

**July 8, 2008**

**Board of Directors**

**Iowa Comprehensive Petroleum  
UST Fund Board**

***Annual Strategic Planning  
Session***



# IOWA UNDERGROUND STORAGE TANK FUND

*Susan E. Voss, Chairperson*

*Scott M. Scheidel, Administrator*

Board Members:

Michael L. Fitzgerald ❖ Jeff W. Robinson ❖ Jacqueline A. Johnson ❖ James M. Holcomb  
Richard Leopold ❖ Nancy A. Lincoln ❖ Douglas M. Beech

## NOTICE OF PUBLIC MEETING

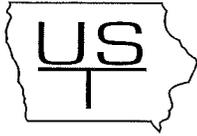
A public meeting of the Iowa Comprehensive Petroleum Underground Storage Tank Fund Board has been scheduled for 9:30 a.m., Tuesday, July 8, 2008. **The meeting will be held at the Neal Smith Wildlife Refuge near Prairie City, Iowa.**

The tentative agenda for the meeting is as follows:

9:30 a.m. Call to Order

1. Strategic Planning Session  
Break for Lunch (about 11:30 a.m. --12:30 p.m.)
2. Approval of Prior Board Minutes
3. Closed Session – Discussion of Pending and Imminent Litigation (To adjourn by 12:45 p.m.)
4. Public Comment Period
5. Board Issues
  - A. Fiscal 2009 Budget
  - B. Fiscal 2009 28E Agreement with Attorney General's Office
  - C. Treasurer's Request for Board Action re: Diversion of Funds
  - D. 12 Month Board Meeting Schedule
  - E. Reauthorization of 28E for UST Closure Contracts
6. Approval of Program Billings
7. Monthly Activity Report and Financials Reviewed
8. Attorney General's Report
9. Claim Payment Approval
10. Contracts Entered Into Since May 22<sup>nd</sup>, 2008 Board Meeting
11. Other Issues as Presented
12. Correspondence and Attachments

## **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 ❖ Jacqueline A. Johnson ❖ James M. Holcomb  
Richard Leopold ❖ Nancy A. Lincoln ❖ Douglas M. Beech

## MINUTES IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND PROGRAM

**May 22, 2008**

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

Angela Burke-Boston, sitting in for Chairperson Susan Voss, called the Iowa UST Board meeting to order at 10:00 A.M. A quorum was present. Roll call was taken with the following Board members present:

Jacqueline Johnson (via telephone)  
Nancy Lincoln  
Tim Hall (for Richard Leopold)  
Doug Beech  
Jim Holcomb (via telephone)  
Jeff Robinson  
Stephen Larson (for Michael Fitzgerald) (via telephone)

Also present were:

David Steward, Attorney General's Office  
Tim Benton, Attorney General's Office  
Scott Scheidel, Program Administrator  
James Gastineau, Program Administrator's Office  
Brian Tormey, Iowa Department of Natural Resources

#### APPROVAL OF PRIOR BOARD MINUTES

The minutes from the April 25, 2008 Board meeting were reviewed. Mr. Hall moved to approve the minutes, Mr. Beech seconded the motion, and by a vote of 6-0, the minutes were approved.

#### CLOSED SESSION

Ms. Burke-Boston noted there were matters dealing with litigation for discussion in closed session pursuant to Iowa Code Chapter 21. The Board members entered into closed session at 10:05 AM, and the session ended at 10:21 AM. Ms. Burke-Boston noted that Board members had voted in closed session to grant authority to the Administrator's Office to negotiate a settlement for a pending appeal. The motion passed by a vote of 6-0.

*Mr. Holcomb joined the meeting by conference call during the Closed Session.*

## **PUBLIC COMMENT**

Jeff Hove from Petroleum Marketers and Convenience Stores of Iowa (PMCI) addressed the Board regarding an item on the agenda with regard to NPDES permits. He requested the Board consider having more discussion with interested parties before voting on the item.

## **BOARD ISSUES**

### **A. Legislative Update**

Mr. Scheidel updated the Board regarding the House File 2662, which had been discussed at prior meetings. Mr. Scheidel noted that he formally requested the Governor's Office line item veto the appropriations from the UST Fund to the Department of Natural Resources' (DNR's) snowmobile and ATV funds due to the fact that "notwithstanding" language was missing from the bill that was passed. He explained that the line item veto was not exercised, and therefore the bill was signed into law with language that was in conflict with existing law. He noted the Treasurer's Office would now have to reconcile the discrepancy within the law to determine whether or not the transfer of funds may occur.

### **B. 2004 Bond Issue Defeasance**

Mr. Scheidel referred to his memo in the Board packet and reminded the Board that due to the passage of House File 2651 of the TIME 21 legislation, it was necessary to payoff the 1997A Series bonds and defease the 2004A Series bonds by setting up an escrow account separate from the UST Funds by the end of the fiscal year. To that end, Mr. Scheidel provided a statement from Kyle Rice at the Treasurer's Office which discussed the fees involved, as well as, the approximate amount needed in escrow to defease the 2004A Series bonds. He also provided a spreadsheet to outline which UST Funds could be used to finance the \$18,687,894.06 redemption and the approximate \$15,200,000.00 defeasance of the bonds. UST Funds to be used included Revenue Fund, Unassigned Revenue Fund, Loan Guarantee Fund, Marketability Fund, Innocent Landowner Fund and Capital Reserve Fund. Due to the use of Innocent Landowner (ILO) Fund monies, Mr. Scheidel noted that the outstanding ILO claims' and global settlement claims' reserves exceeded the ILO Fund balance. He explained that the Board could decide to suspend acceptance of any new ILO claims until the money was replaced. He also explained that the Board could begin the development of prioritization rules, which would be a lengthy process. And he noted the Board could decide to repay the ILO Fund with one quarterly payment of \$4.25M each year for the next two fiscal years.

Next Mr. Scheidel noted the fees involved with the bond payoff and bond defeasance, including fees from bond counsel (approximately \$8,000), financial advisors (approximately \$25,000), and an escrow verification agent (approximately \$3,000). He explained that the Treasurer determined that a request for proposal for the work involved would not be practical considering the short time frame required to complete the process. Davis Brown Law Firm was the same bond counsel firm used for the issuance and re-funding of the Iowa UST Fund bonds.

Additionally, financial advisors at Public Finance Management (PFM) were used for both outstanding bond series after a competitive bidding process; therefore the Treasurer recommended that the Iowa Finance Authority hire PFM as investment advisor for the defeasance. PFM would hire a third party CPA firm for the escrow verification. Mr. Scheidel explained the Board must approve the following:

- 1) continuation of Davis Brown Law firm as bond counsel
- 2) hiring of PFM as financial advisor
- 3) entering into an escrow agreement with IFA and Banker's Trust for bond defeasance escrow account
- 4) deposit of funds into escrow account to fund defeasance (approximately \$15,200,000)

Mr. Scheidel stated the Board may provide a broad approval for all items needed or approve each separately. After brief discussion Mr. Beech submitted a motion to approve all items listed including the fees with the request that the Treasurer's Office attempt to negotiate a reduction in costs from PFM for their services. Ms. Lincoln seconded the motion, which was approved 6-0. Mr. Larson abstained from the discussion and the vote.

Additionally, by consensus the Board agreed to use the UST Funds consistent with the Board packet to fund the payoff and defeasance of bonds.

### **C. SIC Model (RBCA) Rule Status**

In the continuation of this discussion from previous months, Mr. Scheidel stated he had electronically mailed the final version of the DNR's administrative rules regarding the risk based corrective action (RBCA) model recalibration completed last year. He had also supplied Board members with his statement of the Board's comment on the rule, as submitted to the Environmental Protection Commission (EPC). To summarize, the Board comment was fully supportive of Item 9 of the DNR rule-filing, the model recalibration itself; however the statement did not support the ancillary initiatives represented within the rule.

Mr. Beech asked Mr. Scheidel to comment on the cost to the Board for the implementation of the new rule as drafted by the DNR. Mr. Scheidel noted that the money saved by the recalibration of the RBCA Tier 2 model, which was formerly grossly over-predictive, totaled in the millions of dollars in additional assessment costs. He stated that the costs of the ancillary initiatives within the newly drafted rule could be roughly estimated as such:

If 25 new claims received each year need Tier 2's completed and another 25 sites require revised Tier 2's, and another 25 require additional Tier 2's, then the cost for the rough assessment without any field work would total approximately \$2,000 per site or \$150,000 per year for two years minimum. Some site will require the groundwater professional to request additional work to be completed. Also, the DNR will require additional work and/or Tier 3 study on some sites, the potential costs of which could not be accurately estimated.

Tom Norris from Petroleum Marketers Management Insurance Company (PMMIC) responded to a question from Mr. Beech stating that the additional DNR authority in the rule would result in an extra burden to PMMIC, as all claim sites would go through the Tier 2 process; and the extra

burden would be reflected in client premiums. Also, Mr. Hove agreed that PMCI was concerned about any additional requirements put on its members, as well as, the perception reported in the media that PMCI and its members were not committed to the protection of water supply wells. He noted that the discussions to recalibrate the model were never about putting water supply in jeopardy.

*up to PMCI about the model*

*no, publ. -  
mean for be found  
concerns about  
costs to polluters*

Mr. Beech agreed and inquired why the DNR staff was putting the concerns of water supply representatives before the concerns of all other stakeholders represented in the multi-year discussions. He urged the DNR to pull the rule from the EPC agenda to preserve the relationships between the DNR and the rest of the industry groups. Mr. Scheidel pointed out that the Board was not disinterested in the concerns of water supply, and he had offered to recommend the Board provide some temporary funding through a 28E agreement for the LUST section to research and further investigate water supply receptors at sites which DNR staff felt remained at risk after being cleared by the recalibrated Tier 2 model. However, in the meantime, the water supply problems would be better addressed by the water supply department finding solutions rather than the LUST department getting the UST Fund to pay for resolving them after the fact and for non-LUST problems.

*Why not  
subsidize?*

*}}*

Mr. Hall explained that the DNR had made revisions to the rule over the past several months in the attempt to find a middle ground between all interested stakeholders while trying to find the correct level of protection. Mr. Beech responded that water supply's was the only interest served within the ancillary items in the rule. Mr. Hall assured Mr. Beech that DNR was not taking sides. Mr. Beech stated that wellhead protection should be addressed within water supply rules rather than UST rules.

Mr. Scheidel advised that he had received a consensus from the Board that he would hold the current position in support of item 9 and in opposition of the other items of the rule, and he would proceed as such.

**D. Loss Portfolio Transfer -- PMMIC**

*Mr. Holcomb and Mr. Larson exited the conference call at 11:01 AM.*

Mr. Scheidel advised the Board that PMMIC wanted to discuss the loss portfolio transfer (LPT) option with the Board. Mr. Norris recounted PMMIC's history and current plans for growth of the company. He noted the LPT would contribute to that growth and enhance their ability to enter into similar agreements with other states' fund that were scheduled to sunset to eliminate their liabilities and close out their programs. He stated he understood the Board's concerns regarding obtaining signatures from claimants to opt-in to a transfer. He suggested that PMMIC and the Board could send out information about the transfer to all selected claimants and include an opt-out form for signing if they did not wish to have their claims transferred. With regard to any potential profit for PMMIC resulting from an LPT with the Board, he proposed that PMMIC may offer to examine each transferred claim in terms of what is paid out, and if the payouts are much less than what PMMIC received for that claim then would the Board expect consideration. He questioned what consideration PMMIC would receive if payouts were more than what PMMIC received. He also noted that the Board might be concerned with PMMIC taking all

*why should  
this be  
of import to  
the Board?*

*!!!*

*↓  
this is  
the risk  
associated  
w/ LPT !!  
why should the  
state guarantee  
the risk?*

claims except those that have significant and difficult problems. He suggested that it might be more important for the Board wanting to be rid of sites that have current operating tanks, which tends to complicate a claim.

He explained that the previous mini-LPT included 10 of 14 claims, and currently the Board and PMMIC were examining 12-16 more shared sites' claims. He noted that PMMIC was prepared to propose another mini-LPT "and another and another"; however PMMIC would also be willing to discuss a larger scale transfer at a lower administrative cost if the Board was agreeable.

Mr. Scheidel advised the Board to consider Mr. Norris' ideas regarding the opt-out provision and how much money would the Board have to have available to facilitate a transfer and still maintain claim payments for its remaining claims. Mr. Norris pointed out that the longer the Board holds a claim the more that claim will cost the Board. And he made note that PMMIC would be willing to discuss payment in installments with certain safeguards or assurances in the instance that even more funds were diverted from the UST Fund for other state agencies. Once financials were settled past defeasance, the Board should re-evaluate its financial ability to transfer claims.

#### **E. NPDES Permits**

Mr. Scheidel stated that in light of the public comment from Mr. Hove of PMCI, he would be willing to further discuss PMCI's concerns before bringing a recommendation to the Board. He explained that one claim had come to light that the UST Fund had been paying for a pump beyond the need to require the pump for the safety of the environment. This site was no action required (NAR); however the site owner wanted to continue to operate the sump pump to rid his basement of water, and Mr. Scheidel wanted the Board to discuss whether it should continue to pay for the operation of the sump based on the possibility that there could still be some contamination in there. He offered to bring the issue back to the Board at a later date after discussions with PMCI. Ms. Lincoln agreed that the item should be deferred due to time constraints for this meeting.

#### **F. DNR Update**

Elaine Douskey addressed the Board regarding the final version of the RBCA rule noting this was the 4<sup>th</sup> revision of the rule. She noted that early on the EPC had directed the DNR to broaden its stakeholder group. Also, she received the message that the EPC wouldn't accept a rule that included only a recalibration of the RBCA model, but rather would only accept a recalibration in concert with provisions that addressed water supply wells as receptors. Ms. Douskey emphasized the DNR's efforts to balance the concerns of all stakeholders. She reminded the Board that the DNR fully supported the recalibrated RBCA model; however it was a two-dimensional tool and water supply wells were three-dimensional receptors, which required three-dimensional assessment. Also, she noted that many believed the model was recalibrated with a sufficient buffer, however the DNR staff was concerned that it was built on averages – not exactly 2 ½ times over-predictive on every site – with no vertical component.

Ms. Douskey highlighted DNR's efforts toward compromise including the revision of an item that involved the expert judgment of the groundwater professionals to evaluate all data available at the DNR including the water supply department. She also stated that an item involving DNR discretionary authority (from January) was removed from the current rule, so that if the DNR felt a well was at risk that was assessed as not-at-risk by the groundwater professional, then it would be the DNR's burden to prove the well was at-risk. She noted that the Mr. Beech mentioned that the rule was becoming a sourcewater protection program via the funding of UST owners and their funding programs. She explained that the DNR did have an interest in using their own resources to evaluate the petroleum contamination from the well out; however all releases of contamination from LUST sites do also require the assessment of receptors and wells are receptors. Ms. Douskey also mentioned that the DNR put into the rule an outline of when or under what conditions certain items would be exercised to provide guidance. Lastly, she mentioned that the preamble to the rule included the option to revisit the processes outlined in the rule for efficacy and revise the rule as needed, and if the Board would like that built into the rule as a clause, the DNR was willing to comply.

Mr. Scheidel asked Ms. Douskey if the EPC would be willing to accept a rule without the ancillary items, if the DNR presented the rule to them explaining that the Water Supply Section was committed to evaluating the many risks to water supply well receptors and effecting rules to protect them from all types of contamination. She indicated that she didn't know if the EPC would accept it or not.

**G. 28E Agreement – DNR Funding FY08 & FY09**

Mr. Beech suggested that due to time constraints, as the meeting room was scheduled for another group, the Board should include the DNR funding agreements at a later meeting. He expected significant discussion based on the cost added to the Board resulting from the new rule previously discussed. Mr. Hall expressed that he felt it disconcerting to tie the DNR funding agreement to a disagreement regarding the DNR rule. Mr. Beech was concerned that water supply problems should not be tied to the UST Fund. Mr. Scheidel offered to set up a conference call to discuss the issue.

**PROGRAM BILLINGS**

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

1. Aon Risk Services .....\$122,726.00  
 Consulting Services – June 2008 (\$57,513.00)  
 Claims Processing Services – June 2008 (\$55,213.00)
2. Attorney General's Office .....\$9,896.40  
 Services provided for April 2008

No additional billings for outside cost recovery counsel were presented by the Attorney General's office for this meeting. On a motion by Ms. Lincoln and a second by Ms. Johnson, the billings were approved by a vote of 5-0.

## MONTHLY ACTIVITY REPORT

Mr. Scheidel noted that the April activity report, financials and opt-in report were in the Board packets for the Board members to review.

## ATTORNEY GENERAL'S REPORT

Mr. Steward addressed the Board regarding a UST Fund lien for \$15,000 on a property that had gone into foreclosure. He stated that he received a notice of foreclosure from a bank stating that they had a \$10,000 mortgage that pre-dates the Board's judgment, and they were giving the Board a 30-day right of redemption to buy the property and try to sell it to recoup Board costs at the site. He recommended the Board authorize him to respond that the Board will not exercise its right to redeem the property, although he offered to advise the bank otherwise if the Board chose to purchase the property. The consensus of the Board was to not contest the foreclosure.

## CLAIM AUTHORITY

Mr. Gastineau presented the following claim authority requests:

1. **Site Registration 8608724 – Burger's Champlin Service, Gillett Grove** SLTE63

This Board report was for a site classified high risk for the groundwater ingestion pathway for a municipal water supply well and low risk for the protected groundwater source pathway. Corrective action was required and the installation of a soil vapor extraction/air sparge (SVE/AS) system was recommended. A used system from another LUST site might be used at this site to help control costs. Previous authority to \$75,000 had been granted, and \$39,441.60 was incurred to date. Additional authority to \$175,000 as requested for a site monitoring report (SMR) and implementation of the SVE/AS.

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

2. **Site Registration 8606254 - Country Stores of Carroll, Carroll**

This was classified high risk for groundwater vapors. A site monitoring report (SMR) had been submitted recommending low risk based on soil gas results. Previous authority to \$75,000 had been granted, and \$87,030.71 was incurred to date. Additional authority to \$115,000 was requested for the SMR, possible corrective action design report (CADR) and possible free product recovery (FPR) activities.

Mr. Hall submitted a motion to approve the claim authority, and Mr. Beech seconded the motion. Approved 5-0.

**3. Site Registration 8604387 – Flash Oil Corporation, Keokuk**

This site was classified low risk. Significant contamination and free product was found limited to one monitoring well. This was an active UST site. Previous authority to \$75,000 had been granted, and \$82,431.02 was incurred to date. Additional authority to \$120,000 was requested for a SMR and FPR.

Mr. Hall submitted a motion to approve the claim authority, and Mr. Beech seconded the motion, which was approved 5-0.

**CONTRACTS ENTERED INTO SINCE THE MARCH 27, 2008 BOARD MEETING**

Mr. Scheidel noted that the Board had not entered into any contracts or agreements since the April 25, 2008 Board meeting.

**OTHER ISSUES**

The Board scheduled a follow-up teleconference for Tuesday, May 27, 2008 at 10AM to discuss the 28E agreement for funding for the Iowa DNR for FY08 and FY09. The Annual Strategic Planning Session was scheduled for Tuesday, July 8<sup>th</sup> at Neal Smith National Wildlife Refuge.

**CORRESPONDENCE AND ATTACHMENTS**

Ms. Voss asked if there was any further business, and there being none, Ms. Johnson moved to adjourn, and Ms. Lincoln seconded the motion. By a vote of 5-0, the Board adjourned at 11:40 A.M.

Respectfully Submitted,



Scott M. Scheidel  
Administrator



# IOWA UNDERGROUND STORAGE TANK FUND

*Susan E. Voss, Chairperson*

*Scott M. Scheidel, Administrator*

Board Members:

Michael L. Fitzgerald ❖ Jeff W. Robinson ❖ Jacqueline A. Johnson ❖ James M. Holcomb  
Richard Leopold ❖ Nancy A. Lincoln ❖ Douglas M. Beech

## **MINUTES IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND PROGRAM**

**May 27, 2008**

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

Susan Voss, Chairperson, called the Iowa UST Board meeting teleconference to order at 10:03 A.M. A quorum was present. Roll call was taken with the following Board member participants:

Jacqueline Johnson  
Nancy Lincoln  
Tim Hall (for Richard Leopold)  
Doug Beech  
Jim Holcomb  
Stephen Larson (for Michael Fitzgerald)  
Jeff Robinson

Other discussion participants:

Angela Burke-Boston, Deputy Insurance Commissioner  
David Steward, Attorney General's Office  
Scott Scheidel, Program Administrator  
Lacey Skalicky, Administrator's Office  
Brian Tormey, Iowa Department of Natural Resources  
Elaine Douskey, Iowa Department of Natural Resources  
Barb Lynch, Iowa Department of Natural Resources  
Dave Wornson, Iowa Department of Natural Resources

The purpose of the teleconference meeting of the Iowa UST Fund Board was to complete discussions regarding the 28E agreement for UST Section funding from the Iowa Department of Natural Resources (DNR), due to time constraints at the May 22, 2008 meeting.

