aggressive, yet achievable, renewable fuels standard.
- Incentives to move retailers to sell more renewable fuels and consumers to buy more renewable fuels, with an emphasis on E-85 and biodiesel.
- Infrastructure assistance to help increase the number of stations across the state selling E-85 and increase the number of blending facilities for biodiesel.
- Accountability system that rewards retailers who sell more renewable fuels.

I want to make it clear this bill does not mandate the use of renewable fuel. There was an amendment to put a mandate into the bill, and it failed on at 50-20 vote. Iowans will continue to make their choice of fuel at the gas pump. HF 2754 now moves onto the Senate where I will continue to be an active partner in this legislation.

Always feel free to contact me on any issue before the Iowa Legislature. I can be reached at 515/281-7179 during the week or by e-mail at steven.olson@legis.state.ia.us.



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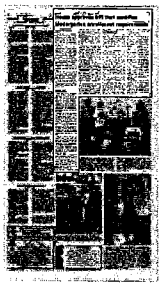

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House approves bill that modifies kindergarten enrollment requirements

By Dolores Mertz

Expanded Kindergarten Access

The House approved House File 2620, which modifies the kindergarten enrollment requirements. Under current law, a school district is only allowed to enroll children in kindergarten who have reached the age of five by Sept. 15.

This bill would allow school districts to enroll a child in kindergarten who is five years of age after Sept. 15 of the current school year. The child must demonstrate sufficient ability to benefit from kindergarten work, on the basis of tests or other means of evaluation recommended or approved by the Department of Education. The Legislative Service Agency estimated that, at the most, 2,200 children may take advantage of this early kindergarten enrollment.

The bill also allows school districts to enroll children in kindergarten, who turn five after Sept. 15, if the child was enrolled in kindergarten in another state.

The bill now goes to the Senate, where it must be taken up for consideration this week to remain eligible for this session. I did support this bill.

Expand Use of Renewable Fuels

After passing both the House Agriculture Committee and Ways and Means Committee, House File 2754, the renewable fuels policy bill, is now before the full House for consideration. The bill is designed to push for more consumption and use of renewable fuels in Iowa, including both E-85 (a blend of 85 percent ethanol and 15 percent petroleum) and biodiesel.

House File 2754 establishes a goal, that by Jan. 1, 2025, ethanol and biodiesel will replace 25 percent of all petroleum used in the formulation of motor fuel. Ethanol thresholds are established that need to be met (10 percent by 2010, 15 percent by 2015, 20 percent by 2020, and 25 percent by 2025). If these thresholds are not met, the gas tax on regular unleaded will be increased, based upon a formula spelled out in the bill.

The bill repeals the current ethanol retailer tax credit and establishes an ethanol promotion tax credit for retailers. The new credit equals 5 cents per pure gallon of ethanol sold through 2025. An E-85 gasoline promotion tax credit is also established, which will start at 25 cents per gallon and declines to zero for the calendar year 2020.

The bill bans oil companies from prohibiting retailers from selling E-85. New or renewed contracts are required to spell out that a franchisee (service station) can obtain E-85 fuel from another source if their franchisor (oil company supplier) cannot honor a request to deliver the fuel.

A biodiesel blended fuel tax credit is also established. A retailer qualifies for the tax credit if they sell 50 percent or more of at least 2 percent biodiesel from the entire amount of diesel they sell. The credit equals 3 cents per gallon and applies to every gallon of biodiesel sold after they qualify. This tax credit is repealed on Jan. 1, 2012.

Finally, the bill establishes a renewable fuels infrastructure fund to assist retailers in installing and converting their tanks to E-85, and for biodiesel terminal facilities to store and dispense biodiesel. Sixty-five percent of the money would go for E-85 conversions, and the remainder would go for biodiesel.

The House will also be considering House File 2759, which appropriates $2 million a year, for three years, from the Grow Iowa Values Fund for this infrastructure conversion fund. Currently, there are around 27 E-85 stations in Iowa. Opponents argued that this is not enough money to make a big impact on getting more E-85 stations. The hope is that more money will be appropriated to this fund.

I supported this bill out of the Appropriations Committee. It is still a work in progress. I'm sure we will have a renewable fuels bill this year. Although we are past the "funnel" date for bills, Appropriations and Ways and Means bills are not subject to funnel week.