## BOARD ISSUE

### A. 28E Agreement – DNR Funding FY08-FY09

Mr. Scheidel provided the Board with a copy of a draft of the 28E agreement between the Iowa UST Fund Board and the DNR to provide DNR with funding from the Iowa UST Fund to meet their fiscal year budgets for fiscal years 2008 & 2009. Mr. Scheidel began the discussion with an explanation of the history of the DNR funding agreements which had only begun in recent years. He explained that the DNR had received extra funding in years past from the United States Environmental Protection Agency (USEPA), and when that bonus funding ended the DNR requested assistance from the Iowa UST Fund Board. The first agreement involved funding of nearly \$700,000 in exchange for DNR action with regard to the start up of the third party inspection program – a program to train and certify third parties to complete UST site compliance inspections to remedy some inefficiencies within the DNR itself. The next fiscal year agreement involved the DNR receiving \$400,000 in exchange for accepting the responsibility of the UST installer/inspector program in rule and in practice, as UST compliance was no longer a Board concern with regard to its mission to the same degree it had been when the State ran an insurance program. Mr. Scheidel made note of the fact that the DNR had not approached the Administrator's Office about FY08 funding until very recently. He explained that after he advised DNR that no funding agreement for FY08 was in place as of November 2007, the DNR responded with a memorandum of understanding that the Board would "pay back" the 77% of tank tag fees to the DNR each year, so long as the Board was in place. Mr. Scheidel stated that he requested the DNR negotiate a 28E agreement with the Board instead of a memorandum of understanding. The 28E draft provided to the Board involved payment of the equivalent of the 77% of the tank management fees received in fiscal years 2008 & 2009 to the DNR in exchange for DNR providing the Board with reports regarding DNR UST Section activity.

Mr. Scheidel referenced the budget constraints presented by new legislation with regard to bond payoff and defeasance and diversion of funds to ATV and snowmobile funds.

Ms. Voss referenced an electronic mail memo that was forwarded to Board members from Elaine Douskey. In response to a question from Mr. Holcomb, Ms. Douskey stated that the UST Section had created its FY08 budget to include \$400,000 from the UST Fund by agreement. She stated the current shortfall within the Department was approximately \$344,000, and was expected to reach \$400,000 by the end of the State fiscal year. Also, she stated that the first year the Board and DNR entered into a funding agreement, the DNR received \$400,000 plus another \$300,000 expressly for the development of the third party inspection program to lessen DNR staff responsibilities and DNR staff was reduced by 3 full time employees as a result. Mr. Beech inquired why there was not a corresponding decrease in the amount of funding assistance needed. And if the amount of funding assistance needed was to remain at approximately \$400,000, he inquired about what milestones had the DNR met to that end. Ms. Douskey responded that the DNR Field Offices (FO's) were required to perform audits on 10% of all UST sites in Iowa each year.

To clarify, Barb Lynch from the DNR Field Office reported FO activity to the Board in recent years. She noted the FO staff completed 246 UST inspections in FY07, as well as, 64 audits. The FO staff was expected to begin audits in FY08; however FO staff began audits in January 2007, as Petroleum Marketers Management Insurance Company (PMMIC) began completing third party inspections at that time. Therefore, FY08 activity to date (3 quarters including 7/1/07 – 3/31/08) included 4 UST inspections and 198 audits completed by FO staff. She reported on the transition for staff from performing inspections to audits was a learning process for staff. Also, the audits involved some review of the inspections themselves, which took some time.

Ms. Lynch also discussed other FO responsibilities including LUST inspections (96 completed), which involves the inspection of a leaking UST site to obtain verification of on-going remediation activities (i.e. systems running, free product recovery activities, etc.). Additionally, she explained that FO staff performs deficiency inspections (104) which are follow-up visits to audits or previous violations (NOV-Notice of Violation), which had resulted in deficiencies, to verify resolution. Also, she noted that NOV's (36), which can evolve into referrals (4) to DNR's legal department or to Attorney General's Office, are time-consuming cases in which the FO staff remains involved through to resolution. Ms. Lynch reported that LUST/UST operators request assistance (655) from the FO staff for a variety of reasons, which warrant site visits and correspondence, and UST/LUST complaints (38) require similar time and effort. Lastly, she noted that FO staff had been allowed more time to be present for UST removals (25), an oversight which had always been a DNR responsibility in rule but unattainable in practice due to time issues.

Mr. Beech indicated that he wanted to maintain focus on accountability to LUST issues. Mr. Scheidel expanded saying that past funding agreements included milestones reflecting Board interests, and this year's agreement could include milestones relative to the Board's mission of resolving LUST issues. Ms. Douskey responded stating that the UST/LUST Section had many more meetings with the FO's than in years past in order to orient and train the FO staff on LUST issues and increase their LUST involvement to include participation in corrective action meetings.

Dave Wornson added that DNR staff was currently developing an enforcement plan for all UST sites that had yet to be inspected by a third party, and therefore were out of compliance with the requirements. He noted that FO staff would have to go out and complete those inspections, and there were hundreds to be completed. Additionally, 27 sites involved in a pending lawsuit would soon require FO staff inspections for all 27 sites. Mr. Beech inquired about civil penalties and fines to pay for those inspections. Ms. Lynch informed the Board that civil fines and penalties regarding UST sites were payable to the General Fund only. Mr. Wornson noted that one DNR enforcement on UST operators included fuel delivery prohibition.

Mr. Scheidel inquired how the FO staff could help out the Board with its most problematic sites, which include non-operating UST sites with innocent landowners who don't want to move forward. Mr. Beech restated that without an increase in LUST-related services from the DNR, he had expected to see a reduction in the requested assistance to the DNR.

Mr. Hall reminded all that the source of the requested funding was generated by UST fees – UST management fees. Mr. Beech agreed that was true.

Mr. Scheidel suggested that, because the bond payoff and defeasance by 7/1/08 releases the bond requirement of 77% of tank tag management fees, then the Board agree to assist the DNR with its FY08 shortfall, and then work with the DNR to develop a legislative package during FY09 to propose to lawmakers that they allow DNR to keep the 77% of tank fees allotted to the UST Fund in the place of the statutory \$200,000 of annual DNR funding from the UST Fund. Additionally, the parties could work on a contingency agreement for FY09, if the legislative package goes off course during session. And he explained that any financial assistance the DNR would need beyond the Board's 77% of tank management fees could be the subject of future 28E agreements.

Mr. Beech reiterated his disappointment that the third party inspection program implementation had not generated any reduction in funding requested, and Mr. Scheidel stated that he had been more focused on attaining more LUST-related services from the DNR in exchange for the requested funding. Ms. Douskey pointed out that she could not recall discussing a change in service from FO staff with Mr. Scheidel previously.

Mr. Wornson noted that the transition from DNR inspections to third party inspections was to improve the inspection process. He explained that the tank tag fees were paid by operating facility owners to the DNR, and he previously had believed that the Board would enter into a permanent agreement to allow DNR to keep the tank fees. He noted that Mr. Scheidel wanted to negotiate milestones at that time, and so it was done, and he wondered why the funding was being negotiated yet again, forcing DNR to budget each year without the ability to count on that 77% of tank tag fees. He stated he thought all were of the idea that tank tag fees would come back to the DNR permanently at some point. He also explained that the statute regarding Board funding allowed the Board to fund DNR administrative services, and Board funding of DNR was not restricted to LUST-related services.

Mr. Beech noted that he was in favor of Mr. Scheidel's suggested compromise, and Mr. Larson agreed with the compromise, as well.

After some discussion, Mr. Beech entered a motion to authorize the Administrator and Board Counsel to negotiate a 28E agreement with DNR to provide funding assistance for FY08 up to \$400,000 to cover DNR's actual budget shortfall. The agreement must include consideration for laying out a potential legislative package and contingent funding plan by September 30, 2008; the plan may include tank tag fees remaining entirely with DNR and elimination of recurring statutory \$200,000 appropriation from IUST to DNR each year. Ms. Lincoln seconded the motion in its entirety.

Mr. Holcomb highlighted that the FY08 DNR shortfall amount could be paid from the IUST Fund, early in FY09, before the contingency (legislative package plan & back up agreement draft) was met in September. The Board members acknowledged the fact, and the Board approved the motion by a vote of 7-0.

**B. Any Other Items for Discussion**

Mr. Larson reminded the Board about the diversion of funds during the recent legislative session that would take \$1,725,000 from the IUST Fund and give some to each of the ATV and snowmobile funds. He noted that the Governor did not line item veto that diversion in light of the absence of "notwithstanding" language, and Mr. Scheidel had stated previously that the Treasurer's Office would have to determine how to proceed with regard to the conflict of the diversion with existing law. Mr. Larson requested Mr. Scheidel and Mr. Steward meet with him to plan how the Treasurer's Office should proceed.

---

Mr. Hall noted to the Board that early in the process, when the bill diverting IUST Funds to ATV's and snowmobiles was introduced, Richard Leopold, DNR Director, instructed the DNR legislative liaison to oppose the bill even though the ATV/snowmobile management was a part of the DNR. Mr. Hall stated that Mr. Leopold received an angry response to the position from the ATV division of the Department, for the record.

Ms. Voss asked if there was any further business, and there being none, Mr. Holcomb moved to adjourn, and Ms. Johnson seconded the motion. By a vote of 7-0, the Board adjourned at 11:04 A.M.

Respectfully Submitted,



Scott M. Scheidel  
Administrator

---

**Closed Session**

**Discussion of Pending and Imminent Litigation**

---

**Public Comment Period**

---

## Board Issues

---

---

**A. Fiscal 2009 Budget**



# IOWA UNDERGROUND STORAGE TANK

## Financial Responsibility Program

Susan E. Voss, *Chairperson*

Scott M. Scheidel, *Administrator*

*Board Members:* Michael L. Fitzgerald      Jeff W. Robinson      Jacqueline A. Johnson      James M. Holcomb      Richard A. Leopold  
Nancy A. Lincoln      Douglas M. Beech

### Φ Φ Φ M E M O Φ Φ Φ

---

**TO:** UST Board

---

**FROM:** Scott Scheidel

---

**DATE:** July 1, 2008

---

**RE:** Fiscal Year 2009 Budget

---

The attached budget shows the projected financial activity for fiscal year 2009 (FY09) based on billings and claim payment trends over the past years, as well as, contracts and agreements executed on behalf of the Board.

The following budget includes claim payment projections, expected billings for services, statutory and 28E agreement transfers of UST funds, and planned intra-fund UST transfers (i.e. Revenue to Unassigned Revenue or Unassigned Revenue to Remedial).

Pursuant to the fiscal year 2009 budget, the following UST Fund transfers are recommended to facilitate the payment of UST Fund claims.

- 1) Transfer \$13,550,000 million from the Revenue Fund to the Unassigned Revenue Fund to repay the Fund for monies used to payoff the 1997A Series bonds and to finance the DNR funding agreements for FY08 & FY09.
- 2) Transfer \$4.25 million from the Unassigned Revenue Fund to the Remedial Non-Bonding Fund. As of May 31, 2008, the Remedial Fund balance was \$6,312,823.70. The Administrator's Office has budgeted to pay \$7 million in remedial claims and \$600,000 in retroactive claims.
- 3) Transfer \$4.25 million from the Revenue Fund to the Innocent Landowner Fund to repay the ILO Fund for monies used to defease the 2004A Series bonds.

We recommend approval of the budget submitted for FY09, unless Board members can identify any items for revision at this time.

066

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND  
STATEMENT OF FUND BALANCES  
BUDGET FISCAL 2009**

<b>UST REVENUE FUND (Bonding)</b>		<i>FY09 Budget</i>
<b>Balance of Fund, June 1, 2008</b>	\$	8,500,000.00
<b>Receipts:</b>		
Tank Management Fees FY08	\$	400,000.00
Tank Management Fees FY09	\$	400,000.00
Motor Vehicle Use Tax	\$	17,000,000.00
Intra State Transfers		
Interest Income - Capital Reserve Fund		
	\$	17,800,000.00
<b>Disbursements:</b>		
Bond Interest Payment	\$	-
Bond Principal Payment	\$	-
Transfer to Innocent Landowner Fund	\$	4,250,000.00
Transfer to Unassigned Revenue Fund	\$	13,550,000.00
1997 Bond Payoff (6/13/08)	\$	8,500,000.00
	\$	26,300,000.00
<b>Balance of Fund, June 30, 2009</b>	\$	-
 <b>UST UNASSIGNED REVENUE FUND (Non-Bonding)</b>		
<b>Balance of Fund, June 1, 2008</b>	\$	15,993,745.87
<b>Receipts:</b>		
Request for Proposal Fees		
Copying Fees		
Fines & Penalties	\$	5,000.00
Refund/Overpayment	\$	-
Transfer From UST Revenue Fund 471	\$	13,550,000.00
Transfer From Loan Guaranty Fund 238	\$	-
Intra State Fund Transfers Received		
Amort / Accretion	\$	30,000.00
Buys/Sells	\$	(20,000.00)
Interest Income	\$	1,800,000.00
	\$	15,365,000.00
<b>Disbursements:</b>		
UST Administrator's Fees	\$	1,412,712.00
Attorney General's Fees	\$	105,000.00
Attorney's Fees: Cost-Recovery Administration		
Cost Recovery Expense (Lien Notice & Release Filing)	\$	30.00
Actuarial Fees		
Auditor of the State Fees	\$	4,800.00
Bond Trustee's Fees - Bankers Trust	\$	-
Claim Settlement (Coastal Mart)	\$	1,050,000.00
Custodial Fees - BONY	\$	-
Department of Revenue (DAS) EPC Collection Fees	\$	6,000.00

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND  
STATEMENT OF FUND BALANCES  
BUDGET FISCAL 2009**

Environmental Protection Charge Refunds	\$	-
Inspection & Appeals Service Fees	\$	3,500.00
Iowa Finance Authority Expenses		
Legal and Professional Fees	\$	-
Postage / Printing / Miscellaneous	\$	100.00
Professional Admin Services (Investments)	\$	30,000.00
Rebate		
Tank Closure Claims & Plastic Water Line Claims	\$	50,000.00
Travel Expenses-UST Board Members	\$	700.00
Warrant Float Expense		
28E Agreement - RBCA (DNR Staff Training & Development)		
28E Agreement - DNR UST Section Funding - FY07	\$	-
28E Agreement - DNR UST Section Funding - FY08	\$	400,000.00
28E Agreement - DNR UST Section Funding - FY09	\$	400,000.00
Statutory Transfer to DNR - FY09	\$	200,000.00
Statutory Transfer to DED	\$	-
Statutory Transfer to DNR (Snowmobiles & ATV's)- FY09	\$	1,725,000.00
Transfer to Remedial Non-Bonding Fund	\$	4,250,000.00
1997 Bond Payoff (6/13/08)	\$	5,825,187.84
Bond Payoff and Defeasance Fees	\$	36,000.00
	\$	15,499,029.84
<b>Balance of Fund June 30, 2009</b>	<b>\$</b>	<b>15,859,716.03</b>

**UST REMEDIAL NON-BONDING FUND**

<b>Balance of Fund, June 1, 2008</b>	\$	6,312,823.70
<b>Receipts:</b>		
Remedial Refunds	\$	3,000.00
Misc. Income - (i.e. Eligibility Settlements)		
Interest Income		
Intra State Fund Transfers Received (from 450)	\$	4,250,000.00
	\$	4,253,000.00
<b>Disbursements:</b>		
Retroactive Claims	\$	600,000.00
Remedial Claims	\$	7,000,000.00
Intra State Fund Transfers Paid		
Balance of Outdated Warrants		
	\$	7,600,000.00
<b>Balance of Fund June 30, 2009</b>	<b>\$</b>	<b>2,965,823.70</b>

**UST MARKETABILITY FUND**

<b>Balance of Fund, June 1, 2008</b>	\$	3,380,922.46
<b>Receipts:</b>		
Interest	\$	200,000.00
	\$	200,000.00
<b>Disbursements:</b>		
1997 Bond Payoff (6/13/08)	\$	3,327,726.83
	\$	3,327,726.83
<b>Balance of Fund June 30, 2009</b>	<b>\$</b>	<b>253,195.63</b>

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND  
STATEMENT OF FUND BALANCES  
BUDGET FISCAL 2009**

**UST INNOCENT LANDOWNERS FUND**

<b>Balance of Fund, June 1, 2008</b>	\$	19,138,894.17
<b>Receipts:</b>		
Cost Recovery	\$	10,000.00
ILO Refunds		
Intra State Fund Transfers Received (from 471)	\$	4,250,000.00
Transfer from Marketability Fund		
	<u>\$</u>	<u>4,260,000.00</u>
<b>Disbursements:</b>		
Cost Recovery Reimbursement		
Cost Recovery Global Settlement		
Other Contractual Services		
Intra State Fund Transfers Paid		
AG - Cost Recovery Expenses		
Global Settlement Claims	\$	300,000.00
Innocent Landowner Claims	\$	2,000,000.00
Balance of Outdated Warrants		
2004 Bond Defeasance Payment to Bankers Trust (6/26/08)	<u>\$</u>	<u>8,797,080.00</u>
	\$	11,097,080.00
<b>Balance of Fund June 30, 2009</b>	<u>\$</u>	<u>12,301,814.17</u>

**ABOVEGROUND STORAGE TANK FUND**

<b>Balance of Fund June 1, 2008</b>	\$	-
<b>Receipts:</b>		
Interest	\$	-
Transfer from Unassigned Revenue Fund		
Transfer to Unassigned Revenue Fund		
	<u>\$</u>	<u>-</u>
<b>Disbursements:</b>		
Transfer to Revenue Fund	\$	-
AST Claims	\$	-
	<u>\$</u>	<u>-</u>
<b>Balance of Fund June 30, 2009</b>	<u>\$</u>	<u>-</u>

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

<b>Balance of Fund, June 1, 2008</b>	\$	1,287,903.21
<b>Receipts:</b>		
Loan Application Fees		
Interest Income	\$	10,000.00
	<u>\$</u>	<u>10,000.00</u>
<b>Disbursements:</b>		
Transfer to Unassigned Revenue Fund	\$	-
Payments on Loan Losses	\$	-
1997 Bond Payoff (6/13/08)	<u>\$</u>	<u>1,034,979.39</u>
	\$	1,034,979.39
<b>Balance of Fund June 30, 2009</b>	<u>\$</u>	<u>262,923.82</u>

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND  
STATEMENT OF FUND BALANCES  
BUDGET FISCAL 2009**

**UST BOND FUND (Bonding)**

---

**Series 1997 A Revenue Refunding Bonds**

**Balance of Fund, June 1, 2008** \$ -

**Receipts:**

Transfer From/(To) UST Revenue Fund \$ -

Transfer From/(To) UST Cost of Issuance Fund -

Accrued Interest From Bonds -

Interest Income -

**Disbursements:**

Principal Payments to Bondholders \$ -

Interest Payments to Bondholders \$ -

Trustee Fee -

**Balance of Fund June 30, 2009** \$ -

**Series 2004 A Revenue Refunding Bonds**

**Balance of Fund, June 1, 2008** \$ -

**Receipts:**

Transfer From/(To) UST Revenue Fund \$ -

Transfer From/(To) UST Cost of Issuance Fund -

Accrued Interest From Bonds -

Interest Income -

**Disbursements:**

Principal Payments to Bondholders \$ -

Interest Payments to Bondholders \$ -

Trustee Fee \$ -

**Balance of Fund June 30, 2009** \$ -

**Combined UST Bond Fund Balances, June 30, 2009** \$ -

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND  
STATEMENT OF FUND BALANCES  
BUDGET FISCAL 2009**

**UST CAPITAL RESERVE FUNDS (Bonding)**

**Series 1990 A**

<b>Balance of Fund, June 1, 2008</b>	\$	3,990,710.18
<b>Receipts:</b>		
Proceeds from Issuance of Bonds		
<b>Disbursements:</b>		
Transfer Interest to Revenue Fund		

<b>Balance of Fund June 30, 2009</b>	<b>\$</b>	<b>3,990,710.18</b>
--------------------------------------	-----------	---------------------

**Series 1991 A**

<b>Balance of Fund, June 1, 2008</b>	\$	2,641,220.03
<b>Receipts:</b>		
Proceeds From Issuance of Bonds		
<b>Disbursements:</b>		
Transfer to Cost of Issuance Fund		

<b>Balance of Fund June 30, 2009</b>	<b>\$</b>	<b>2,641,220.03</b>
--------------------------------------	-----------	---------------------

**Series 1994 A**

<b>Balance of Fund, June 1, 2008</b>		(\$394,430.21)
<b>Receipts:</b>		
Proceeds From Issuance of Bonds		

**Disbursements:**

<b>Balance of Fund June 30, 2009</b>		<b>(\$394,430.21)</b>
2004 Bond Defeasance Payments to Bankers Trust Escrow 6/26/08	\$	6,237,500.00
<b>Combined UST Capital Reserve Fund Balances, June 30, 2009</b>		<b>\$0.00</b>

<b>TOTAL FUND BALANCES, June 30, 2009</b>	<b>\$</b>	<b>31,643,473.35</b>
---	-----------	----------------------

**FOOTNOTES:**

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

---

**B. Fiscal 2009 28E Agreement with  
Attorney General's Office**

## AGREEMENT

This Agreement is entered into on this 16<sup>th</sup> day of June 2008, by and between the Department of Justice [hereinafter the Department] and the Underground Storage Tank Fund, [hereinafter the Fund], for the fiscal year 2009.

## PARTIES

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

## DUTIES

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

## PAYMENT

1. Payment by the Fund for legal services performed by the Department shall be based on an estimate of the total annual value of the legal services which includes, but is not limited to: the attorney time devoted to the agency; the difficulty of the legal work required; and the provision of support staff in the performance of the legal services.
  - A. The Fund shall pay approximately \$105,000 to the Department for legal services for fiscal year 2009.
  - B. The Department shall bill the Fund for legal services monthly on a IET transfer document.

- 2. The Fund shall pay all travel and miscellaneous expenses incurred in the performance of legal services in addition to the amount specified for legal services. The Department shall obtain prior approval from the Fund before incurring travel expenses.
  - A. Travel expenses include all expenses incurred by attorneys in relation to attending agency meetings, prosecuting contested case hearings and prosecuting or defending litigation, excluding tort claim defense.
  - B. Miscellaneous expenses include expert witness fees and expenses, deposition costs, copying costs, costs of supplies and other costs associated with the provision of legal services to the Fund. The Fund shall pay a maximum of \$500 in Westlaw charges for the fiscal year. The Department shall pay any West law charges in excess of \$500.

*John F. Pottery*  
 DEPUTY ATTORNEY GENERAL

\_\_\_\_\_  
 UST FUND

*6-18-08*  
 DATE

\_\_\_\_\_  
 DATE

---

**C. Treasurer's Request for Board Action re: Diversion  
of Funds**



# IOWA UNDERGROUND STORAGE TANK

## Financial Responsibility Program

Susan E. Voss, *Chairperson*

Scott M. Scheidel, *Administrator*

*Board Members:* Michael L. Fitzgerald    Jeff W. Robinson    Jacqueline A. Johnson    James M. Holcomb    Richard Leopold  
Nancy A. Lincoln    Douglas M. Beech

### Φ Φ Φ M E M O Φ Φ Φ

---

**TO:**            **Iowa UST Board**

---

**FROM:**        Scott Scheidel

---

**DATE:**        July 2, 2008

---

**RE:**            Legislative Transfer of Monies in HF 2662

---

HF2662, the Ag and Natural Resources budget bill was passed and signed by the Governor. It moves \$950,000 from the Unassigned Revenue Fund to the Snowmobile Fund and \$775,000 from Unassigned to the ATV Fund. The wording in the bill has an issue that may make the transfer of these monies illegal. The language does not include a provision to "notwithstanding" Iowa Code Section 455G.3 which in part reads:

"Amounts in the fund shall not be subject to appropriation for any other purpose by the general assembly, but shall be used only for the purposes set forth in this chapter."

The Board, because of this omission, asked the Governor to veto this portion of the bill in the May 6<sup>th</sup> letter attached behind this memo. As was discussed throughout session with lawmakers, the passage of TIME 21 and the conditions it places on the Board to basically pay off all debt makes the transfer of other monies a much greater hardship and creates an even higher potential of cash flow problems. We received no response to our request and the provision was not line item vetoed. Because of the conflict in the laws it will be up to the Treasurer, as custodian of the funds, to reconcile the wording of the bill with the existing law.

The Board should give clear direction to the Treasurer regarding their position on the conflict and how they would like to see the conflict addressed.

074



# IOWA UNDERGROUND STORAGE TANK

## *Financial Responsibility Program*

Susan E. Voss, *Chairperson*

Scott M. Scheidel, *Administrator*

*Board Members:*

Michael L. Fitzgerald

Jeff W. Robinson

Jacqueline A. Johnson

James M. Holcomb

Richard A. Leopold

Nancy A. Lincoln

Douglas M. Beech

May 6, 2008

Dick Oshlo  
State Budget Director  
State Capitol  
Des Moines IA 50319

Dear Mr. Oshlo,

I am writing as a follow up to our phone conversations this past week regarding HF2662. Specifically that portion of the bill which appropriates monies from the UST Fund to other sources and the Boards' request to line item veto those sections. Aside from the general position that diverting monies collected and set for cleanup of historical petroleum releases for any purpose other than that for which the funds were collected is not good public policy, there are two specific issues in this case.

First, the conditions placed on the UST Fund with the TIME 21 changes that are already signed into law. The change in revenue stream created under the TIME 21 law requires the Board to retire or defease all of their outstanding debt. Doing so has the effect of decreasing UST Fund balances by nearly 60%. The estimate of funds available after these transactions, which must take place prior to June 30, 2008, is \$27 to \$28 million. Any further diversion of monies represents a serious cash flow hazard. Historically annual claim payments have been as high as \$23 million with total annual expenditures approaching the \$27 million. With nearly \$100 million diverted in recent years, there simply are not the reserves to divert and meet the ongoing clean up requirements.

Second, the bill as passed creates a conflict with existing law. Iowa Code Section 455G.3 states:

"Amounts in the fund shall not be subject to appropriation for any other purpose by the general assembly, but shall be used only for the purposes set forth in this chapter."

In past diversions of money the general assembly acknowledged this provision and notwithstanding it in the specific provision being enacted. The lack of any such acknowledgement in this bill creates a clear conflict with the more specific existing law.

The Board would request that the Governor line item veto those provisions that create both a conflict with existing statute and the potential for cleanups to go unfunded in the near term.

Page 2  
HF 2662  
Dick Oshlo

We would welcome the opportunity to talk with the Governor or any staff to answer questions that this may create. Thanks for your consideration in this matter.

---

Sincerely,



Scott Scheidel  
UST Fund Administrator

Cc: Shashi Goel  
Jamie Cashman  
UST Fund Board

---

## **D. 12 Month Board Meeting Schedule**



# IOWA UNDERGROUND STORAGE TANK FUND

Susan E. Voss, Chairperson

Scott M. Scheidel, Administrator

Board Members:

Michael L. Fitzgerald ❖ Jeff W. Robinson ❖ Jacqueline A. Johnson ❖ James M. Holcomb  
Richard Leopold ❖ Nancy A. Lincoln ❖ Douglas M. Beech

## ☐☐☐ MEMO ☐☐☐

**TO:** UST Board Members

**FROM:** Scott Scheidel

**DATE:** July 1, 2008

**RE:** Board Meeting Dates

The Board has set a meeting schedule for the fourth Thursday of each month except during the months of January, February, March and April, in which alternate dates were to be selected on Mondays or Fridays where possible to accommodate the legislative session. This memo is to set the tentative dates for Fiscal 2009. The meeting dates will still be confirmed at the meetings two months prior and immediately prior. The tentative schedule for the next 12 months is:

- Thursday, ~~August 28, 2008~~ *Aug 27<sup>th</sup> 10am.*
- Thursday, September 25, 2008
- Thursday, October 23, 2008
- Thursday, December 11, 2008
- Friday, January 23, 2009
- Friday, February 27, 2009
- Friday, March 27, 2009
- Friday, April 24, 2009
- Thursday, May 28, 2009
- Thursday, July 16, 2009 (Annual Strategic Planning Session – off-site)

078

---

**E. Reauthorization of 28E for UST Closure Contracts**



# IOWA UNDERGROUND STORAGE TANK

## Financial Responsibility Program

Susan E. Voss, Chairperson

Scott M. Scheidel, Administrator

**Board Members:**

Michael L. Fitzgerald

Richard A. Leopold

Jeff W. Robinson

Nancy A. Lincoln

Jacqueline A. Johnson

Douglas M. Beech

James M. Holcomb

**TO: UST Board**

**FROM: Scott M. Scheidel**

**SUBJECT: Tank Closure Contracts -- 28E Agreement -- Reauthorization  
Contract Extension Request**

---

**DATE: June 30, 2008**

---

### Background

The Board and the Department of Natural Resources (DNR) entered into a 28E agreement in 1997 to conduct UST closures, RBCA evaluations and emergency response activities at sites where the DNR determined such action was needed and either no responsible party was able to pay for such corrective action or the responsible party was recalcitrant in undertaking the corrective action measures.

In 2004, a new 28E agreement was entered into for continuation of the tank closure and assessment contracts. The new agreement period was set for two years and allows for a total of 4 additional one-year extensions, as approved by the Board. The current agreement expires in July 2008. The Board also retained, through a public bid, 2 contractors to complete work for implementation of the agreement. The vendor agreements will also expire in July 2008 however they too may be renewed for additional extensions, as approved by the Board.

### Status

Currently, 33 sites have been identified for the vendor agreements. Board authority has been given for costs up to \$700,000. Budget authority has been given for expenditures up to \$535,792 of which \$469,818 has been paid for work completed. Cost recovery efforts have reclaimed \$70,245 and \$230,429 remains on outstanding liens.

### Modification

The Department still has a significant number of sites that could be added to the contracts. In addition, a new class of sites has been identified for possible inclusion. The current 28E stipulates only sites where an owner is determined to be unable to pay or recalcitrant be added to the project. The new class involves UST owners who close their sites and are unable to complete site checks or tank closure within the time frame afforded to either identify a release for the purpose of filing an insurance claim or losing their right to do so. In an effort to assist DNR, it is recommended the agreement terms be expanded to allow inclusion of these sites so necessary work, consistent with DNR regulations, may be performed.

It is further recommended that the stated purpose of the agreement be modified, with the addition of qualifiers to note the terms of the 28E agreement shall not limit the Board's use of the vendor agreements to the implementation of the 28E agreement, nor shall the terms of the agreement be intended in any way to limit the authority of the Department.

080

Recommendation

The Administrator recommends extending the 28E agreement with the DNR through July 15, 2009, subject to the modifications described herein.

The Administrator also recommends extending the 2 vendor agreements to July 30, 2009, for use in the implementation of the 28E agreement, and for other purposes, as provided by Board authority.

---

Approved to extend agreement  
with modifications

---

## Approval of Program Billings



# IOWA UNDERGROUND STORAGE TANK

## Financial Responsibility Program

Susan E. Voss, *Chairperson*

Scott M. Scheidel, *Administrator*

Board Members: Michael L. Fitzgerald

Jeff W. Robinson

Jacqueline A. Johnson

James M. Holcomb

Richard A. Leopold

Nancy A. Lincoln

Douglas M. Beech

### MEMORANDUM

TO: UST Board Members  
FROM: Scott Scheidel  
DATE: July 1, 2008  
SUBJECT: Summary of Bills for Payment

#### \*NOTICE\*

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

1. Aon Risk Services .....\$122,726.00  
Consulting Services July 2008 -- \$67,513.00  
Claims Processing Services July 2008 -- \$55,213.00
2. Aon Risk Services .....\$122,726.00  
Consulting Services August 2008 -- \$67,513.00  
Claims Processing Services August 2008 -- 55,213.00
3. Attorney General's Office.....\$5,784.50  
Services provided for Underground Storage Tank Program  
May 2008 Billing

## Iowa Comprehensive Petroleum

Invoice No. 9500000065360

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



Aon Risk Services Central, Inc.  
fka 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	Account Executive
10756349	Jun-02-2008	US DOLLAR	Scott Scheidel

Named Insured	Service Term	Trans. Eff. Date	Description	Amount
Iowa Comprehensive Petroleum	Jan-01-2008 - Jan-01-2009	Jul-01-2008	Renewal - Service Fee	
<b>Comments</b> Installment 7 of 12			Service Fee	62,513.00
			Consulting Expense	5,000.00
<b>TOTAL INVOICE AMOUNT DUE</b>				<b>67,513.00</b>

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

Please see reverse side for statement regarding Aon compensation.

Page 1 of 1

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	9500000065360	Jun-02-2008	US DOLLAR	67,513.00

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

## Send remittance to:

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

084

## Iowa Comprehensive Petroleum

Invoice No. 9500000065361

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

Aon Risk Services Central, Inc.  
fka 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	Account Executive
10756349	Jun-02-2008	US DOLLAR	Scott Scheidel

Named Insured	Service Term	Trans. Eff. Date	Description	Amount
Iowa Comprehensive Petroleum	Jan-01-2008 - Jan-01-2009	Jul-01-2008	Renewal - Service Fee	
<b>Comments</b> Installment 7 of 12			Service Fee	0.00
			Consulting Expense	55,213.00
<b>TOTAL INVOICE AMOUNT DUE</b>				<b>55,213.00</b>

**TO AVOID POTENTIAL DISRUPTION IN COVERAGE, PLEASE PAY IMMEDIATELY.**  
For Wire instructions, contact your Account Executive.

Please see reverse side for statement regarding Aon compensation.

Page 1 of 1

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	9500000065361	Jun-02-2008	US DOLLAR	55,213.00

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

## Send remittance to:

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

085

## Iowa Comprehensive Petroleum

Invoice No. 9500000066102

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

Aon Risk Services Central, Inc.  
fka 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. 10756349 Invoice Date Jul-01-2008 Currency US DOLLAR Account Executive Scott Scheidel

Named Insured	Service Term	Trans. Eff. Date	Description	Amount
Iowa Comprehensive Petroleum	Jan-01-2008 - Jan-01-2009	Aug-01-2008	Renewal - Service Fee	
Comments Installment 8 of 12			Service Fee	62,513.00
			Consulting Expense	5,000.00
<b>TOTAL INVOICE AMOUNT DUE</b>				<b>67,513.00</b>

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

Please see reverse side for statement regarding Aon compensation.

Page 1 of 1

This is a Reprint of an Existing Invoice

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	9500000066102	Jul-01-2008	US DOLLAR	67,513.00

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

## Send remittance to:

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

086

## Iowa Comprehensive Petroleum

Invoice No. 9500000066103

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

Aon Risk Services Central, Inc.  
fka 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. 10756349 Invoice Date Jul-01-2008 Currency US DOLLAR Account Executive Scott Scheidel

Named Insured	Service Term	Trans. Eff. Date	Description	Amount
Iowa Comprehensive Petroleum	Jan-01-2008 - Jan-01-2009	Aug-01-2008	Renewal - Service Fee	
<b>Comments</b> Installment 8 of 12			Service Fee	0.00
			Consulting Expense	55,213.00
<b>TOTAL INVOICE AMOUNT DUE</b>				<b>55,213.00</b>

**TO AVOID POTENTIAL DISRUPTION IN COVERAGE, PLEASE PAY IMMEDIATELY.**  
For Wire instructions, contact your Account Executive.

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

Page 1 of 1

This is a Reprint of an Existing Invoice

*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	9500000066103	Jul-01-2008	US DOLLAR	55,213.00

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

## Send remittance to:

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

087

**IOWA ATTORNEY GENERAL'S OFFICE**

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

Invoice Date: 05/26/08

**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: May

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

Document Number	Account Coding					Description	Amount
	Fund	Agency	Org	Sub Org	Rev Source		
112AG052608027	0001	112	2301		0285		\$ 5,784.50

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

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

Billing Period:	May
<b>Billing Total:</b>	<b>\$5,784.50</b>
DSS @ 33%	\$1,817.36
TDB @ 25%	\$1,312.42
RCH @25%	\$923.13
CLJ @50%	\$1,524.43
Payroll 5/1/08:	\$5,577.34
DSS @ 33%	\$1,494.74
TDB @ 25%	\$1,123.00
RCH @25%	\$670.94
CLJ @50%	\$1,030.20
Payroll 5/15/08:	\$4,318.88
Workers' Comp FY2008	\$0.00
(Less amount exceeding agreement)	(\$4,111.72)
Total Misc:	(\$4,111.72)
	<b>\$5,784.50</b>

**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.

51

---

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

---

---

**A. May Activity Report**

---

Iowa UST Fund  
Monthly Activities Report

May 2008

Claims	Open Claims April Ending	Open & Closed Monthly Net Changes	Open Claims May Ending	Open & Closed Totals since Inception
<b>RETROACTIVE</b>				
number	69	0	69	444
reserve	\$3,143,216.29	(\$65,436.62)	\$3,077,779.67	\$3,077,779.67
paid	\$8,060,483.01	\$23,436.62	\$8,083,919.63	\$14,533,286.82
total	\$11,203,699.30	(\$42,000.00)	\$11,161,699.30	\$17,611,066.49
<b>REMEDIAL</b>				
number	852	(4)	848	4,436
reserve	\$43,096,335.83	(\$807,847.25)	\$42,288,488.58	\$42,288,488.58
paid	\$92,362,279.11	(\$527,132.63)	\$91,835,146.48	\$180,427,983.15
total	\$135,458,614.94	(\$1,334,979.88)	\$134,123,635.06	\$222,716,471.73
<b>INNOCENT LANDOWNER</b>				
number	240	(3)	237	1,052
reserve	\$8,902,149.50	(\$74,738.79)	\$8,827,410.71	\$8,827,412.71
paid	\$12,109,211.82	(\$39,120.45)	\$12,070,091.37	\$22,463,521.63
total	\$21,011,361.32	(\$113,859.24)	\$20,897,502.08	\$31,290,934.34
<b>GLOBAL OPT-IN</b>				
number	250	1	251	1,259
reserve	\$1,491,763.48	(\$5,004.91)	\$1,486,758.57	\$1,486,758.57
paid	\$1,975,434.32	\$19,004.91	\$1,994,439.23	\$8,857,174.96
total	\$3,467,197.80	\$14,000.00	\$3,481,197.80	\$10,343,933.53
<b>UNASSIGNED PROJECTS</b>				
number	23	(1)	22	179
reserve	\$230,220.25	(\$29,367.89)	\$200,852.36	\$200,852.36
paid	\$390,779.75	(\$10,340.00)	\$380,439.75	\$443,280.40
total	\$621,000.00	(\$39,707.89)	\$581,292.11	\$644,132.76

Corrective Action Meetings	
Scheduled:	
Completed:	
MOA's	

CL CRP=2

Invoice Type Totals	May	FYTD	Program to Date
American Soils	0.00	0.00	\$5,678,423
AST Removal	0.00	0.00	\$2,121,490
AST Upgrade	0.00	0.00	\$5,460,479
CADR Charges	0.00	(197,430.82)	\$4,083,487
Corrective Action	14,523.32	1,530,544.73	\$50,051,261
Free Prod Recover	25,408.85	585,657.15	\$7,195,416
Monitoring	172,412.74	2,068,078.25	\$18,987,003
New UST Pull 2004	0.00	375,623.73	\$894,110
Operations/Maint	61,267.09	601,561.55	\$6,634,723
Over-excavation	222,038.27	1,913,119.41	\$21,574,903
Plastic Water Lines	0.00	167,718.48	\$1,498,915
Post RBCA Eval's	1,666.63	19,906.22	\$119,396
RBCA	13,979.50	223,335.93	\$24,569,942
Remed Imp/Const.	97,202.74	266,157.63	\$22,052,700
SCR Charges	0.00	90.00	\$54,138,906
Site Check	0.00	1,046.85	\$123,856
Soil Disposal	0.00	0.00	\$607,332
Tank (UST) Pull	7,599.84	29,365.68	\$4,911,561
Tank (UST) Upgrade	0.00	0.00	\$5,883,408
Tier III	14,667.64	61,710.23	\$1,119,005
Utilities	12,827.48	240,526.08	\$807,070
Well Closure	13,733.06	160,018.21	\$2,358,991
<b>Total Invoice Types</b>	<b>657,347.16</b>	<b>8,047,029.31</b>	<b>\$240,872,374</b>

Budgets Approved to Date	
May	3
Trailing 12 mos	39
Prev Trail 12 mos	87
Total Since Jan 2003	898

Project Claims	Open	Closed	Pending
CRP's	25	29	0
Tank Closure	2	3	0
Plastic Water Line	2	0	0

---

## **B. June Activity Report**

Iowa UST Fund  
Monthly Activities Report

June 2008

	Open Claims	Open & Closed	Open Claims	Open & Closed
Claims	May Ending	Monthly Net Changes	June Ending	Totals since Inception

RETROACTIVE				
number	69	(1)	68	444
reserve	\$3,077,779.67	\$96,215.42	\$3,173,995.09	\$3,173,995.09
paid	\$8,083,919.63	(\$43,215.42)	\$8,040,704.21	\$14,555,529.88
total	\$11,161,699.30	\$53,000.00	\$11,214,699.30	\$17,729,524.97

REMEDIAL				
number	848	(3)	845	4,436
reserve	\$42,288,488.58	(\$515,549.11)	\$41,772,939.47	\$41,772,939.47
paid	\$91,835,146.48	\$163,142.13	\$91,998,288.61	\$180,983,223.21
total	\$134,123,635.06	(\$352,406.98)	\$133,771,228.08	\$222,756,162.68

INNOCENT LANDOWNER				
number	237	(2)	235	1,053
reserve	\$8,827,410.71	(\$231,039.16)	\$8,596,371.55	\$8,596,373.55
paid	\$12,070,091.37	(\$67,682.12)	\$12,002,409.25	\$22,598,256.98
total	\$20,897,502.08	(\$298,721.28)	\$20,598,780.80	\$31,194,630.53

GLOBAL OPT-IN				
number	251	(6)	245	1,259
reserve	\$1,486,758.57	(\$15,983.49)	\$1,470,775.08	\$1,470,775.08
paid	\$1,994,439.23	(\$65,516.51)	\$1,928,922.72	\$8,866,051.65
total	\$3,481,197.80	(\$81,500.00)	\$3,399,697.80	\$10,336,826.73