Lift Program Would Help Small Business

Iowa small businesses will get a boost from enhancements made to a program that passed the Iowa House late last week. The

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Linked Investment for Tomorrow (LIFT) program utilizes financial institutions to offer a discount on interest rates to eligible small businesses.

The original LIFT program was created during the farm crisis to assist Iowa's agriculture based economy. Under the enhanced program, the Iowa Treasurer provides the funding for a loan by purchasing a below market rate certificate of deposit from a financial institution. The bank then makes a loan to a qualified borrower and passes on the preferred interest rate to the borrower. The savings to the qualified small business can be as much as three percent below the market rate.

The source of money for the LIFT program is idle funds of the state, with a limit of $108 million available for the program.

Under House File 2661, one half of the funds available would be for new or existing small businesses and one half of the funds available would be for small businesses owned and operated by a female, minority or disabled persons. To qualify, a business must have a combined net worth of under $750,000.

The bill also lowered the minimum rate of interest the state can receive on the certificate of deposit to 1 percent, which increases the discount and availability of the program to the borrower. Previously the program could discount the interest to 2 percent.

Since its inception in 1986, the LIFT program has been used in every county in the state, helping nearly 3,000 Iowans borrow over $84 million to start and expand small businesses. Last year, $9.3 million was utilized through the LIFT program. Now that interest rates have risen and, if HF 2661 passes, that expands the program to more small businesses, there will be more use of the program.

As of the date of this newsletter, the Senate Economic Growth Committee would have to pass the bill for it to remain alive for the 2006 Legislative Session.

I have always been a strong supporter of the Lift Program.

This Week

I was glad to see so many constituents down at the Capitol this week, including many of the Supervisors and elected officials from my respective counties.

This was our second funnel week, so it has been long days and late nights. Hopefully, all our hard work pays off.

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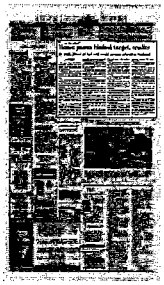

33-36-120P

House passes biofuel target, credits

By 2025, 25% of all fuel sold would contain ethanol or biodiesel

By TIM HIGGINS
REGISTER STAFF WRITER

The Iowa House on Tuesday endorsed a statewide goal that a quarter of all fuel sold in Iowa would contain ethanol or biodiesel by the year 2025.

Lawmakers approved bills to provide money and tax cuts to fuel retailers to help encourage the transition toward more renewable fuels.

"The components of House File 2754 establish a partnership between consumers, retailers and farmers in our state to increase the consumption of renewable fuels and decrease the reliance on foreign oil," said Rep. Steve Olson, R-Grand Mound, who shepherded one of the two bills through debate.

An estimated 8 percent of fuel used in Iowa is already from renewable sources, according to the Iowa Renewable Fuels Association.

A majority of Iowa drivers use blended fuel containing 10 percent ethanol and 90 percent gasoline. Lawmakers are trying to encourage more drivers to buy flexible-fuel vehicles that can use fuel containing 85 percent ethanol, called E85. However, the fuel is still hard to find at Iowa gas stations.

Lawmakers and other interested groups have disagreed over when the new renewable fuel standard should take effect.

The Iowa Corn Growers and the Renewable Fuels Association have pushed for a more aggressive schedule and want incentives to retailers to be tied to performance in reaching the goal.

"The House renewable fuels bill is a good start," said Monte Shaw, executive director of the renewable fuels association.

Others have said it is unfair to penalize small businesses for what consumers purchase and said an earlier deadline would be too difficult to meet.

The bills would spend about $6 million over three years to help retailers put in place special pumps and tanks to hold renewable fuels and create various tax credits that would cost the state an extra $16 million over the life of the program.

The bill would get rid of the current tax break on gasoline sold with 10 percent ethanol, which was set to sunset next year, and creates three new types of tax credits to retailers:

- A 5-cent credit to the retailer on each gallon of pure ethanol sold. The credit becomes smaller over time and is repealed Jan. 1, 2026.
- A 25-cent credit for each gallon of E85 sold in the initial years. The credit would be phased out over time.
- A 3-cent credit for every gallon of biodiesel sold that meets certain requirements.