UNASSIGNED PROJECTS				
number	22	0	22	180
reserve	\$200,852.36	(\$7,546.61)	\$193,305.75	\$193,305.75
paid	\$380,439.75	\$1,546.60	\$381,986.35	\$444,827.00
total	\$581,292.11	(\$6,000.01)	\$575,292.10	\$638,132.75

RT Claims	#
New	0
Reopened	0
Closed	1

RM Claims	#
New	0
Reopened	3
Closed	6

ILO Claims	#
New	1
Reopened	0
Closed	3

GS Claims	#
New	0
Reopened	0
Closed	6

PROJ Clms	#
New	1
Reopened	0
Closed	1

Corrective Action Meetings	
Scheduled:	102
Completed:	818
MOA's	416

Invoice Type Totals	June	FYTD	Program to Date
American Soils	0.00	0.00	\$5,678,423
AST Removal	0.00	0.00	\$2,121,490
AST Upgrade	0.00	0.00	\$5,460,479
CADR Charges	0.00	(197,430.82)	\$4,083,487
Corrective Action	15,579.88	1,546,124.61	\$50,043,084
Free Prod Recover	27,694.10	613,351.25	\$7,223,832
Monitoring	136,164.67	2,204,242.92	\$19,123,167
New UST Pull 2004	63,907.52	439,531.25	\$958,018
Operations/Maint	51,840.80	653,402.35	\$6,686,564
Over-excavation	143,974.87	2,057,094.28	\$21,721,571
Plastic Water Lines	15,452.36	183,170.84	\$1,514,367
Post RBCA Evals	3,478.00	23,384.22	\$122,874
RBCA	42,645.95	265,981.88	\$24,612,588
Remed Imp/Const.	189,374.33	455,531.96	\$22,242,074
SCR Charges	0.00	90.00	\$54,154,207
Site Check	0.00	1,046.85	\$123,856
Soil Disposal	0.00	0.00	\$607,332
Tank (UST) Pull	0.00	29,365.68	\$4,911,561
Tank (UST) Upgrade	0.00	0.00	\$5,883,408
Tier III	2,519.35	64,229.58	\$1,121,524
Utilities	14,556.54	255,082.62	\$820,904
Well Closure	21,216.09	181,234.30	\$2,380,207
<b>Total Invoice Types</b>	<b>728,404.46</b>	<b>8,775,433.77</b>	<b>\$241,595,016</b>

Budgets Approved to Date		
June	2	\$31,919
Trailing 12 mos	41	\$1,871,323
Prev Trail 12 mos	87	\$5,328,101
Total Since Jan 2003	900	\$33,292,981

Project Claims	Open	Closed	Pending
CRP's	25	29	0
Tank Closure	2	3	0
Plastic Water Line	2	0	0

---

## C. May Financials

---

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND  
STATEMENT OF FUND BALANCES  
FOR THE MONTH ENDING MAY 31, 2008**

**0450 - UST REVENUE FUND (Bonding)**

**Balance of Fund, May 1, 2008** \$8,500,000.00

**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, May 31, 2008**

**\$8,500,000.00**

**0450 - UST UNASSIGNED REVENUE FUND (Non-Bonding)**

**Balance of Fund, May 1, 2008** \$16,187,043.86

**Receipts:**

Installer's License Fees	\$0.00
Request for Proposal Fees	\$0.00
Copying/Filing Fees	\$0.00
Fines & Penalties	\$2,220.00
Refund/Overpayment	\$0.00
Transfer From UST Revenue Fund	\$0.00
Intra State Fund Transfers Received - DNR	\$0.00
Compensation for Pooled Money Investments	\$0.00
Amort / Accretion	(\$464.46)
Buys/ Sells	\$500.00
Interest Income	\$80,211.71

\$82,467.25

**Disbursements:**

UST Administrator's Fees	\$245,452.00
Attorney General's Fees	\$19,792.62
Attorney's Fees: Cost-Recovery Administration	\$0.00
Cost Recovery Expense (Lien Filing)	\$0.00
Actuarial Fees	\$0.00
Auditor of the State Fees	\$0.00
Bond Trustee Fees - Bankers Trust	\$0.00
Claim Settlement	\$0.00
Custodial Fees - BONY	\$0.00
Department of Revenue EPC Collection Fees	\$1,672.80
Innovative Technology	\$0.00
Inspection & Appeals Service Fees	\$105.63

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND  
STATEMENT OF FUND BALANCES  
FOR THE MONTH ENDING MAY 31, 2008**

Iowa Finance Authority Expenses	\$0.00	
Licensing - Contractual Services	\$0.00	
Postage / Printing / Miscellaneous	\$0.00	
Professional Administrative Services (Investments)	\$9,789.37	
Rebate	\$0.00	
Tank Closure Claims & Plastic Waterline Claims	\$0.00	
Travel Expenses-UST Board Members	\$0.00	
Warrant Float Expense	(\$1,047.18)	
Transfer to Remedial Non-Bonding Fund	\$0.00	
Transfer to Innocent Landowner Fund	\$0.00	
28E Agreement - RBCA (DNR Staff Training & Development)	\$0.00	
28E Agreement - DNR UST Section Funding - FY07	\$0.00	
28E Agreement - DNR UST Section Funding - FY08	\$0.00	
Statutory Transfer to DNR - FY08	\$0.00	
Statutory Transfer to DED - FY08	\$0.00	
		\$275,765.24
<b>Balance of Fund, May 31, 2008</b>		<b>\$15,993,745.87</b>

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

<b>Balance of Fund, May 1, 2008</b>		\$6,905,647.98
<b>Receipts:</b>		
Remedial Refunds	\$5,517.50	
Misc. Income (i.e. eligibility settlements)	\$0.00	
Interest Income	\$0.00	
Transfer Received from Unassigned Revenue Fund	\$0.00	
		\$5,517.50
<b>Disbursements:</b>		
Retroactive Claims	\$25,436.62	
Remedial Claims	\$560,730.35	
Balance of Outdated Warrants	\$12,174.81	
		\$598,341.78
<b>Balance of Fund, May 31, 2008</b>		<b>\$6,312,823.70</b>

**0478 - UST MARKETABILITY FUND**

<b>Balance of Fund, May 1, 2008</b>		\$3,327,726.83
<b>Receipts:</b>		
Interest	\$53,195.63	
Use Tax	\$0.00	
		\$53,195.63
<b>Disbursements:</b>		
Transfer to Aboveground Storage Tank Fund	\$0.00	
		\$0.00
<b>Balance of Fund, May 31, 2008</b>		<b>\$3,380,922.46</b>

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND  
STATEMENT OF FUND BALANCES  
FOR THE MONTH ENDING MAY 31, 2008**

**0485 - UST INNOCENT LANDOWNERS FUND**

**Balance of Fund, May 1, 2008** \$19,215,477.84

**Receipts:**

Cost Recovery (i.e. lien settlements)	\$0.00	
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	\$14,711.40	
Innocent Landowner Claims	\$61,986.29	
Balance of Outdated Warrants	(\$14.02)	

\$76,683.67

**Balance of Fund, May 31, 2008**

**\$19,138,794.17**

**0455 - ABOVEGROUND STORAGE TANK FUND**

**Balance of Fund May 1, 2008** \$0.00

**Receipts:**

Interest Income	\$0.00	
Canceled Warrants/ Corrected Warrants	\$0.00	
Transfer from Marketability Fund	\$0.00	
Transfer from Unassigned Revenue Fund	\$0.00	

\$0.00

**Disbursements:**

Transfer to Revenue Fund (0471)	\$0.00	
---------------------------------	--------	--

\$0.00

**Balance of Fund on May 31, 2008**

**\$0.00**

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

**Balance of Fund, May 1, 2008** \$1,284,979.39

**Receipts:**

Interest Income	\$2,923.82	
-----------------	------------	--

\$2,923.82

**Disbursements:**

Payments on Loan Losses	\$0.00	
-------------------------	--------	--

\$0.00

**Balance of Fund, May 31, 2008**

**\$1,287,903.21**

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND  
STATEMENT OF FUND BALANCES  
FOR THE MONTH ENDING MAY 31, 2008**

**BOND FUND (Bonding)**

**Series 1997 A Revenue Refunding Bonds**

**Balance of Fund, May 1, 2008** \$0.00

**Receipts:**

Transfer From/(To) UST Revenue Fund	\$0.00	
Transfer From/(To) UST Unassigned Revenue 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 to Bankers Trust	\$0.00	
		\$0.00

**Balance of Fund, May 31, 2008** \$0.00

**Series 2004 Cost of Issuance Bonds**

**Balance of Fund, May 1, 2008** \$0.00

**Receipts:**

Transfer From/(To) UST Revenue Fund	\$0.00	
Transfer From/(To) UST Unassigned Revenue 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 to Bankers Trust	\$0.00	
		\$0.00

**Balance of Fund, May 31, 2008** \$0.00

**Series 2004 A Revenue Refunding Bonds**

**Balance of Fund, May 1, 2008** \$0.00

**Receipts:**

Transfer From/(To) UST Revenue Fund	\$0.00	
Transfer From/(To) UST Unassigned Revenue 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 to Bankers Trust	\$0.00	
		\$0.00

**Balance of Fund, May 31, 2008** \$0.00

**Combined UST Bond Fund Balances, May 31, 2008** \$0.00

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND  
STATEMENT OF FUND BALANCES  
FOR THE MONTH ENDING MAY 31, 2008**

**0614 - UST CAPITAL RESERVE FUNDS (Bonding)**

**Series 1990 A**

**Balance of Fund, May 1, 2008** \$3,990,710.18

**Receipts:**

Proceeds From Issuance of Bonds \$0.00

**Disbursements:**

Transfer Interest to Revenue Fund \$0.00

**Balance of Fund, May 31, 2008** \$3,990,710.18

**Series 1991 A**

**Balance of Fund, May 1, 2008** \$2,641,220.03

**Receipts:**

Proceeds From Issuance of Bonds \$0.00

**Disbursements:**

Transfer to Cost of Issuance Fund \$0.00

**Balance of Fund, May 31, 2008** \$2,641,220.03

**Series 1994 A**

**Balance of Fund, May 1, 2008** (\$394,430.21)

**Receipts:**

Proceeds From Issuance of Bonds \$0.00

**Disbursements:**

Debt Service for Issuance of Bonds \$0.00

**Balance of Fund, May 31, 2008** (\$394,430.21)

**Combined UST Capital Reserve Fund Balances, May 31, 2008** \$6,237,500.00

**TOTAL FUND BALANCES, May 31, 2008** \$60,851,689.41

**FOOTNOTES:**

Note 1: Funds labeled "Bonding" were created as a result of the issuance of UST Revenue Bonds. Disbursements from these funds are restricted by the Revenue Bond indenture.

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

---

**D. Fiscal Year to Date Financials**  
**May 31, 2008**

---

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND  
STATEMENT OF FUND BALANCES  
FISCAL YEAR TO DATE ENDING MAY 31, 2008**

		<b>FISCAL 2008 BUDGET</b>
<b>0471 - UST REVENUE FUND (Bonding)</b>		
<b>Balance of Fund, July 1, 2007</b>		\$8,930,000.00
<b>Receipts:</b>		
Tank Management Fees	\$0.00	\$400,000.00
Motor Vehicle Use Tax	\$17,000,000.00	\$17,000,000.00
Intra State Fund Transfers Received	\$104,457.49	
Interest Income	\$0.00	
Interest Income - Capital Reserve Fund	<u>\$0.00</u>	
	\$17,104,457.49	\$17,400,000.00
<b>Disbursements:</b>		
Bond Interest Payment	\$1,698,403.76	\$1,698,403.75
Bond Principal Payment	\$7,245,000.00	\$7,245,000.00
Transfer to Unassigned Revenue Fund	<u>\$8,591,053.73</u>	\$8,456,596.25
	\$17,534,457.49	\$17,400,000.00
<b>Balance of Fund, May 31, 2008</b>		<u>\$8,500,000.00</u>
		\$8,930,000.00
<b>0450 - UST UNASSIGNED REVENUE FUND (Non-Bonding)</b>		
<b>Balance of Fund, July 1, 2007</b>		\$17,075,662.99
<b>Receipts:</b>		
Installer's License Fees	\$0.00	\$0.00
Request for Proposal Fees	\$0.00	
Copying/Filing Fees	\$0.00	
Fines & Penalties	\$6,595.00	\$10,000.00
Refund/Overpayment	\$0.00	\$815.52
Transfer From UST Revenue Fund	\$8,591,053.73	\$8,456,596.25
Intra State Fund Transfers Received	\$0.00	\$1,102,272.55
Compensation for Pooled Money Investments	\$0.00	
Amort / Accretion	\$35,771.78	(\$70,000.00)
Buys/ Sells	(\$14,633.41)	(\$75,000.00)
Interest Income	<u>\$1,807,420.31</u>	\$1,800,000.00
	\$10,426,207.41	\$11,224,684.32
<b>Disbursements:</b>		
UST Administrator's Fees	\$1,440,285.94	\$1,418,664.00
Attorney General's Fees	\$113,708.07	\$105,000.00
Attorney's Fees: Cost-Recovery Administration	\$0.00	
Cost Recovery Expense (Lien Filing)	\$12.00	\$120.00
Actuarial Fees	\$0.00	
Auditor of the State Fees	\$4,786.13	\$4,786.13
Bond Trustee's Fees - Bankers Trust	\$1,250.00	\$1,500.00
Claim Settlement	\$1,050,000.00	\$0.00
Custodial Fees - BONY	\$1,163.97	\$1,000.00
Department of Revenue EPC Collection Fees	\$4,686.11	\$8,800.00
Innovative Technology	\$0.00	
Inspection & Appeals Service Fees	\$3,283.51	\$2,000.00

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND  
STATEMENT OF FUND BALANCES  
FISCAL YEAR TO DATE ENDING MAY 31, 2008**

		<b>FISCAL 2008 BUDGET</b>
Legal and Professional Fees	\$0.00	\$5,000.00
Postage / Printing / Miscellaneous	\$90.41	
Professional Admin Services (Investments)	\$38,300.50	\$50,000.00
Rebate	\$0.00	
Tank Closure Claims and Plastic Waterline Claims	\$38,826.35	\$200,000.00
Travel Expenses-UST Board Members	\$684.32	\$500.00
Warrant Float Expense	\$11,047.22	
Transfer to Remedial Non-Bonding Fund	\$5,000,000.00	\$5,000,000.00
Transfer to Innocent Landowner Fund	\$0.00	
28E Agreement - RBCA (DNR Staff Training & Development)	\$0.00	
28E Agreement - DNR UST Section Funding - FY07	\$100,000.00	\$200,000.00
Statutory Transfer to DNR - FY08	\$200,000.00	\$200,000.00
Statutory Transfer to DED - FY08	\$3,500,000.00	\$3,500,000.00
Statutory Transfer to General Fund - FY08	\$0.00	\$3,000,000.00
	<b>\$11,508,124.53</b>	<b>\$13,698,870.13</b>
<b>Balance of Fund, May 31, 2008</b>	<b>\$15,993,745.87</b>	<b>\$14,601,477.18</b>
<b>0208 - UST REMEDIAL NON-BONDING FUND</b>		
<b>Balance of Fund, July 1, 2007</b>	<b>\$6,753,532.72</b>	<b>\$6,753,532.72</b>
<b>Receipts:</b>		
Remedial Refunds	\$8,444.60	\$10,000.00
Misc. Income (i.e. eligibility settlements)	\$0.00	
Interest Income	\$0.00	
Transfer Received from Unassigned Revenue	\$5,000,000.00	\$5,000,000.00
	<b>\$5,008,444.60</b>	<b>\$5,010,000.00</b>
<b>Disbursements:</b>		
Retroactive Claims	\$540,103.34	\$600,000.00
Remedial Claims	\$4,920,587.53	\$11,000,000.00
Balance of Outdated Warrants	(\$11,537.25)	
	<b>\$5,449,153.62</b>	<b>\$11,600,000.00</b>
<b>Balance of Fund, May 31, 2008</b>	<b>\$6,312,823.70</b>	<b>\$163,532.72</b>
<b>0478 - UST MARKETABILITY FUND</b>		
<b>Balance of Fund, July 1, 2007</b>	<b>\$2,246,390.04</b>	<b>\$2,246,390.04</b>
<b>Receipts:</b>		
Interest	\$1,134,532.42	\$1,500,000.00
Use Tax	\$0.00	
	<b>\$1,134,532.42</b>	<b>\$1,500,000.00</b>
<b>Disbursements:</b>		
Transfer to Aboveground Storage Tank Fund	\$0.00	
	<b>\$0.00</b>	<b>\$0.00</b>
<b>Balance of Fund, May 31, 2008</b>	<b>\$3,380,922.46</b>	<b>\$3,746,390.04</b>

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND  
STATEMENT OF FUND BALANCES  
FISCAL YEAR TO DATE ENDING MAY 31, 2008**

		FISCAL 2008 BUDGET
<b>0485 - UST INNOCENT LANDOWNERS FUND</b>		
<b>Balance of Fund, July 1, 2007</b>	\$21,354,512.83	\$21,354,512.83
<b>Receipts:</b>		
Cost Recovery (i.e. lien settlements)	\$13,538.57	\$10,000.00
ILO Refunds	\$1,100.40	
Intra State Fund Transfers Received	\$0.00	
Miscellaneous Income	\$0.00	
	\$14,638.97	\$10,000.00
<b>Disbursements:</b>		
Other Contractual Services	\$0.00	
Global Settlement Claims	\$271,513.19	\$500,000.00
Innocent Landowner Claims	\$1,959,031.98	\$2,000,000.00
Balance of Outdated Warrants	(\$187.54)	
	\$2,230,357.63	\$2,500,000.00
<b>Balance of Fund, May 31, 2008</b>	<b>\$19,138,794.17</b>	<b>\$18,864,512.83</b>
<b>0455 - ABOVEGROUND STORAGE TANK FUND</b>		
<b>Balance of Fund July 1, 2007</b>	\$102,443.17	\$102,443.17
<b>Receipts:</b>		
Interest Income	\$2,014.32	\$0.00
Canceled warrants/Corrected warrants	\$0.00	
Transfer from Marketability Fund	\$0.00	
Transfer from Unassigned Revenue Fund	\$0.00	
	\$2,014.32	\$0.00
<b>Disbursements:</b>		
Transfer to Revenue Fund (0471)	\$104,457.49	\$102,272.55
	\$104,457.49	\$102,272.55
<b>Balance of Fund on May 31, 2008</b>	<b>\$0.00</b>	<b>\$170.62</b>
<b>0238 - UST LOAN GUARANTEE FUND (Non-Bonding)</b>		
<b>Balance of Fund, July 1, 2007</b>	\$1,228,506.44	\$1,228,506.44
<b>Receipts:</b>		
Interest Income	\$59,396.77	\$60,000.00
	\$59,396.77	\$60,000.00
<b>Disbursements:</b>		
Payments on Loan Losses	\$0.00	
Transfer to Unassigned Revenue Fund	\$0.00	\$1,000,000.00
	\$0.00	\$1,000,000.00
<b>Balance of Fund, May 31, 2008</b>	<b>\$1,287,903.21</b>	<b>\$288,506.44</b>

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND  
STATEMENT OF FUND BALANCES  
FISCAL YEAR TO DATE ENDING MAY 31, 2008**

		<b>FISCAL 2008 BUDGET</b>
<b>UST BOND FUND (Bonding)</b>		
<b>Series 1997 A Revenue Refunding Bonds</b>		
<b>Balance of Fund, July 1, 2007</b>	\$0.00	\$0.00
<b>Receipts:</b>		
Transfer From/(To) UST Revenue Fund	\$6,546,416.26	\$6,545,916.25
Transfer From/(To) UST Unassigned Revenue Fund	\$0.00	
Accrued Interest From Bonds	\$0.00	
Interest Income	\$0.00	
	\$6,546,416.26	\$6,545,916.25
<b>Disbursements:</b>		
Principal Payments to Bondholders	\$5,510,000.00	\$5,510,000.00
Interest Payments to Bondholders	\$1,036,416.26	\$1,035,916.25
Trustee Fee to Bankers Trust	\$0.00	
	\$6,546,416.26	\$6,545,916.25
<b>Balance of Fund, May 31, 2008</b>	\$0.00	\$0.00
<b>Series 2004 Cost of Issuance Bonds</b>		
<b>Balance of Fund, July 1, 2007</b>	\$0.00	\$0.00
<b>Receipts:</b>		
Transfer From/(To) UST Revenue Fund	\$0.00	\$0.00
Transfer From/(To) UST Unassigned Revenue Fund	\$0.00	
Accrued Interest From Bonds	\$0.00	
Interest Income	\$0.00	
	\$0.00	\$0.00
<b>Disbursements:</b>		
Principal Payments to Bondholders	\$0.00	\$0.00
Interest Payments to Bondholders	\$0.00	\$0.00
Trustee Fee to Bankers Trust	\$0.00	
	\$0.00	\$0.00
<b>Balance of Fund, May 31, 2008</b>	\$0.00	\$0.00
<b>Series 2004 A Revenue Refunding Bonds</b>		
<b>Balance of Fund, July 1, 2007</b>	\$0.00	\$0.00
<b>Receipts:</b>		
Transfer From/(To) UST Revenue Fund	\$2,397,487.50	\$2,397,487.50
Transfer From/(To) UST Unassigned Revenue Fund	\$0.00	
Accrued Interest From Bonds	\$0.00	
Interest Income	\$0.00	
	\$2,397,487.50	\$2,397,487.50
<b>Disbursements:</b>		
Principal Payments to Bondholders	\$1,735,000.00	\$1,735,000.00
Interest Payments to Bondholders	\$662,487.50	\$662,487.50
Trustee Fee to Bankers Trust	\$0.00	
	\$2,397,487.50	\$2,397,487.50
<b>Balance of Fund, May 31, 2008</b>	\$0.00	\$0.00
<b>Combined UST Bond Fund Balances, May 31, 2008</b>		<b>\$0.00</b>
		<b>\$0.00</b>

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND  
STATEMENT OF FUND BALANCES  
FISCAL YEAR TO DATE ENDING MAY 31, 2008**

		<b>FISCAL 2008 BUDGET</b>
<b>0614 - UST CAPITAL RESERVE FUNDS (Bonding)</b>		
<b>Series 1990 A</b>		
<b>Balance of Fund, July 1, 2007</b>	\$3,990,710.18	\$3,990,710.18
<b>Receipts:</b>		
Proceeds From Issuance of Bonds	\$0.00	
<b>Disbursements:</b>		
Transfer Interest to Revenue Fund	\$0.00	
<b>Balance of Fund, May 31, 2008</b>	<b>\$3,990,710.18</b>	<b>\$3,990,710.18</b>
<b>Series 1991 A</b>		
<b>Balance of Fund, July 1, 2007</b>	\$2,641,220.03	\$2,641,220.03
<b>Receipts:</b>		
Proceeds From Issuance of Bonds	\$0.00	
<b>Disbursements:</b>		
Transfer to Cost of Issuance Fund	\$0.00	
<b>Balance of Fund, May 31, 2008</b>	<b>\$2,641,220.03</b>	<b>\$2,641,220.03</b>
<b>Series 1994 A</b>		
<b>Balance of Fund, July 1, 2007</b>	(\$394,430.21)	(\$394,430.21)
<b>Receipts:</b>		
Proceeds From Issuance of Bonds	\$0.00	
<b>Disbursements:</b>		
Debt Service for Issuance of Bonds	\$0.00	
<b>Balance of Fund, May 31, 2008</b>	<b>(\$394,430.21)</b>	<b>(\$394,430.21)</b>
<b>Combined UST Capital Reserve Fund Balances, May 31, 2008</b>	<b>\$6,237,500.00</b>	<b>\$6,237,500.00</b>
<b>TOTAL FUND BALANCES, May 31, 2008</b>	<b>\$60,851,689.41</b>	<b>\$52,832,089.83</b>

**FOOTNOTES:**

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

---

## **E. Opt-In Program Summary Reports**

**OPT-IN PROGRAM SUMMARY REPORT**

**July 8, 2008**

**For the Period May 1 to May 31, 2008**

**GENERAL PROGRAM SUMMARY:**

Notices to potential claimants:	0
Eligible claims referred to GAB this period:	1
Number of 90-Day Notices sent this period:	1
Settlement Agreements outstanding at major oil company for execution:	0
Settlement Agreements forwarded to GAB for processing warrants or co-payment credit:	2
Number of claimants receiving warrants or co-payment credit this period:	27
<b>Number of 1st Party Affidavits received in lieu of supporting docs (# this month/# Total to date):</b>	<b>0/88</b>

**WARRANTS MAILED THIS PERIOD SUMMARY:**

	<b>Number</b>		<b>Total</b>
First Warrant	2	\$	4,919.15
Additional Warrants	25	\$	12,902.86
Co-Payment Credit	0	\$	-
<b>TOTALS:</b>	<b>27</b>	<b>\$</b>	<b>17,822.01</b>

**PROGRAM PAYMENT DISBURSEMENT TO DATE:**

<b>Oil Company</b>	<b>Total Claims to Date</b>	<b>New Claims this Period</b>	<b>Payments Made to Date</b>	<b>Payments Made this Period</b>
ARCO	57	0	\$ 437,705.30	\$ 7,413.05
PHILLIPS	264	0	\$ 1,761,282.42	\$ 1,265.51
AMOCO	307	0	\$ 2,280,387.26	\$ 2,222.35
CONOCO	110	0	\$ 693,005.43	\$ 336.01
SOUTHLAND	18	0	\$ 89,901.25	\$ -
FINA	14	0	\$ 110,260.00	\$ 162.90
SUN/SUNOCO	180	0	\$ 1,234,030.07	\$ -
TEXACO	157	1	\$ 1,070,250.20	\$ 2,960.49
CHAMPLIN	23	0	\$ 124,016.74	\$ -
KERR-McGEE	78	0	\$ 528,985.27	\$ 844.55
CHEVRON	24	0	\$ 166,503.64	\$ 198.00
OXY	0	0	\$ -	\$ -
T.P.I. INC.	16	1	\$ 133,255.47	\$ 2,419.15
<b>TOTAL:</b>	<b>1248</b>	<b>2</b>	<b>\$ 8,629,583.05</b>	<b>\$ 17,822.01</b>

**ADDITIONAL WARRANT SUMMARY:**

Arco	\$ 7,413.05	Sunoco	\$ -
Phillips	\$ 1,265.51	Texaco	\$ 460.49
Amoco	\$ 2,222.35	Champlin	\$ -
Conoco	\$ 336.01	Chevron	\$ 198.00
Southland	\$ -	Kerr-McGee	\$ 844.55
Finna	\$ 162.90	TPI, Inc.	\$ -

**OPT-IN PROGRAM SUMMARY REPORT**

**July 8, 2008**

**For the Period June 1 to June 30, 2008**

**GENERAL PROGRAM SUMMARY:**

Notices to potential claimants:	0
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:	2
Number of claimants receiving warrants or co-payment credit this period:	27
<u>Number of 1st Party Affidavits received in lieu of supporting docs (# this month/# Total to date):</u>	<u>2/91</u>

**WARRANTS MAILED THIS PERIOD SUMMARY:**

	Number		Total
First Warrant	0	\$	-
Additional Warrants	27	\$	20,474.12
Co-Payment Credit	0	\$	-
<b>TOTALS:</b>	<b>27</b>	<b>\$</b>	<b>20,474.12</b>

**PROGRAM PAYMENT DISBURSEMENT TO DATE:**

Oil Company	Total Claims to Date	New Claims this Period	Payments Made to Date	Payments Made this Period
ARCO	57	0	\$ 438,576.89	\$ 871.59
PHILLIPS	264	0	\$ 1,769,922.71	\$ 8,640.29
AMOCO	307	0	\$ 2,282,114.51	\$ 1,727.25
CONOCO	110	0	\$ 693,255.81	\$ 250.38
SOUTHLAND	18	0	\$ 90,294.55	\$ 393.30
FINA	14	0	\$ 110,260.00	\$ -
SUN/SUNOCO	180	0	\$ 1,240,453.79	\$ 6,423.72
TEXACO	157	0	\$ 1,071,624.25	\$ 1,374.05
CHAMPLIN	23	0	\$ 124,016.74	\$ -
KERR-McGEE	78	0	\$ 528,985.27	\$ -
CHEVRON	24	0	\$ 166,503.64	\$ -
OXY	0	0	\$ -	\$ -
T.P.I. INC.	16	0	\$ 134,049.01	\$ 793.54
<b>TOTAL:</b>	<b>1248</b>	<b>0</b>	<b>\$ 8,650,057.17</b>	<b>\$ 20,474.12</b>

**ADDITIONAL WARRANT SUMMARY:**

Arco	\$ 871.59	Sunoco	\$ 6,423.72
Phillips	\$ 8,640.29	Texaco	\$ 1,374.05
Amoco	\$ 1,727.25	Champlin	\$ -
Conoco	\$ 250.38	Chevron	\$ -
Southland	\$ 393.30	Kerr-McGee	\$ -
Finna	\$ -	TPI, Inc.	\$ 793.54

---

**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	Pd Since Last Bd Report	Comments
1	8600894	Casey's Marketing Co	08/23/07				\$76,963	\$200,000	\$200,000		
2	9016721	Kutcher Welding	08/23/07				\$88,191	\$120,000	\$120,000		
3	8604079	Bluff Service Center	08/23/07				\$74,357	\$210,000	\$210,000		
4	8607462	Daniel Grothus	08/23/07				\$84,481	\$150,000	\$150,000		dww in Scott Cty
5	8603249	Al's Corner Oil Co	08/23/07				\$82,813	\$75,500	\$75,500		
6	8607406	Messer Oil Co	08/23/07				\$82,763	\$130,000	\$130,000		
7	8608909	Jerry Roney	08/23/07				\$83,068	\$225,000	\$225,000		potential PGS
8	8811292	Robert E Cummings	09/26/07				\$46,834	\$275,000	\$275,000		
9	8606587	Casey's General Store	09/26/07				\$84,451	\$104,000	\$104,000		
10	8601125	Seeley Oil Co	09/26/07				\$74,313	\$350,000	\$350,000		
11	8603897	James Oil Co	01/20/06	09/26/07			\$156,410	\$360,000	\$360,000	\$83,837	2 dww and PGS
12	8609543	Madrid Body Shop	03/22/05	10/25/07			\$78,591	\$221,000	\$221,000	\$10,120	
13	8600044	Krause Gentle Corp	04/06/00	10/25/07			\$319,228	\$700,000	\$700,000	\$254,851	
14	8609078	Wood Oil Co	10/25/07				\$85,216	\$125,000	\$125,000		PGS
15	8605033	Pottawattamie Cty Dev	02/13/01	10/25/07			\$128,681	\$418,813	\$418,813	\$99,868	
16	8609040	Spratt Oil Sales Inc	05/08/02	10/25/07			\$366,747	\$450,000	\$450,000	\$325,736	dww receptors
17	8609394	Moorhead Coop	10/25/07				\$89,252	\$360,000	\$360,000		City dww
18	8601178	Six W. Ampride Inc.	01/25/08				\$81,599	\$115,000	\$115,000		
19	8607914	Louisa County	09/16/03	01/05/06	1/25/2008		\$375,978	\$460,000	\$460,000	\$216,528	Repl City dww installed
20	8710744	Seaton's Jack & Jill	01/25/08				\$48,511	\$309,000	\$309,000		
21	8606584	Casey's General Store	02/29/08				\$32,458	\$150,000	\$150,000		
22	8606630	West Branch Oil Co., In	03/24/04	02/29/08			\$145,934	\$185,000	\$185,000	\$90,333	
23	8610198	Koch's 66	02/29/08				\$85,037	\$135,000	\$135,000		4 dww receptors
24	8600610	Casey's General Store	03/27/08				\$77,029	\$250,000	\$250,000		
25	8600268	Bluff View Cafe	03/27/08				\$89,149	\$240,000	\$240,000		Private dww receptors
26	8605366	Sigourney Oil Inc	03/27/08				\$90,672	\$125,000	\$125,000		dww pathway
27	8601874	Associated Milk Produc	11/02/95	02/19/04	3/27/2008		\$187,604	\$325,000	\$325,000	\$59,466	
28	8601923	Total Petroleum	03/27/08				\$78,269	\$290,000	\$290,000		
29	8600284	Lovilia Trading Post	09/21/01	04/25/08			\$190,188	\$300,000	\$300,000	\$168,853	
30	8604171	Action Auto Sales & Re	11/11/2004	4/25/2008			\$124,579	\$200,000	\$200,000	\$48,930	
31	8608248	Heartland Co-op	4/25/2008				\$77,022	\$135,000	\$135,000		
32	8913807	Karean's Flowers	5/25/2004	4/25/2008			\$295,168	\$412,500	\$412,500	\$245,179	
33	8606246	Country Stores of Carro	4/25/2008				\$74,328	\$115,000	\$115,000		municipal dww
34	8606254	Country Stores of Carro	5/22/2008				\$87,031	\$115,000	\$115,000		
35	8608724	Burger's Champlin Serv	5/22/2008				\$39,442	\$175,000	\$175,000		municipal dww
36	8604387	Flash Oil Corporation	5/22/2008				\$82,431	\$120,000	\$120,000		
37	7910210	Sunoco Inc.	7/8/2008				\$77,687	\$83,500			
38	8600808	Goettsch Brothers Real	7/8/2008				\$84,111	\$135,000			
39	8607898	Hometown Food & Fuel	7/8/2008				\$74,281	\$675,000			
40	8811086	City of George	6/17/2003	7/8/2008			\$424,693	\$750,000		\$351,890	

**IOWA UNDERGROUND STORAGE TANK PROGRAM**  
**FIRST BOARD REPORT**  
**JUNE 4, 2008**  
**SUNOCO INC**  
**HWY 75 S**  
**LEMARS**  
**SITE REGISTRATION NUMBER: 7910210**  
**LUST NUMBER: 9LTC02**

**RISK CLASSIFICATION:**

HIGH

LOW

NFA

**PRESENT CLAIM RESERVE:**                      \$ 82,000.00

**ELIGIBILITY:** This is a pre-regulation UST claim eligible with a \$40,000.00 co-payment waiver under the terms of a global settlement with the involved major oil company.

**COST INCURRED TO DATE:**

- |                          |                  |
|--------------------------|------------------|
| 1. RBCA Tier II report   | 17,794.99        |
| 2. Free product recovery | <u>59,892.20</u> |

TOTAL COSTS INCURRED TO DATE:                      \$ 77,687.19

**PROJECTED COSTS:**

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

**TOTAL PROJECTED COSTS:**    \$ 3,000 to 6,000.00

**TOTAL AUTHORITY RECOMMENDED:**

\$ 83,500.00

**COMMENTS:** The site was no further action but with significant free product. A skimmer pump with final polish from a vacuum truck resulted in removal of free product to the IDNR satisfaction.

*Approved.*

**IOWA UNDERGROUND STORAGE TANK PROGRAM  
 FIRST BOARD REPORT  
 JUNE 24, 2008  
 GOETTSCH BROTHERS REALTY INC  
 1740 STATE ST  
 BETTENDORF  
 SITE REGISTRATION NUMBER: 8600808  
 LUST NUMBER: 9LTB51**

**RISK CLASSIFICATION:**

HIGH

LOW

UNDETERMINED

**PRESENT CLAIM RESERVE:**                      \$ 105,000.00

**ELIGIBILITY:** The contamination was discovered with utility trenching adjacent to the property on January 28, 2005. The underground storage tanks were closed in the late 1980's when minimal closure sampling protocol was in place. This is an eligible innocent landowner claim.

**COST INCURRED TO DATE:**

- |                            |                  |
|----------------------------|------------------|
| 1. RBCA Tier II report     | \$ 14,620.00     |
| 2. Over-excavation         | 28,487.95        |
| 3. Site monitoring reports | 12,161.10        |
| 4. Free product recovery   | <u>28,841.75</u> |

TOTAL COSTS INCURRED TO DATE:                      \$ 84,110.80

**PROJECTED COSTS:**

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

**TOTAL PROJECTED COSTS:**    \$ 15,000 to 60,000.00 +

**TOTAL AUTHORITY RECOMMENDED:**

**\$ 135,000.00**

**COMMENTS:** This is a bedrock site; over-excavation allowed classification to low risk. Low levels of free product are persistent. Dissolved levels are near site specific target levels.

*Approved*

**IOWA UNDERGROUND STORAGE TANK PROGRAM  
FIRST BOARD REPORT  
JUNE 30, 2008  
HOMETOWN FOOD & FUEL INC  
619 E WALNUT  
OGDEN**

**SITE REGISTRATION NUMBER: 8607898  
LUST NUMBER: 8LTB26**

**RISK CLASSIFICATION:**

**HIGH**

**LOW**

**UNDETERMINED**

**PRESENT CLAIM RESERVE:**                      \$ 675,000.00

**ELIGIBILITY:** The contamination was reported to the IDNR on October 5, 1990, following an insurance site check. A timely filed remedial claim was received February 1, 1991. This is an eligible remedial claim.

**COST INCURRED TO DATE:**

- |   |                  |
|---|------------------|
| 1. Site check, site assessment & clean-up reports | \$ 32,823.80     |
| 2. Site monitoring reports                        | 17,308.10        |
| 3. RBCA Tier II report                            | 6,310.00         |
| 4. Post RBCA evaluation                           | 880.00           |
| 5. Pre over-excavation plume definition           | <u>16,959.15</u> |

TOTAL COSTS INCURRED TO DATE:                      \$ 74,281.05

*UST's not currently in operation.*

**PROJECTED COSTS:**

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

*Denied*

**TOTAL PROJECTED COSTS:**    \$ 600,000.00 +

**TOTAL AUTHORITY RECOMMENDED:**

**\$ 675,000.00**

**COMMENTS:** The site is high risk for vapor receptors only. The soil is tight, however a fairly large soil plume exists. The extent of contamination may also be related to pre-regulation tanks as this site has a long UST history. The proposed excavation is very costly due to the cost to remove and replace the site canopy, product lines and a pump island and also to dig up a city street. We are exploring other options with the IDNR, but if these are not possible, the cost to excavate to attain a low risk or no further action status will be in the \$600,000.00 range. Further actions may also be necessary.

**IOWA UNDERGROUND STORAGE TANK PROGRAM  
 SECOND BOARD REPORT  
 JUNE 30, 2008  
 CITY OF GEORGE  
 136 N MAIN ST  
 GEORGE**

**SITE REGISTRATION NUMBER: 8811086  
 LUST NUMBER: 9LTI28**

**RISK CLASSIFICATION:**

**HIGH**  **LOW**  **UNDETERMINED**

**PRESENT CLAIM RESERVE:** \$ 725,000.00

**PREVIOUS BOARD APPROVAL:** \$ 475,000.00  
 Number and Date of each previous Board Report: 1st: June 17, 2003

**PREVIOUS COSTS INCURRED:** \$ 72,803.00

**COSTS INCURRED SINCE LAST BOARD APPROVAL:**

1. Free product recovery	2,405.00
2. Corrective action design report	20,219.00
3. Site monitoring reports	46,000.00
4. Remedial implementation	224,461.29
5. Operation and maintenance	42,778.68
6. Utilities	15,855.87
7. Post-RBCA evaluation report	<u>170.00</u>
<b>TOTAL COSTS INCURRED TO DATE:</b>	<b>\$ 424,692.84</b>

*Can DNR compel neighbor to allow the dig?  
 No motion made*

**PROJECTED COSTS:**

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

**TOTAL PROJECTED COSTS:** \$ 225,000.00 to 350,000.00

**ADDITIONAL AUTHORITY RECOMMENDED:** \$ 275,000.00

**TOTAL AUTHORITY:\*** \$ 750,000.00

**COMMENTS:** Remediation has been completed at the site. Contamination still exists in the vicinity of residential basements and residential sewers. An excavation in the city street and right-of-way is proposed. The costs of the excavation will be high due to the nature of the work in the street and around utilities. It is not believed that any better remedial option is available.

\*Previous approval + additional recommended



IOWA UNDERGROUND STORAGE TANK
Financial Responsibility Program

Susan E. Voss, Chairperson

Scott M. Scheidel, Administrator

Board Members:

Michael L. Fitzgerald

Richard A. Leopold

Jeff W. Robinson

Nancy A. Lincoln

Jacqueline A. Johnson

Douglas M. Beech

James M. Holcomb

TO: UST Board
FROM: Scott M. Scheidel
SUBJECT: Contract No. CRPCA 9710-07: Akron
Contract Extension Request

DATE: June 24, 2008

Background

This project was awarded to Seneca Environmental Services, Inc. in February 1998 for assessment work at 2 sites in the City of Akron, Iowa. The original contract included site evaluation and the preparation of a corrective action design report. The contract was amended in October 2004 to allow for the implementation of the selected corrective action plan which included the operation of a dual-phase extraction (DPE) system for 2 years, to be followed monitoring and a Tier 3 evaluation. The sites are currently in the post-remediation monitoring phase. It is anticipated further monitoring and/or Tier 3 evaluation activities may be necessary.

The 2004 amended contract was written as a 3-year agreement, with the option of three 1-year extensions. The current contract term will expire on October 3, 2008.

Funding:

The Board authorization for this project is currently at \$500,000.

Table with 2 columns: Contract Description and Amount. Rows include Original Contract (2/5/1998) at \$23,484.94, Current Contract (as of 6/24/2008) at \$447,367.79, and Invoiced (as of 6/24/2008) at \$377,457.02.

The post-remediation monitoring costs are approximately \$22,000 per year. As sufficient funding remains available, no change to the funding authorization is recommended at this time.

Recommendation

The Administrator recommends extending the contract with Seneca for an additional year, through October 3, 2009.

Approved extension

c: Sandi Porter, GAB Robins



# IOWA UNDERGROUND STORAGE TANK

*Financial Responsibility Program*

Susan E. Voss, *Chairperson*

Scott M. Scheidel, *Administrator*

*Board Members:*

Michael L. Fitzgerald

Richard A. Leopold

Jeff W. Robinson

Nancy A. Lincoln

Jacqueline A. Johnson

Douglas M. Beech

James M. Holcomb

**TO: UST Board**

**FROM: Scott M. Scheidel**

**SUBJECT: Contract No. CRPCA 0406-38: Former Rose Hill General Store, Rose Hill Contract Extension Request**

**DATE: June 23, 2008**

### Background

This project was awarded to Apex Environmental, Inc. in August 2004 and involves one LUST site. Originally assessed under the State Lead Closure Contract project, the site was designated high risk due to proximity of a plastic water main and two private water wells. The planned scope of work included replacement of the water line and further testing.