The bill would raise the tax on nonethanol gasoline if goals for renewable fuel use aren't met — a provision that attracted considerable debate.

An amendment was proposed to strip this language out, but it failed.

"The citizens of Iowa have virtually no control over the proposed tax," said Rep. Jim Kurtenbach, R-Nevada. "I have a hard time putting in place a tax that we have no control over."

Several Democrats said an ethanol mandate would be a better way to ensure renewable fuel is used in Iowa. Rep. Don Shoultz, D-Waterloo, proposed an amendment that would have required all gasoline sold to contain at least 10 percent ethanol. The amendment failed.

Shoultz said the mandate would increase the use of ethanol without pain to the consumer.

"I want to do it as cheaply as possible with the least cost to the consumer," he said. "You will not have to threaten them with a penalty or increased tax."

Statehouse Republicans have long opposed forcing all drivers to use ethanol. Olson said the incentives provided in the bill would get the state to the goal without a mandate.

The House bill moves to the Senate, where leaders on the ethanol issue agree they're close to a deal, though there are some differences over details such as when the fuel standard should take effect.

"The people who are marketing your product, I'd hate to punish them if they don't realize the goal. I'd rather have an incentive," said Sen. Thurman Gaskill, R-Corwith.

House File 2754, which contains the policy language dealing with the new fuel standard, passed 92-7. House File 2759, which contains the money, passed 99-0.

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Renewable fuels: combining what we know with what we grow

Iowa Farm Bureau Spokesman
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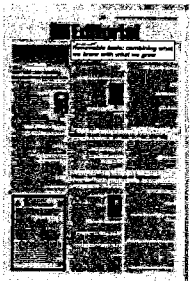
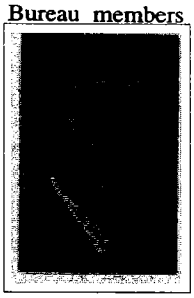


BY CRAIG LANG, PRESIDENT
IOWA FARM BUREAU FEDERATION

It's long been known that Iowans are neighborly.

We help our fellow farmers with chores in times of crisis and celebrate successes with each other throughout our farming career. We work together to build our communities.

It's in that same spirit that Farm Bureau members across Iowa came together just prior to the start of the legislative session to support an *aggressive and achievable* renewable fuels standard (RFS) that includes both ethanol and biodiesel.



Lang

Much has been written recently about numbers and "ideology" related to renewable fuels. But to truly encourage growth of renewable fuels in Iowa so that we can lead the nation in energy independence, we must work as a community.

We must build a groundswell of bipartisan support that will enable this market opportunity to flourish.

That's why more than 300 Farm Bureau members met recently with legislators at a special reception to discuss what "aggressive" and "achievable" actually mean. They discussed four critical components that any legislation must contain for an RFS to truly be effective in the state:

1. It has to be aggressive and achievable. More than 300 million gallons of E-85 would be sold by the year 2020. As a benchmark, 668,000 gallons of E85 were sold in Iowa last year.

2. Incentives have to be provided to encourage consumers to use E85 and retailers to sell it. Once this occurs, it will help stimulate automakers to produce more flexible fuel vehicles (FFVs) that run on E85 or biodiesel. Iowa would need more than 400,000 FFVs to use an average of 328 gallons of E85 a year. Last year, Iowa's 93,400 FFVs consumed an average of just seven gallons of E85.

3. The removal of obstacles like not having enough E85 pumps (we call that infrastructure). A 20 percent RFS by 2020 would mean there would have to be 3,500 pumps in Iowa. Right now, there are 30.

4. An RFS must be enforceable without causing unfair hardships for retailers, fuel distributors and consumers.

Nearly 80 percent of Iowans already use a 10 percent blend of ethanol. Any first-year economics student can see that a 10 percent mandate wouldn't get us half as far as a 20 percent achievable RFS by 2020.

Some may call this "RFS-lite." I call it aggressive and realistic. After all, above everything else, Iowa farmers are realistic. As farmers, we all realize the importance of planning for a crop that has an achievable yield in the Spring in order to realize a bountiful harvest come Fall.

By working together, by doing what farmers do best – building, nurturing and growing — we can achieve this RFS for the benefit of Iowa and generations of farmers to come.