Since inception, minimal work has been completed due to access problems and issues regarding the status of the wells on a neighboring property. In 2007, the private wells were closed. Currently, the plastic water line remains at risk as does a nearby sewer line. Due to ongoing discussions regarding the plastic water line pathway, future work is anticipated to be limited to annual monitoring to assess contaminant levels and/or determine if the contaminant plume is steady.

The original agreement was written for a 2-year period, with the option of four 1-year extensions. The current agreement, utilizing the 2<sup>nd</sup> of the 4 extension options, will expire on August 30, 2008.

### Funding

The site is not eligible for UST Fund benefits. A lien has been filed on the site for costs associated with the prior State lead Closure Contract project work and the assessment activities associated with this project. Due to the uncertainty involved with this project, no change to the funding authorization is recommended at this time.

Original Contract (8/30/04)	\$16,978.42
Current Contract / Authorization	\$30,898.42
Costs incurred (as of 6/23/08)	\$12,945.00

### Recommendation

The Administrator recommends extending the agreement with Apex Environmental, Inc for an additional year, through August 30, 2009.

c: Sandi Porter, GAB Robins

*Approve extension.*



**IOWA UNDERGROUND STORAGE TANK**  
*Financial Responsibility Program*

Susan E. Voss, *Chairperson*

Scott M. Scheidel, *Administrator*

*Board Members:*

Michael L. Fitzgerald

Jeff W. Robinson

Jacqueline A. Johnson

James M. Holcomb

Richard A. Leopold

Nancy A. Lincoln

Douglas M. Beech

**TO: UST Board**

**FROM: Scott M. Scheidel**

**SUBJECT: Contract No. CRPCA 0206-28: Walnut  
 Contract Extension Request**

**DATE: June 30, 2008**

Background

This project was awarded to Geotek Engineering & Testing Services, Inc. in October 2002 for assessment work at 3 sites, all of which are eligible or partially eligible for UST Fund benefits. The contract was amended in October 2004 to allow for the implementation of the selected corrective actions, which have included the installation of a dual-phase extraction (DPE) system, free product recovery activities, and various Tier 3 approaches for the limiting receptors. It is anticipated the DPE system will require 2 – 3 years of additional operation to meet the site specific target levels. Free product recovery is also ongoing.

The 2004 amended contract was written as a 3-year agreement, with the option of three 1-year extensions. The current contract term will expire on October 1, 2008.

Funding:

The Board authorization for this project is currently at \$500,000.

Original Contract (10/31/02)	\$41,014.00
Current Contract (as of 6/30/2008)	\$450,434.48
Invoiced (as of 6/30/08)	\$410,392.88

The operational and monitoring costs are approximately \$40,000 per year. As sufficient funding remains available, no change to the funding authorization is recommended at this time.

Recommendation

The Administrator recommends extending the contract with Geotek for an additional year, through October 1, 2009.

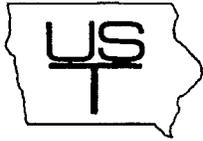
*Approved extension.*

c: Sandi Porter, GAB Robins

**119**

---

**Contracts Entered Into  
Since May 22, 2008 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

Jacqueline A. Johnson

James M. Holcomb

Richard A. Leopold

Nancy A. Lincoln

Douglas M. Beech

### Φ Φ Φ *MEMO* Φ Φ Φ

---

**TO:** UST Board

---

**FROM:** Scott Scheidel

---

**DATE:** July 1, 2008

---

**RE:** Contracts Entered Into Since May 22, 2008

---

Since the May 22, 2008 Board meeting, the Board has entered into one new 28E agreement with the Iowa Department of Natural Resources to provide contingency funding for a staff attorney position.

121

---

## Other Issues as Presented

---

## **Correspondence and Attachments**

---

900 41650

# Welton council OKs revised water ordinance

By Jeremy Huss  
Staff writer

After finding errors and omissions in a water system ordinance approved May 5, the Welton City Council this week approved the first reading of a revised ordinance establishing rules and regulations for the city's water utility.

The council voted not to waive the second and third readings of the ordinance because a companion ordinance to establish water rates was not ready for approval.

Waiver of the second and third readings

was scheduled because the ordinance must be enacted before the city can draw funds from a state revolving loan to pay contractors who have submitted bills for water system work.

A separate ordinance setting water rates also requires approval before the city can access the loan. Since that ordinance was not ready, mayor Jan Huffman advised the council not to proceed with waiving the additional ordinance readings.

"I was advised by people in other cities we shouldn't waive the second and third

readings at the same meeting. It's legal, but it's bad policy, and the water rate ordinance isn't here, so there's no reason to do that," Huffman said.

Errors in the original version have been corrected, Huffman said, and the document now is accurate.

Huffman read through each section of the ordinance aloud as the council reviewed it.

The ordinance provisions that were listed in a May 10 *Observer* article were not altered in the revised document. However, Huffman clarified permit and inspection fees and other expenses related to connecting to the water system apply only to new construction within the city, not to existing homes and businesses.

Residents Kirk Vorwald and Christi Kilburg questioned why the ordinance does not include a grandfather clause allowing property owners to continue using old wells that test clean.

City clerk LeAnn McAllister said closing the wells is a requirement of a grant the city received through the USDA's underground storage tank program due to the possibility of contamination from a ben-

zene plume.

"We're not in agreement with approving this. We want it on the record," Kilburg said.

The council discussed editing a section that states water customers are not allowed to give or sell water to anyone other than members of their household, but no action was taken.

Although the provision presumably applies to large quantities of water, Huffman said it reads as if it would be illegal to give water to a neighbor who stops to visit.

She said she would ask the city's bonding attorney about the language.

"They must have a reason for putting it in there. If you find out, let us know," said council member Ken Mackey.

## Other business

- In other business, the council:
- Approved the second reading of an amendment to the garbage rate ordinance.
- Approved a budget amendment to reflect additional expenses of \$21,000 for snow removal and purchase of the fire department well.

## Obituaries

### Bernie F. Mishler

Bernie F. Mishler, 90, of Maquoketa died Friday, May 23, 2008, at the Jackson County Regional Health Center in Maquoketa.

A funeral service will be held at 10:30 a.m., Wednesday, May 28, at Carson & Son Funeral and Cremation Services in Maquoketa, with Pastor Jeff Dadisman of the First United Methodist Church in Maquoketa officiating.



Bernie F. Mishler

# IG Council okays wage increases, accepts litigation settlement

May 21, 2008

by BETH WOLTERMAN

The Ida Grove City Council approved pay increases on Monday and learned it will receive a large sum from a fuel lawsuit settlement.

The council looked over salary reviews, and discussed some job performances and expectations during the meeting. An initial motion from Bill Carnine for a 4 percent across-the-board increase for all employees except Gailen Wessel and Cindy Murray, died for lack of a second.

A second motion by Craig Rupert was approved 3-2. The motion called for a 4 percent increase for Mark Nielsen, Gerrod Sholty and Connie Pfeeger, a 3.5 percent increase for Lon Schluter, a 3 percent increase for Michele Nelson and Kris Taylor, a 2 percent increase for Gailen Wessel and a freeze for Cindy Murray. Rupert, Bob Fineran and Paul Cates approved the motion, while Carnine and Paul Bargar opposed it.

The new wages will be as follows: Nielsen—\$20.07

per hour, Schluter—\$19.68, Wessel—\$17.24, Sholty—\$19.17, Taylor—\$15.28, Pfeeger—\$15.05, Nelson—\$9.53 and Murray at \$35,000 annually.

The council also approved giving a half day vacation for one day of sick leave accumulated over 90 days, plus dress down Fridays for office staff.

The city learned that a Methyl Tertiary Butyl Ether Products (MTBE) litigation and settlement agreement is no longer confidential and information regarding the settlement has been released. Ida Grove is projected to receive \$386,016. The council did not discuss its plans for the money Monday.

The litigation involves about 70 percent of the gas and oil companies furnishing products in the United States. The settling defendants have provided that they will make payments to the injured parties, including the City of Ida Grove. The total settlement amount was based upon estimated costs

that the city incurred to clean up gasoline that got into the groundwater and subsequently in the wells and the costs of replacement wells and well field once the existing city wells became polluted. If the litigation continues against the 30 percent nonsettling parties, it is possible the city would receive additional settlement funds.

## In other business

- The council approved a diesel fuel surcharge agreement with Ida County Sanitation. The current 25 cent surcharge will be dropped and replaced with this agreement. If the average of Ida County Sanitation's fuel bills in any month is \$1.75 per gallon or less, there shall be no diesel fuel surcharge. If the average is \$1.75 or more, there will be a 12 cent per household fuel surcharge for every 25 cents that Ida County Sanitation pays for their fuel above \$1.75 per gallon. The increase will be passed on to the customers.

- The council approved a Class E with Sunday Sales Liquor License Renewal for

Discount Liquors and a Class E with Sunday sales, carryout wine, carryout beer and liquor license renewal for Ida Grove Food Pride.

- The council approved a \$6,322 budget amendment following a public hearing.

- The council reviewed umbrella insurance policies and will get more information before taking action.

- The council reviewed bids from three firms for bridge inspections, but will get more information before taking action.

- The council approved a resolution endorsing the local option sales tax.

- Several residents will receive letters to refrain from off-street parking on city's right of way area. They will be asked to get permits for concrete driveways and repair damage to grass on the city parking.

- The city's mileage rate will be upgraded automatically to the IRS allowable rate.

- Roger Bresnahan and Gaylen Reitz will receive letters to mow

grass along their properties on Rohwer and Seventh Streets.

- A request for a turning lane at Moorehead Avenue and First Street was denied.

- All local smoking ban litigation will be passed on to the state to enforce. Fineran and Carnine opposed the motion.

- Recreation director Matt Salvatore received a 4 percent pay increase for the 2008-09 fiscal year, increasing his base salary to \$37,128.

- The city clerk gave information about a REAP grant she would like to apply for restrooms at the city park, Zobel's Park and the west side

of Pleasant V

- The city council is following the following to McCorn concrete par Highway 17 for front sidewalk at 306 Barne Hagemeyer driveway at

## Corre

The Battle School Board week had a listed. The codirector of Newquist, is

**CRAZY T'S** at  
EVERY TUESDAY AND THURSDAY



Get **\$1** Drink

Any regularly priced Beer or

Mixed Drink valued at \$2

**NOW \$1**

Ida Bowl

712

Look Us Up **ON-LINE**

[www.idacountycourier.com](http://www.idacountycourier.com)

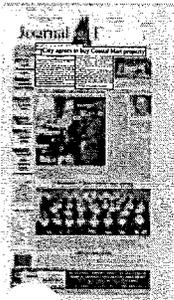
e-mail: [idacourier@frontiernet.net](mailto:idacourier@frontiernet.net)

Journal-Express  
 Knoxville, IA  
 Circ. 1940  
 From Page:

1

5/9/2008

43907



41-31-139-2A-120P-961

## City agrees to buy Coastal Mart property

**By Steve Woodhouse**  
 Editor

The corner of Main and Roche should begin to look nicer in the future.

Approval was given at Monday's regular Knoxville City Council meeting to purchase 121 West Main, the former site of Coastal Mart. The corporation is selling its property to the city for \$20,000. The city shall also pay closing costs.

City Manager Dick Schrad said the long-range goal for the property is to turn it into an open, welcome center. It will likely be included in work done by the Streetscape Committee.

In the more immediate future, the city plans to clean the property to make it more presentable.

Schrad is not sure if the building that stands there will be torn down. If it can serve a purpose, the city will likely leave it standing, he said.

The city has been in negotiations with Coastal Mart for over a month. Schrad is not sure of a closing date.

The Iowa Department of Natural Resources sent Coastal's parent corporation, El Paso Corporation, a certificate of no further action for a leaking underground storage tank remediation. This means the DNR will not require further actions on the site's capped storage tanks at this time. The city is buying the property "as-is," with no warranty.

For more on the council, turn to page 2.



*photo by Steve Woodhouse*  
 The Knoxville City Council approved the purchase of this property, the former Coastal Mart, for \$20,000.



# IOWA UNDERGROUND STORAGE TANK

## *Financial Responsibility Program*

Susan E. Voss, *Chairperson*

Scott M. Scheidel, *Administrator*

*Board Members:*

Michael L. Fitzgerald

Jeff W. Robinson

Jacqueline A. Johnson

James M. Holcomb

Richard A. Leopold

Nancy A. Lincoln

Douglas M. Beech

### Φ Φ Φ *MEMO* Φ Φ Φ

---

**TO:** Iowa UST Fund Board and Interested Public Parties

**FROM:** Iowa UST Fund Administrator's Office

**DATE:** June 25, 2008

**RE:** Annual Strategic Planning Session Board Meeting

---

The Annual Strategic Planning Session of the Iowa UST Fund Board will be held on Tuesday, July 8, 2008 at the Neal Smith National Wildlife Refuge in Prairie City, Iowa. The meeting will commence at the Prairie Learning Center at the Refuge. The meeting will begin at 9:30 a.m. with the Strategic Planning Session being held in the morning. After a break for lunch the remainder of the meeting agenda will be concluded. Boxed lunches will be provided by Tasteful Dinners of Ankeny to the Board and meeting presenters. Meeting attire is casual.

Lunch is not provided to the public in attendance, but ample time will be allowed for members of the public to take a lunch break.

The Neal Smith National Wildlife Refuge is located at 9981 Pacific Street, Prairie City, Iowa.

***Getting There . . .***

The refuge is located 18 miles east of Des Moines, Iowa, on State Highway 163. Follow the refuge directional signs just south of Prairie City at exit 18. Travelers on Interstate I-80 should use exit number 155 at Colfax and follow directional signs approximately 7 miles south on Highway 117 to the refuge.



**1**

**Strategic Planning Session**

**2**

**Approval of Prior Board Minutes**

**3**

**Closed Session**

**4**

**Public Comment Period**

**5**

**Board Issues**

**6**

**Approval of Program Billings**

**7**

**Monthly Activity Report and  
Financials Reviewed**

**8**

**Attorney General's Report**

**9**

**Claim Payment Approval**

**10**

**Contracts Entered Into Since  
May 22, 2008 Board Meeting**

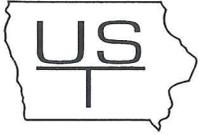
**11**

**Other Issues as Presented**

**12**

**Correspondence and Attachments**

## **Strategic Planning Session**



# IOWA UNDERGROUND STORAGE TANK FUND

Susan E. Voss, Chairperson

Scott M. Scheidel, Administrator

Board Members:

Michael L. Fitzgerald ❖ Jeff W. Robinson ❖ Jacqueline A. Johnson ❖ James M. Holcomb  
Richard Leopold ❖ Nancy A. Lincoln ❖ Douglas M. Beech

TO: IOWA UST BOARD  
FROM: SCOTT SCHEIDEL  
SUBJECT: STRATEGIC PLANNING OUTLINE

DATE: July 8, 2008

The following is a tentative outline for the Strategic Planning Session on July 8, 2008:

**I. Evaluation of Past Goals and Program Status**

- A. Current Program Status
- B. Status of 28E Agreements
- C. Attorney General's Report
- D. Prior Year's Goals
  - 1. Remedial Program – “Getting Site to Closure”
    - (1) Close Claims
    - (2) Corrective Action Meetings
    - (3) Loss Portfolio Transfer
  - 2. Maintain Short and Long Term Solvency
    - (1) Plastic Water Lines
    - (2) Well Closure
    - (3) SIC Model Update
    - (4) NFA Funding Agreement/Risk Transfer
  - 3. Legislative Initiatives

**II. DNR Report on UST Issues**

**III. Program Goals – Fiscal 2009**

- A. Issues from Last Year
- B. Remedial Program – “Getting Site to Closure”
  - 1. NFA Funding Agreement – drafted
  - 2. Loss Portfolio Transfer
- C. Maintain Short and Long Term Solvency
  - 1. Plastic Water Line Discussion
  - 2. RBCA Modifications
- D. Comparison of Iowa UST Program with Other States' Programs
- E. Legislative Initiatives

**IV. UST State Fund Administrators' Conference**

**V. Summary**

002

---

## **I. Evaluation of Past Goals and Program Status**

---

## **A. Current Program Status**

# THE IOWA COMPREHENSIVE PETROLEUM UST FUND PROGRAM PROGRAM OVERVIEW AND STATUS

## I. BACKGROUND

The Iowa Comprehensive Petroleum Underground Storage Tank Fund was created in 1989 to assist owners and operators of USTs to comply with state and federal environmental regulations. The program, which was created in HF 447, was codified under Iowa Code 455G. Iowa's legislature established a Board to oversee three (3) separate programs under the state fund - a remedial program, loan guarantee program, and an insurance program. The Board promulgated rules under IAC 591 to administer and implement the programs.

The legislative intent identified in the preamble of HF 447 was to assist owner/operators, especially small businesses, to comply with minimum federal technical and financial responsibility standards. The legislature noted that implementation and interpretation of HF 447 shall recognize the following topics:

- adequate and reliable financial assurance for the costs of cleanup on pre-existing releases
- create financial responsibility assurance mechanism (insurance) to pay for future releases
- fund designed to be interim measure
- minimize societal costs and environmental damage
- maintain Iowa's rural petroleum distribution network

### The Remedial Program

The remedial program was established to provide funding for the cleanup of past releases from USTs. To qualify for remedial benefits, releases had to be reported to IDNR between January 1, 1985, and October 26, 1990, and to the Board by February 26, 1994. In addition, sites with active tanks must demonstrate financial responsibility to maintain eligibility. The remedial program reimburses up to \$20,000 for a Site Cleanup Report (SCR) or Risk Based Corrective Action (RBCA) report, 82% of corrective action costs up to \$80,000, and 100% of remaining corrective action costs up to \$1 million. As of June 30, 2008 there were 845 open eligible claims for reimbursement under the remedial program. To date, \$180,983,223.21 has been paid under the remedial program. In addition, \$14,555,529.88 has been paid on claims under the retroactive provisions; \$22,598,256.98 has been paid on claims under the innocent landowner program. These figures are for all open or closed claims over the entire life of the program to date.

!!!  
is  
Implication significantly different from the background in the 2007 Strategic Planning session + Oct.

### Loan Guarantee Program

The loan guarantee program provided up to a 90% guarantee to lenders to assist operators to pay for remedial expenditures and to assist them in upgrading their UST systems. This guarantee mechanism allowed operators to obtain necessary financing, even though their property (collateral) may have been contaminated. The loan guarantee program was not a direct loan program; rather it was a guarantee to the lender, which allowed lending institutions to provide the financing. The loan program ceased accepting new applications for loans effective 12/31/99 and the existing portfolio is in runoff. As of June 30, 2008, the Board had 1 outstanding loan guarantee totaling \$27,902.83.

### Insurance Program

The insurance program was designed to provide a separate fund for all releases, which occurred after October 26, 1990, and to satisfy federally mandated financial responsibility requirements. It was an EPA approved financial responsibility mechanism. The program was established with a nominal tank premium fee established by the legislature. The fee increased each year until 1995 when actuarially sound premiums were established. The money initially transferred to start the insurance fund was repaid to the general UST fund with interest. The balance of the fund after 1995 was the result of premiums and interest on those premiums charged to tank owners.

On November 8, 2000 the balance of the Insurance Fund was transferred to Petroleum Marketers' Mutual Insurance Company (PMMIC), a not-for-profit mutual insurer domiciled in Iowa. The UST Fund Board entered into a Memorandum of Understanding (MOU) to transfer the funds upon satisfaction of the MOU by PMMIC. This transfer took the UST Board out of the insurance program. The MOU also placed certain restrictions on the new company to place assurances that PMMIC would continue to operate and provide an acceptable mechanism for providing financial responsibility for tank owners. Should these restrictions be violated, the money transferred will revert back to the UST Fund Board. This provision of the MOU sunset on July 1, 2004. At the time of transfer, 2,280 sites were insured and all were fully upgraded. *redundant*

In the original Insurance Program administered by the State, for LUST sites to be eligible for the insurance, the site must have been eligible for remedial benefits, or the responsible party was required to sign an affidavit that they had the ability to and would cleanup the pre-existing contamination. The insurance program only covered releases, which occurred after the retroactive date of the policy, and during the insured period. In addition to UST insurance, the program also offered UST installer/inspector insurance and UST property transfer insurance. The program ceased offering installer/inspector insurance due to widespread availability in the private marketplace.

## II. PROGRAM FUNDING

The program receives 77% of the annual tank registration fees collected by the Department of Natural Resources (DNR). These fees generated approximately \$558,441.56 during FY2007. In addition, the legislature initially authorized approximately \$12 million per year to be allocated to the Program from the Environmental Protection Charge (EPC). In 1990, the EPC was replaced with 25% of the Motor Vehicle Use Tax up to a maximum of \$12 million annually. The legislature authorized the Board to issue tax-exempt bonds, which allowed funds to be immediately available for remediation. The bonds are secured by the program's allocation of funds from the Motor Vehicle Use Tax and tank management fees. Based upon bonding requirements, original revenues were estimated to provide bonding capacity of \$145 million over the life of the program.

In 1991, the cap on the Motor Vehicle Use Tax was increased to \$15.3 million annually. The projected bond capacity increased to approximately \$188 million. In 1996, funding from the EPC increased to \$17 million annually, and an additional \$105 million would be transferred from the Motor Vehicle Use Tax over the next seven (7) years. With this additional funding, total program funding available for corrective action expenses would exceed \$325 million. In 2003 the Legislature placed a sunset date on the collection of the EPC of June 30, 2014. This date coincides with the Board's final debt payment of July 1, 2014. During the 2004 Legislative session, the sunset date was extended two years until June 30, 2016.

To date, almost \$180 million in tax-exempt bonds have been issued. This total includes \$42.6 million in refunding bonds issued in July of 1997 and \$19.7 million in refunding bonds issued in November 2004. The refundings saved the program \$1.5 million and \$1.2 million respectively in net present value interest expense. Changes in statute resulting from the 2008 Legislative Session had left the security of the Iowa UST Fund bonds in jeopardy; therefore the Iowa UST Fund paid off the 1997A Series bonds totaling \$18,687,894.06 and the 2004A Series bonds were defeased in June 2008. An escrow account to make regular 2004A Series bond payments has been set up with \$15,034,580 from Iowa UST Funds, and approximately \$36,000 in fees have been and/or will be paid from the Unassigned Revenue Fund to facilitate the defeasance.

### UST Revenue Fund

The Program's share of the Motor Vehicle Use Tax, tank management fees and associated interest income are deposited into the UST Revenue Fund. The Fund's required debt service payments have been transferred semi-annually to the UST Bond Fund for payment to the bondholders. Excess funds have been transferred semi-annually to the Unassigned Revenue Fund. This fund was pledged to secure the UST bonds, which now have been called or defeased as of June 30, 2008. The balance of the Revenue Fund on May 31, 2008 was \$8,500,000, and all of that was used to payoff the 1997A Series bonds; therefore the Revenue Fund's balance on

June 30, 2008 was \$0.00.

### Comprehensive UST Fund - Defunct

The Environmental Protection Charge (EPC) collected in 1989 and 1990 were deposited to this fund. Proceeds in this fund could be used for any Board approved expenditure. In addition to the initial EPC collections, various licensing and copying fees were deposited in this fund. The balance of the Comprehensive Fund (\$20,486,995) was transferred to the Unassigned Revenue Fund in August of 1996.

### UST Unassigned Revenue Fund

The UST Unassigned Revenue Fund is the recipient of funds in excess of the Program's annual debt service requirement on the outstanding bonds. The majority of the Program's administrative expenses are paid from this account. Proceeds from this account can be used for any Board approved expenditure. The balance of the Unassigned Revenue Fund as of May 31, 2008, was \$15,993,745.87; however \$5,825,187.84 was paid from the Unassigned Revenue Fund on June 17, 2008 to payoff the 1997A Series bonds.

### UST Remedial Fund

The Remedial account is primarily funded from proceeds from UST revenue bonds. This account provides funding for remedial claims. The Remedial Fund is used primarily to pay outstanding remedial and retroactive claims. It has a balance of \$6,312,823.70 as of May 31, 2008. When necessary, the Board has accessed the Unassigned Revenue Fund for additional revenue to reimburse remedial claims.

### UST Marketability Fund

In 1995, the legislature established the Marketability Fund with allocations from the Motor Vehicle Use Tax. The Marketability Fund provided additional funding for remedial claim payments. Over the course of several months in fiscal year 2005, the entire balance of the Marketability Fund was transferred to the Aboveground Storage Tank (AST) Fund to provide funding to AST claims. The Marketability Fund still accrues interest and has a balance of \$3,380,922.46 as of May 31, 2008; however \$3,327,726.83 was paid from the Marketability Fund on June 17, 2008 to payoff the 1997A Series bonds.

### UST Innocent Landowner Fund

The Innocent Landowner Fund was initially to be funded by net cost recovery proceeds and an additional \$5 million per year of the Motor Vehicle Use Tax funds, as appropriated by the 1995 legislature. Since the receipt of the large global settlements from several major oil companies between 1996 and 2003, the entire \$17 million per

year of Motor Vehicle Use Tax funds have been deposited into the Revenue Fund, the balance of which has been transferred to the Unassigned Revenue Fund after bond payments are made. Proceeds from cost recovery sources are still deposited into the Innocent Landowner Fund. Cleanup costs for claimants not eligible for remedial program benefits can be paid from this account. The Innocent Landowner (ILO) Fund had a balance of \$19,138,794.17 as of May 31, 2008; however \$8,797,080 was paid from the ILO Fund in June 2008 to defease the 2004A Series bonds.

#### No Further Action Fund - Defunct

In 1998, the legislature established the No Further Action (NFA) Fund with a one-time allocation of \$10 million from the comprehensive petroleum UST fund. The NFA Fund was used to reimburse the Department of Natural Resources for corrective action completed on a site for which they had issued a No Further Action Certificate (on or after January 31, 1997) and the high risk condition had not been caused by a release subsequent to the certificate issuance. The legislature eliminated this fund in the 2000 session with the balance being transferred to the pooled technology account for the State of Iowa. The liability for this fund transferred to the UST remedial account. The NFA Fund had a balance of \$11,088,099.52 at the time of transfer. There had been no claims to date reserved against this fund at the time of transfer.

#### UST Loan Guarantee Fund

The Loan Guarantee account was funded from the Comprehensive UST Fund. The account provides a guarantee on one remaining loan totaling \$27,902.83. It had a balance of \$1,287,903.21 as of May 31, 2008; however \$1,034,979.39 was paid from the Loan Guarantee Fund on June 17, 2008 to pay off 1997A Series bonds.

#### UST Insurance Fund - Defunct

The Insurance account was funded through yearly UST premiums, installer/inspector premiums and property transfer coverage premiums. The balance of the insurance fund as of November 8, 2000, was \$35,969,570.07. This amount plus unpaid interest was transferred to Petroleum Marketers Mutual Insurance Company.

#### Aboveground Storage Tank Fund - Defunct

The Aboveground Storage Tank account was funded by a transfer of monies from the Marketability Fund and the Unassigned Revenue Fund. The AST Program ended and all AST claims were closed during FY07.

#### UST Bond Fund (90A, 91A, 94A, 97A, 2004A) - there but zero balance to pay off bonds

The Bond Fund receives monies from the Revenue Fund for making the Program's debt service payments on the outstanding UST bonds.

### UST Capital Reserve Fund (90A, 91A, 94A, 97A, 2004A)

The Capital Reserve Fund was established by the revenue bond indenture agreement and was pledged as security for the outstanding bonds. The balance of the Capital Reserve Fund as of May 31, 2008 was \$6,237,500.00; however all of that was paid to defease the 2004A Series bonds in June 2008. The Capital Reserve Fund balance was \$0 on June 30, 2008.

### III. OPERATIONAL ISSUES

The Board has implemented policies and procedures, authorized by the legislature, to increase the cost effectiveness of the program. Its actions have included entering into 28E agreements with other state agencies, utilizing its cost containment authority to affect contracts, implementation of certification for contractors, implementation of the Community Remediation Program, assisting the Attorney General's Office with cost recovery, promotion of innovative technology, providing additional funding and oversight to communities with drinking water impacts, and supporting risk-based cleanup standards.

#### A. Prior Contract Approval

455G.12A has allowed the Board to invalidate contracts for services which otherwise would be reimbursable, if the contract did not receive pre-approval from the Administrator. To receive pre-approval, costs must be reasonable based upon the services required, and the services must be necessary for the owner/operator to comply with program or regulatory standards. This authority has resulted in large savings and forces contractors to get pre-approval and submit justification for all anticipated services.

#### B. 28E Agreements

To assist in streamlining the regulatory process, the Board has assisted the DNR with the development of a geographical information system to facilitate the coordination of assessment and corrective action activities at commingled or potentially commingled sites. Assistance has been provided for the automation of DNR's ability-to-pay review and for integration of DNR databases, as well as, its groundwater professional registration program. It has also funded additional personnel to assist in reviewing reports, developing and implementing RBCA procedures, and cooperated with DNR to obtain additional federal funds for assessment and corrective action costs. The Board is currently funding activities at non-eligible UST/LUST sites at DNR's request. In addition, the Board has provided funding assistance to operate DNR's UST Section for fiscal years 2005, 2006 and 2007. 28E agreements have also been utilized to cooperate with the Attorney General's office on cost recovery activities, and to work with the Department of Revenue for the collection of EPC.

### C. Community Remediation Program

Community remediation projects (CRP's) were used in the mid-1990's to address contamination from a regional standpoint by combining a number of sites into one project. In these projects, costs were greatly reduced by eliminating the duplication of efforts through combined mobilization and reporting. In these projects, a single contractor assessed every eligible site in a city and completed a site cleanup report (SCR), as required by the DNR. In addition, one report covering the entire city was submitted. The community-wide CRP's ended in 1996. Through the process, 1,675 sites were assessed with an average cost per site of \$9,628.

In the late 1990's, the Board CRP process changed from a community-wide assessment program to an oversight program involving assessment and corrective action on commingled sites or sites with viable responsible party issues when requested to do so by DNR. As of June 30, 2008 the Board was overseeing twenty-one (21) CRP's. Eighteen (18) CRP's have ended.

### D. Cost Recovery

The original legislation creating this program included cost recovery provisions which allow the Board to recover expenses from responsible parties who caused the contamination, if they are not the eligible claimants on that site. The Attorney General's office has reported that over \$40,824,419 has been cost recovered from settlements with responsible parties through their office. The last of the cost recovery payments from major oil companies was received in May 2003. To date, 1,248 eligible claimants have been reimbursed \$8,650,057.17 through these global settlements (as of June 30, 2008).

Current cost recovery efforts are directed toward individual sites where the Board has spent money without an eligible claimant. Generally efforts have been limited to perfecting the Board's lien on the affected property with monies collected upon property transfers. Only 1 lien was filed during fiscal year 2008. Also, one lien was released due to receipt of the reinstatement penalty fee which established Iowa UST Fund eligibility for the site.

### E. Innovative Technology

The Board, through a 28E agreement with the DNR and a funding grant from the U.S. EPA, worked on an innovative technology project involving the U.S. EPA's Technology Innovation Office, Office of Underground Storage Tanks, Region VII Administrator's Office, and a public / private partnership with private companies representing large oil suppliers, distributors, and marketers. The private partners supplied the necessary expertise to design and implement innovative technology actions to demonstrate the cost effectiveness of the selected technologies at sites in Shenandoah and Council Bluffs. Four projects were initiated in 1997 involving 15 leaking underground storage tanks sites. To date three of the four projects have been successfully closed. One

project involving a single site remains open in Council Bluffs, Iowa. The U.S. EPA finalized closure of the grant project in May 2001 following a review of the financial records. However the EPA did not issue a final report evaluating the technologies that had been selected.

The Board continues to fund innovative technologies at single sites throughout the state. Recent technologies include the use of BIOX, a technology that combines chemical oxidation with enhanced biodegradation and In-well Air Stripping, a technology that allows air sparging and vapor extraction to be completed within the subsurface.

#### F. Risk Based Corrective Action (RBCA)

In 1995, the legislature required that leaking underground storage tank sites be addressed through a process known as risk based corrective action (RBCA). This process requires that each LUST site be evaluated to determine the risk presented to human health as a result of the release at that site. Corrective action responses must be designed to address and reduce that risk to human health. Through 28E agreements, the Board is assisting DNR with the development and implementation of the RBCA procedures. Iowa State University was selected to assist DNR with the development of guidance documents and the development of software that would assist in the implementation of the RBCA process. Iowa State University was requested to assist with the evaluation of the new procedures and to provide input into the implementation process.

In 2006, the DNR began evaluating several operational efficiencies. One of these was the RBCA framework and potential for applying the actual experience in the state over the past 10 years to the existing RBCA modeling software. Such a recalibration would enable the current model and framework to more accurately screen for and assess relative risk at the sites that remain open as well as creating a more accurate tool for the DNR on new releases. A review of the Tier 2 model was undertaken and was completed in May 2007.

The recommendations of the advisory group, composed of technical and non technical stakeholders, were to make adjustments to the model to reflect a significantly greater statistical relevance between the model and actual conditions encountered at sites. Over the past 12 months stakeholders have been pushing DNR to implement the recommendations of the committee that worked on the calibration. DNR has been reluctant to implement that recommendation and has filed several versions of the rules with a myriad of additional requirements. Currently the most recent of those filings is up at the Administrative Rules Review Committee for adoption. The majority of stakeholders continue to oppose the onerous additional requirements and are requesting adoption of only the model calibration.

## G. Rural Distribution Network

The rural petroleum distribution network continues to be essential for the economic health of Iowa. Therefore, the financial impacts to sites located in rural communities were evaluated. There are 953 cities and communities in the State of Iowa. Of these, 352 communities, many with a population of less than 100, do not have an insured and upgraded petroleum provider.

There were only three (3) communities with a population of greater than 1,000 that do not have a petroleum provider utilizing the Program's insurance at the time of transfer of the insurance fund.

However, all communities had at least one (1) insured and upgraded petroleum provider within a 15-mile radius. By providing upgrade assistance and remediation benefits, the Program was able to assist many communities with only a single petroleum provider. As a result, there is a viable rural distribution network system existing in the State of Iowa today.

## H. Small Business, Financial Hardship

The remedial program has provided additional benefits to those individuals who have small businesses faced with financial hardships which would not allow them to otherwise remain in business or to be able to address releases from their site. Those owners with a net worth of less than \$15,000 are eligible for 100% funding for their cleanup costs. All were eligible for up to \$10,000 in upgrade benefits.

## I. Brownfield Redevelopment

Many sites with known petroleum contamination have been abandoned because of the fear associated with the costs to clean up the petroleum release. After releases are addressed, fear of residual contamination causes property values to decrease and reduces opportunities for redevelopment. Such properties are known as "brownfields." To address abandoned brownfields, the Program provides 100% funding to counties that acquire abandoned LUST sites through tax delinquent procedures or to cities or counties who acquire properties through eminent domain. Also, to assist with the transfer of those properties, a property transfer insurance program was established which provides benefits to any future owner if additional cleanup is ever required at the site. These processes, which are unique to the State of Iowa, are assisting many communities to redevelop abandoned LUST sites.

Beginning in 1997, the Board approved a process to allow prospective purchasers of property to obtain remedial funding for corrective action on sites not otherwise eligible for benefits. This concept allows contaminated property to be redeveloped without the county having to obtain it through tax delinquent procedures. It also reduces the state's expense by 18% to 35% while expediting the redevelopment of the property.

## J. Innocent Landowners

The remedial program provided benefits to those sites that met all of the criteria for eligibility. However, numerous sites were not eligible for funding because their tanks were not regulated, or because applications were not timely filed within the cutoff dates established by the original legislation. In 1995, the legislature created an innocent landowner fund to provide benefits to owners who were not otherwise eligible for benefits, and gave the Board the authority to adopt rules to provide benefits to those sites which present a higher degree of risk to public health and to deny benefits to individuals who did not make a good faith attempt to comply with other provisions of 455G. The Board has made benefits available to those individuals who complied with all technical regulations, but missed the original application deadlines. In addition, sites with tanks that were closed prior to July 1, 1985, or taken out of use prior to January 1, 1974, are also now eligible. Currently, there are 235 open claims. Reserves total \$8,596,373.55 as of June 30, 2008. With a balance approaching \$10 million subsequent to bond defeasance, the Board will likely deal with the issue of permanent or temporary suspension of new ILO claims acceptance.

## K. Privatization of Insurance Program

The legislature directed the formation of a separate Insurance Board to provide direction and recommendations for the privatization of the Insurance Program. A sunset date of July 1, 2004 was established in the legislation. Following a study of the private marketplace and available transition mechanisms available, the Insurance Board recommended the formation of a mutual captive insurance company be completed by March 1, 2000. The final transfer of funds occurred on November 8, 2000. Since that date the new insurer has been operating as a private entity with no involvement in the day-to-day activities from the State.

## L. Technical Training

Installers and inspectors are required to pass a test and receive a minimum of eight (8) hours contact in an educational format to comply with the continuing education requirements to maintain their Iowa UST Program licenses. DNR requires groundwater professionals to take a continuing education course which will cover all aspects of risk based corrective action, and if not previously registered, they also need to pass a test to become a certified groundwater professional. In addition, the Board is cooperating with DNR to assist owners of UST sites to understand how RBCA works and how it will impact them. There are currently 176 certified groundwater professionals doing work in the State; in June 2004 there were 224 groundwater professionals certified. Effective July 1, 2007 the Board no longer has statutory responsibility to license tank installers and inspectors. The transfer of all materials including files was completed and DNR will provide for the licensing of installers, inspectors, liners and testers going forward. Additionally, with assistance from the Board and other stakeholders, DNR developed an additional licensed category—UST Compliance Inspector—to provide for the inspection

of operating facilities to gather information regarding compliance with rules and regulations. The intent was to greatly enhance the level of information the DNR collects to both reduce and identify new releases across the State.

M. Owner/Operator Outreach

With Board approval, the Administrator held five (5) public meetings throughout the State in the late 1990's to explain the status and changes to the program and answer questions and address concerns from affected parties. Public meetings were held in Storm Lake, Decorah, Des Moines, Muscatine and Shenandoah. In addition, the Administrator addressed the Petroleum Marketers Convention concerning redevelopment of petroleum-impacted properties and continues to work with cities and counties to explain the program.

Additional meetings were held in West Des Moines, Cedar Falls, Ottumwa and Denison during 2002 to discuss prioritization concepts in the event that claim payments exceed fund balances.

N. Rule Review

In accordance with Executive Order #8, the UST Fund Board undertook a review of the entirety of their Administrative Rules in 2002. The process resulted in the streamlining of the rules. Over the 15 years the program has been in existence many facets of the program have been sunset. The Insurance Program, Loan Guarantee Program and Upgrade Claims have all been sunset during the life of the program. The rules associated with these programs were amended to reflect these changes. In addition there have been changes to the relevant statutes, both the UST Fund's and the Iowa Department of Natural Resources', which prompted rule revisions or deletions. Public meetings were held in Clive, Denison and Iowa City to solicit input from the public. Those comments were utilized in the review of the Administrative Code. The changes did not change the substantive operation of the program.

O. Aboveground Storage Tanks (ASTs)

The Board was given authority to reimburse for the removal of AST's or the upgrade to meet EPA requirements in 40 CFR 112 for work completed between January 1, 2004 and February 18, 2005. Rules were adopted allowing reimbursement to AST owners registered with the State Fire Marshal by January 1, 2004. The maximum benefit payable is \$25,000 per site and \$100,000 per owner. In 2005, rules were adopted to change the work completion deadline for AST removals and upgrades to December 31, 2005 to comply with a statutory change of the work completion deadline. All claims were paid and closed during FY 07. The total paid on AST claims was \$11,217,932.11 on a total of 414 claims filed.

P. Loss Portfolio Transfer

The Board agreed to and entered into an agreement to transfer open claims to a third party in March 2007. The Board and PMMIC agreed to a transfer of liability on a group of sites where both had open claims. The Board paid \$511,224.29 to PMMIC; in exchange for the payment of PMMIC assumed all liability associated with any past or future claim against the UST Board on 10 sites. Claimants for each site also released the Board against any future liability. The Board negotiated this agreement directly with PMMIC with no requirement for additional bids because of the unique circumstance of existing shared liability at this group of sites. Board rules allow for future transactions with third parties to reach the Board's goals, but generally require competitive bidding for such transactions. To date PMMIC has closed one site and has one additional with a pending request for No Further Action waiting for DNR review.