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Capitol Clips

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By Richard Arnold
State Representative

Where does it all come from? Have you ever thought, where does the state get all its money to pay for all the services we have come to expect from government? The sources are many and I thought you would be interested as a taxpayer just how many ways you can be taxed as an individual or as a business.

Iowa Tax Rates and Descriptions

Iowa Automobile Rental Tax

Description: This is an excise tax imposed in addition to state sales, use or local option tax on the rental of "passenger vehicles" (those designed to carry nine or fewer passengers, excluding delivery trucks, motorcycles and motorized bicycles) which are rented for a period of 60 days or less.

Tax Rate: 5 percent sales tax on the rental charge for certain vehicles

Distribution of Funds: Road Use Tax Fund

Iowa Cigarette Tax

Description: The tax is imposed on the sale of cigarettes and must be paid by the person making the first sale in Iowa. Tax payment is shown by a stamp affixed to each cigarette package.

Tax Rate: 36¢ per package of 20; 45¢ per package of 25

Distribution of Funds: State General Fund

Iowa Corporate Income Tax

Description: The tax is imposed on the Iowa net income of corporations doing business within this state or receiving income from property in the state. For tax years on or after January 1, 1987, Iowa imposes an alternative minimum tax equal to 7.2 percent of Iowa tax preferences. For tax years on or after January 1, 1988, the tax is imposed on the unrelated business income of nonprofit corporations.

Tax Rate: 6 percent on first $25,000; 8 percent on next $75,000; 10 percent on next $150,000; 12 percent on all over $250,000

Distribution of Funds: State General Fund

Iowa Drug Stamp Tax

Description: Tax is imposed on dealers in possession of specified quantities of marijuana and other controlled substances.

Tax Rate: $5/gram of processed marijuana; $750/unprocessed marijuana plant; $250/gram of other taxable substances; $400/10 doses if not sold by weight

Distribution of Funds: State General Fund

Iowa Environmental Protection Charge

Description: The EPC is imposed on all deposits of petroleum products into non-exempt underground and non-exempt aboveground storage tanks in Iowa.

Tax Rate: 1¢ per gallon of petroleum products deposited in qualifying tanks

Distribution of Funds: Iowa Comprehensive Petroleum Underground Storage Tank Fund

Iowa Franchise Tax

Description: Tax is imposed on the income of state banks, national banking associations, trust companies, federally and state chartered savings and loan associations, financial institutions chartered by the Federal Home Loan Bank Board and production credit associations. For tax years on or after January 1, 1987, Iowa imposes an alternative minimum tax equal to 3 percent of Iowa tax preferences.

Tax Rate: 5 percent of taxable income

Distribution of Funds: All franchise tax is deposited in the State General Fund and then $8.8 million is disbursed to local governments for the Community Attraction and Tourism (CAT) program.

Iowa Hotel/Motel Tax

Description: Hotel/motel tax is imposed on the gross receipts from the renting of hotel or motel rooms for 31 consecutive days or less.

Tax Rate: May not exceed 7 percent

Distribution of Funds: Local transient guest tax fund, with disbursement to the local government imposing the tax

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Iowa Household Hazardous Materials (HHM)

Businesses selling household hazardous materials can register to do so on the Iowa Department of Revenue's Business Registration form. This permit must be obtained for each location selling household hazardous materials on a retail basis. Manufacturers and distributors that have independent agents selling door-to-door may purchase one permit fee of $25 for the first $3 million in sales of these materials. An additional $100 fee is charged for each subsequent increment of $3 million in sales. Fees are not prorated or refunded and must be renewed annually on July 1.

Iowa Hazardous Waste Fee

This fee is sometimes confused with the Household Hazardous Materials Permit Fee required of all retailers that sell household hazardous materials to consumers. The Hazardous Waste Fee is for the generation, treatment, storage, disposal and transportation of waste that is hazardous. Businesses that are assigned a hazardous waste identification number from the US Environmental Protection Agency (EPA) will receive a Hazardous Waste Fee form from the Iowa Department of Natural Resources (DNR), which administers the fee.

Iowa Individual Income Tax Description:

Tax is imposed on Iowa net income of individuals and estates and trusts. Individuals who have a net income of $9,000 or more must file an Iowa income tax return. Taxpayers with a combined income of $13,500 or less ($9,000 or less for single taxpayers) are generally not required to pay Iowa income tax. Individuals may also be subject to the minimum tax on tax preferences and a tax on lump sum distributions from pension plans.

Tax Rate Schedule for Tax Year 2005:

Taxable Income Over	But Not Over	Tax Rate
$0	1,269	0.36 percent
$1,242	2,538	0.72 percent
$2,484	5,076	2.43 percent
$4,968	11,421	4.50 percent
$11,178	19,035	6.12 percent
$18,630	25,380	6.48 percent
$24,840	38,070	6.80 percent
$37,260	57,105	7.92 percent
$57,105 and over		8.98 percent

Distribution of Funds: State General Fund

Iowa Individual Income School District Surtax

Description: Upon voter approval, school districts may initiate educational improvement programs where school boards may raise an additional portion of the state cost per pupil. This enrichment amount is raised through a surtax (not to exceed 20 percent of state income tax liability) and through an accompanying property tax.

Tax Rate: Not to exceed 20 percent of state income tax liability. Rate is different for each school district.

Distribution of Funds: Local school district imposing the tax

Iowa Individual Income Emergency Medical Services Surtax

Description: A county may impose the surtax by ordinance at the rate set by the board of supervisors not to exceed 1 percent.

Tax Rate: Up to 1 percent of state income tax liability. Only Appanoose County imposes this tax (at a rate of 1 percent).

Distribution of Funds: County imposing the tax

Iowa Inheritance and Estate Taxes

Description: This tax is imposed on any person other than a surviving spouse, decedent's lineal ascendants, descendants and stepchildren who becomes beneficially entitled to any property or interest by any method of transfer. Administrators, executors, referees and trustees of estate transfers which are taxable may also be liable for such taxes.

Tax Rate: Inheritance Tax: From 1 percent to 15 percent dependent upon the amount of the inheritance and the relationship of the recipient to the decedent. Estate Tax: Amount by which the allowable federal credit for state death taxes exceeds the inheritance tax due from the estate.

Distribution of Funds: State General Fund.

Iowa Insurance Premium Tax

Description: This tax is administered by the Commerce Department, with the Department of Revenue serving as a depositing agency for the tax receipts. The tax is imposed on the premiums of every insurance company except fraternal beneficiary associations.

Tax Rate: Health and Life Insurance: 1.00 percent.

Property and Casualty: In Calendar Year 2006, the rate is 1.25 percent; in CY 2007, the rate will

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be 1.00 percent

Distribution of Funds: State General Fund

Iowa Liquor Taxes

The beer tax in Iowa is $.19 per gallon sold.

The wine tax in Iowa is $1.75 per gallon and is collected from wine sales to retail outlets.

Tax on distilled spirits in Iowa is levied through a 50 percent mark-up on product sold through the Iowa Alcoholic Beverages Division wholesale liquor distribution system.

Distribution of Funds: State General Fund

Iowa Local Option Sales Tax

Description: Tax is imposed by counties either countywide or in incorporated or unincorporated areas. Under very special circumstances it may also be imposed by a city. With a few exceptions, it is imposed on sales and services taxed under state sales tax provisions. There is no corresponding local option use tax, except for transactions involving natural gas, natural gas services, electricity, or electric service.

Tax Rate: Not more than 1 percent.

Distribution of Funds: To local sales and service tax fund with disbursement to local jurisdictions at least quarterly

Iowa Mobile Home Tax

Description: Tax is imposed on homes located in mobile home parks.

Tax Rate: 20¢ per square foot. The tax decreases to 18¢ when the home is more than five years old, and again to 16¢ when the home is more than nine years old.

Distribution of Funds: Collected by the county treasurer and distributed in the same manner as property taxes.

Iowa Motor Fuel Tax

Description: Tax is imposed on each gallon of fuel sold in Iowa for use in motor vehicles or aircraft. Motor vehicle fuel includes

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gasoline, diesel fuel, liquefied petroleum gas, compressed natural gas, aviation fuel and ethanol blended gasoline.

Tax Rate: Gasoline, 20.5¢/gal.; Ethanol Blended Gasoline, 19¢/gal.; Aviation Gasoline, 8¢/gal.; Special Fuel (diesel), 22.5¢/gal.; Special Fuel (LPG), 20¢/gal.; Special Fuel (aviation), 3¢/gal.; Compressed Nat. Gas, 16¢/100 cubic feet.

Distribution of Funds: Road Use Tax Fund; aviation fuel tax receipts deposited in state aviation fund; the first $411,311 from motor fuel used in water craft deposited in the General Fund of the state. The remainder goes to the Rebuild Iowa Infrastructure Fund

Iowa Motor Vehicle Lease Tax

Description: Effective January 1, 1997, the tax is imposed on the lease price of a vehicle subject to registration that is not a motorcycle or motorized bicycle, with a gross vehicle weight rating of less than 16,000 pounds and leased for a period of 12 months or more by a lessor licensed under *Code* Chapter 321F.

Tax Rate: 5 percent use tax on the lease price of certain vehicles

Distribution of Funds: Road Use Tax Fund

Iowa Motor Vehicle Use Tax

Description: The gross receipts from sales of vehicles subject to registration are exempt from sales tax but subject to motor vehicle use tax. The tax is paid upon registration to the county treasurer. It is not uncommon for the dealership to collect and remit the tax to the county treasurer on behalf of the buyer.

Tax Rate: 5 percent

Distribution of Funds: Road Use Tax Fund

Iowa Property Tax Levied *(Prior to Credits)*

Description: Property tax is levied on the taxable value of real property. The taxable value may be a percentage of the assessed value as a result of statewide limitations for allowable growth (of property taxes). The assessed value is 100 percent of market value, except for (1) agricultural realty (assessed according to its productivity) and (2) computers and industrial machinery and equipment, which is assessed as a percent of its acquisition cost if acquired prior to January 1, 1994 (22 percent for 1999). Exempt if acquired after December 31, 1993

Tax Rate: Differs in each locality and is a composite of county, city, school district and special levies. Taxes are levied in terms of dollars per $1,000 of taxable value and are collected locally.

Distribution of Funds: Local jurisdictions

Iowa Real Estate Transfer Tax

Description: The tax is imposed on the transfer of real estate. Tax payment is noted on the instrument of transfer at the time the instrument is recorded.

Tax Rate: 80¢ for each $500 or fractional part of $500 in excess of $500 paid for the real property transferred.

Distribution of Funds: 17.25 percent of the tax receipts are retained by the county. Of the remaining 82.75 percent, 95 percent goes in the State General Fund, 5 percent in the Shelter Assistance Fund.

Iowa School Infrastructure Local Option Sales Tax

Description: Tax is imposed countywide. With a few exceptions, it is imposed on sales and services taxed under state sales tax provisions. There is no corresponding use tax.

Tax Rate: Not more than 1 percent.

Distribution of Funds: To local sales and service tax fund with disbursement to local school districts monthly.

Iowa State Sales Tax

Description: The tax is imposed on gross receipts from all sales of tangible personal property and enumerated services. Certain exceptions are provided, including exemption of the sales of certain foods, prescription drugs, medical devices, and farm and industrial machinery, equipment and computers.

Tax Rate: 5 percent

Distribution of Funds: State General Fund

Iowa Tobacco Products Tax

Description: Tax is imposed on the sale of all tobacco products except cigarettes and little cigars.

Tax Rate: 22 percent of the wholesale sales price of the tobacco products

Distribution of Funds: State General Fund

Iowa Use Tax

Description: Use tax includes: (1) the 5 percent excise tax collected by out-of-state based firms making sales of tangible personal property or certain services purchased for

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use in Iowa. (2) The 5 percent excise tax on goods or services purchased tax free by consumers and subsequently used in Iowa. (3) The 5 percent excise tax collected by Iowa county treasurers or the state Department of Transportation on vehicles subject to registration.

Tax Rate: 5 percent

Distribution of Funds: Revenue derived from use tax on vehicles subject to registration is deposited in various special funds. The remainder is credited to the State General Fund.

Do you think Iowans pay enough in taxes?

Your thoughts and concerns are important to me. I am at your service and will be happy to help you in any way I can. My phone is 515-281-3221, my e-mail address is richard.arnold@legis.state.ia.us or you can write me. The address is Iowa State Capitol, Des Moines, Iowa 50319.

Till next week.