Iowa UST Fund  
Monthly Activities Report

June 2008

	Open Claims	Open & Closed	Open Claims	Open & Closed
Claims	May Ending	Monthly Net Changes	June Ending	Totals since Inception
<b>RETROACTIVE</b>				
number	69	(1)	68	444
reserve	\$3,077,779.67	\$96,215.42	\$3,173,995.09	\$3,173,995.09
paid	\$8,083,919.63	(\$43,215.42)	\$8,040,704.21	\$14,555,529.88
total	\$11,161,699.30	\$53,000.00	\$11,214,699.30	\$17,729,524.97
<b>REMEDIAL</b>				
number	848	(3)	845	4,436
reserve	\$42,288,488.58	(\$515,549.11)	\$41,772,939.47	\$41,772,939.47
paid	\$91,835,146.48	\$163,142.13	\$91,998,288.61	\$180,983,223.21
total	\$134,123,635.06	(\$352,406.98)	\$133,771,228.08	\$222,756,162.68
<b>INNOCENT LANDOWNER</b>				
number	237	(2)	235	1,053
reserve	\$8,827,410.71	(\$231,039.16)	\$8,596,371.55	\$8,596,373.55
paid	\$12,070,091.37	(\$67,682.12)	\$12,002,409.25	\$22,598,256.98
total	\$20,897,502.08	(\$298,721.28)	\$20,598,780.80	\$31,194,630.53
<b>GLOBAL OPT-IN</b>				
number	251	(6)	245	1,259
reserve	\$1,486,758.57	(\$15,983.49)	\$1,470,775.08	\$1,470,775.08
paid	\$1,994,439.23	(\$65,516.51)	\$1,928,922.72	\$8,866,051.65
total	\$3,481,197.80	(\$81,500.00)	\$3,399,697.80	\$10,336,826.73
<b>UNASSIGNED PROJECTS</b>				
number	22	0	22	180
reserve	\$200,852.36	(\$7,546.61)	\$193,305.75	\$193,305.75
paid	\$380,439.75	\$1,546.60	\$381,986.35	\$444,827.00
total	\$581,292.11	(\$6,000.01)	\$575,292.10	\$638,132.75

Corrective Action Meetings	
Scheduled:	102
Completed:	818
MOA's	416

RT Claims	#
New	0
Reopened	0
Closed	1

RM Claims	#
New	0
Reopened	3
Closed	6

ILO Claims	#
New	1
Reopened	0
Closed	3

GS Claims	#
New	0
Reopened	0
Closed	6

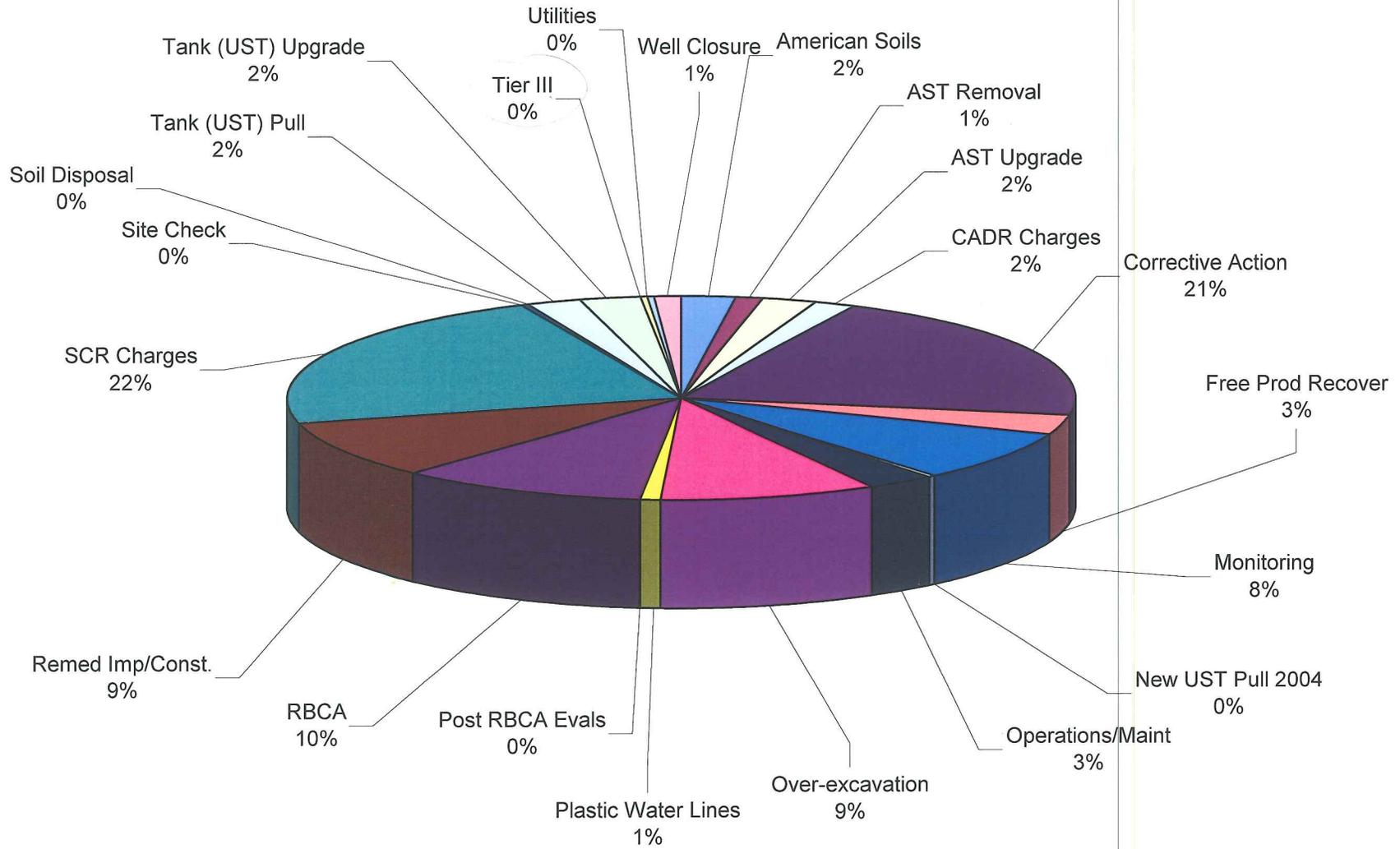
PROJ Clms	#
New	1
Reopened	0
Closed	1

Invoice Type Totals	June	FYTD	Program to Date
American Soils	0.00	0.00	\$5,678,423
AST Removal	0.00	0.00	\$2,121,490
AST Upgrade	0.00	0.00	\$5,460,479
CADR Charges	0.00	(197,430.82)	\$4,083,487
Corrective Action	15,579.88	1,546,124.61	\$50,043,084
Free Prod Recover	27,694.10	613,351.25	\$7,223,832
Monitoring	136,164.67	2,204,242.92	\$19,123,167
New UST Pull 2004	63,907.52	439,531.25	\$958,018
Operations/Maint	51,840.80	653,402.35	\$6,686,564
Over-excavation	143,974.87	2,057,094.28	\$21,721,571
Plastic Water Lines	15,452.36	183,170.84	\$1,514,367
Post RBCA Evals	3,478.00	23,384.22	\$122,874
RBCA	42,645.95	265,981.88	\$24,612,588
Remed Imp/Const.	189,374.33	455,531.96	\$22,242,074
SCR Charges	0.00	90.00	\$54,154,207
Site Check	0.00	1,046.85	\$123,856
Soil Disposal	0.00	0.00	\$607,332
Tank (UST) Pull	0.00	29,365.68	\$4,911,561
Tank (UST) Upgrade	0.00	0.00	\$5,883,408
Tier III	2,519.35	64,229.58	\$1,121,524
Utilities	14,556.54	255,082.62	\$820,904
Well Closure	21,216.09	181,234.30	\$2,380,207
<b>Total Invoice Types</b>	<b>728,404.46</b>	<b>8,775,433.77</b>	<b>\$241,595,016</b>

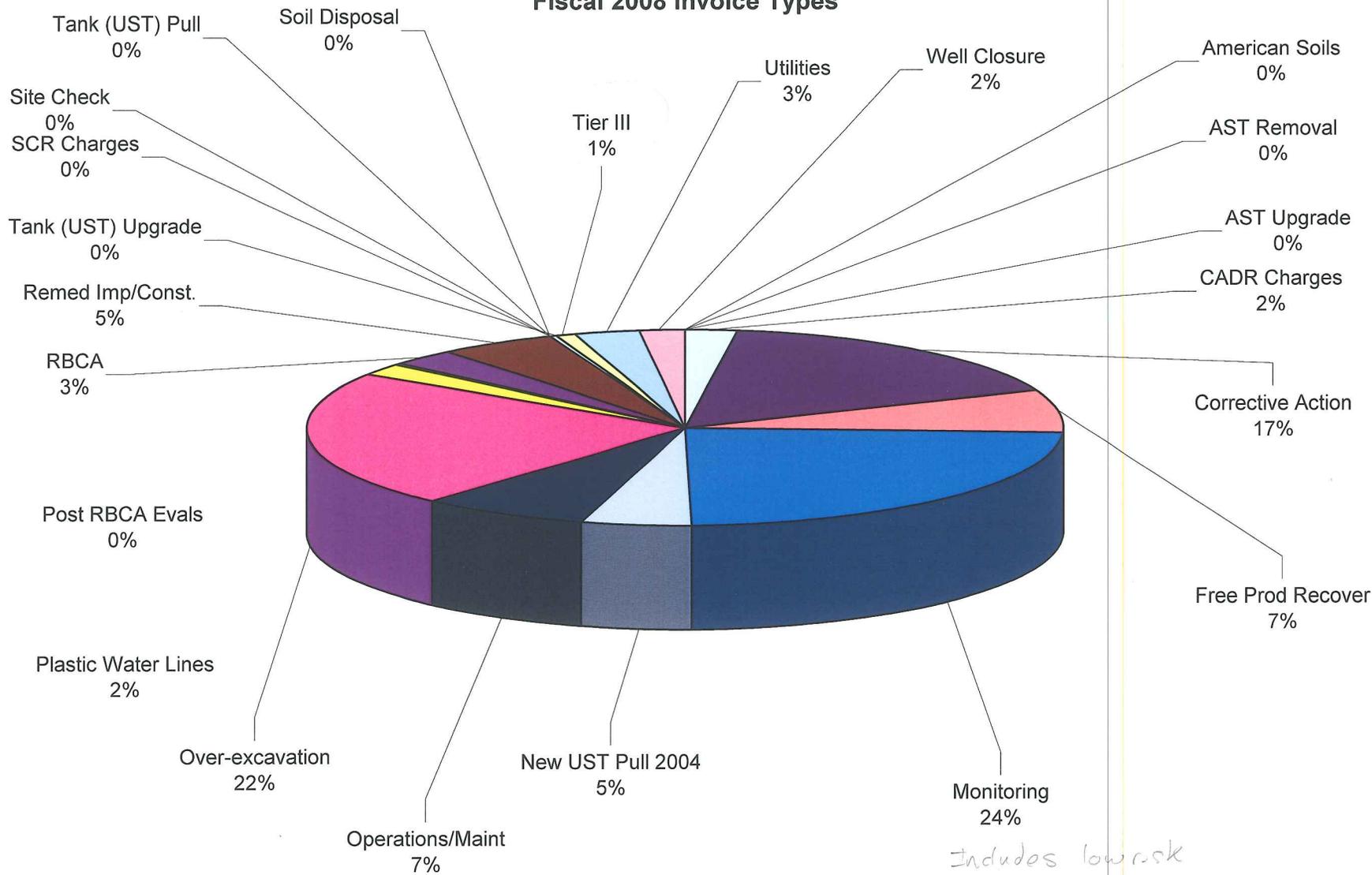
Budgets Approved to Date		
June	2	\$31,919
Trailing 12 mos	41	\$1,871,323
Prev Trail 12 mos	87	\$5,328,101
Total Since Jan 2003	900	\$33,292,981

Project Claims	Open	Closed	Pending
CRP's	25	29	0
Tank Closure	2	3	0
Plastic Water Line	2	0	0

### Program to Date Invoice Types

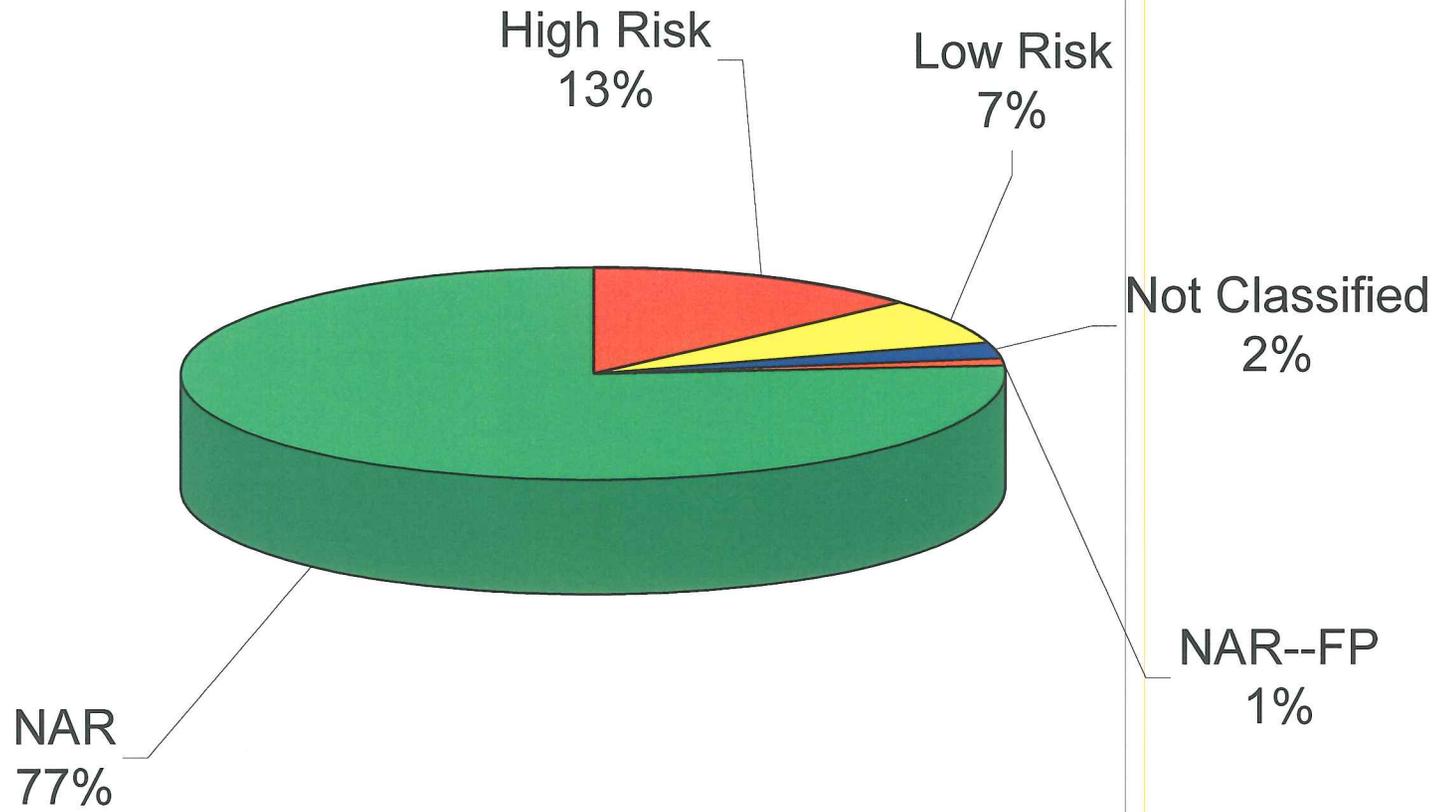


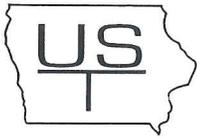
### Fiscal 2008 Invoice Types



*Includes low risk & remed. monitoring*

# Total LUST Status





# IOWA UNDERGROUND STORAGE TANK FUND

Susan E. Voss, Chairperson

Scott M. Scheidel, Administrator

Board Members:

Michael L. Fitzgerald ❖ Jeff W. Robinson ❖ Jacqueline A. Johnson ❖ James M. Holcomb  
Richard Leopold ❖ Nancy A. Lincoln ❖ Douglas M. Beech

## MEMORANDUM

**TO: UST BOARD MEMBERS**

**FROM: SCOTT M. SCHEIDEL**

**DATE: JULY 1, 2008**

**SUBJECT: STATUS OF UST GUARANTEED LOANS AT JUNE 30, 2008**

As of June 30, 1999, the UST Program had received a total of 51 loan applications totaling \$3,856,341. The Loan Guaranty Program was amended as of June 30, 1999, and no new loan applications were accepted. The following is a summary of the remaining loans as of June 30, 2008:

<u>LOAN STATUS</u>	<u># OF LOANS</u>	<u>ORIGINAL LOAN AMOUNT</u>	<u>06/30/08 BALANCE</u>
Approved & Active	1	\$ 81,436	\$ 27,902.83
Loans Paid in Full	26	\$1,948,335	
Loans Denied	5	\$ 236,415	
Loans Closed at Applicant's Request	14	\$ 895,999	
Guarantees Rescinded	3	\$ 283,990	
Loans in Default	2	\$ 85,000	
Loan Request Amounts Approved but Not Funded at Applicant's Request	5	\$ 426,556	

021

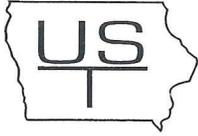
The approved and active loans are scheduled to mature as follows:

<u>MATURITY BY:</u>	<u>NUMBER OF LOANS</u>
December 31, 2014	<u>1</u>
<b>TOTAL</b>	<b>1</b>

Since the Program's inception, there has been one default loan loss paid. The program's loss was \$24,183. The loan guaranty for a second loan, in default in 2001, was covered by the sale of the property in the Fall of 2002. In 2006, one loan was rescinded. The site owner declared bankruptcy, and the bank settled with the bankruptcy court and released the Iowa UST Fund guaranty.

Approved loans have been made to owners/operators residing in the following Iowa communities:

Corning	Davenport	Des Moines
Howarden	Colesburg	Greenfield
Perry	Keosauqua	Sioux City
Clear Lake	Lake Mills	Kellogg
Merrill	DeWitt	Independence
Oskaloosa	Bedford	Melcher
Shellsburg	Eldora	Onawa
Durant	Adel	Oelwein
Le Claire	Lost Nation	Ankeny
Wadena	Pleasant Valley	Waterloo



# IOWA UNDERGROUND STORAGE TANK FUND

Susan E. Voss, Chairperson

Scott M. Scheidel, Administrator

Board Members:

Michael L. Fitzgerald ❖ Jeff W. Robinson ❖ Jacqueline A. Johnson ❖ James M. Holcomb  
Richard Leopold ❖ Nancy A. Lincoln ❖ Douglas M. Beech

FROM: JAMES GASTINEAU  
SUBJECT: UPDATE ON INNOVATIVE TECHNOLOGY & REMEDIATION PROJECTS  
DATE: JULY 1, 2008

---

The following is a summary outlining the current status of the innovative technology & community remediation projects.

## INNOVATIVE TECHNOLOGY PROJECTS

REMIT9703-04: Council Bluffs. Contract date: 6/21/1997 Project timeline indefinite.  
This project involves one LUST site. Originally selected for the USEPA grant project to evaluate innovative technologies, site work has included the installation and operation of a remedial system to remove free product and reduce contaminant levels. The system operated from 1998 through 2005. Since late 2005 monitoring has been ongoing and a re-evaluation of the site is anticipated to be completed in 2008. Following this evaluation a determination regarding what further activities are necessary will be possible. Free product is still present in several monitoring wells and is being recovered through hand bailing and the use of absorbent socks.

## REMEDATION PROJECTS

CRPCA 9709-04: Delaware. Contract date: April 1998 Project timeline indefinite.  
This project involves 2 sites in a small community with a public water system; however multiple private water wells are still in use. An excavation successfully removed a majority of the soil contamination, however groundwater contamination remains. The City's primary municipal water well is within 200 feet of the sites however has never been impacted. DNR approved a long term monitoring approach in lieu of further corrective action at this time. Both sites are eligible through ILO claims.

CRPCA 9709-05: Marengo. Contract date: Feb. 1998 Project timeline indefinite.  
This project involves one site, considered at risk due to proximity to several private water wells. An excavation successfully removed a majority of the soil contamination and has resulted in a significant decline in groundwater contaminant levels. Contaminant level fluctuations observed in 2007 caused a delay in the request to reclassify the site. The site is not USTF eligible; cost recovery may be pursued for expenses incurred.

CRPCA 9710-07: Akron. Original: February 1998; CADR Implementation October 2004  
This project has 2 sites involving a commingled contaminant plume. The sites are high risk due to proximity to the Akron municipal water wells. The wells are several hundred feet from the site however are shallow and are pumping from the impacted aquifer. Relocation of the wells was determined to be unfeasible due to anticipated costs. DNR approved a remedial approach that included operation of a remedial system to address the primary source areas, to be followed by monitoring and/or other activities. The remedial system has been shut down and monitoring is ongoing. One site is USTF eligible; cost-recovery by placement of a lien on adjacent property may be considered.

023

CRPCA 9711-08: Lake Mills. Contract date: April 1998 Project timeline indefinite.  
This project involves 2 sites with a commingled contaminant plume. The sites are high risk due to vapor receptors and a distant municipal well. The approved remedial approach included operation of a remedial system to address the sources areas to be followed by monitoring. The systems were shut down in 2006, however contaminant levels did rebound and one of the systems has been restarted. It is anticipated the system will require operation for 1-2 years. Both sites involved are USTF eligible.

CRPCA9803-10: Indianola. Contract date: July 1998 Project timeline indefinite.  
This project involves two sites with a commingled contaminant plume. The sites are high risk due to vapor receptors. A remedial system was operated at this site between 2000 and 2006; the sites are currently in a post-remediation monitoring phase. The sites will be re-evaluated in late 2008 to determine if further remedial work is required. One of the sites is USTF eligible.

CRPCA 9804-13: Greeley. Contract date: August 1998 Project timeline indefinite.  
This project involves one site in a small community without a public water system. The site is high risk due to the presence of multiple water wells. An excavation was completed in 2001 however some contamination remains. The plume is relatively stable, with little or no migration observed. Rural water could be available within 1 to 2 years. DNR has approved a monitoring approach until the public water system is available or until NAR conditions are attained. The site was USTF eligible; however eligibility issues exist due to a lapse in FR for the UST on site.

CRPCA 9805-18: Sioux City. Contract date: August 1998 Project completion anticipated.  
This project involved 2 sites considered high risk for contamination in proximity to the Cook Park municipal well fields. DNR ruled that corrective action is not possible, thus the selected approach for achieving a NAR classification is to eliminate the receptors. The City of Sioux City entered into an agreement to install a replacement well and to close the existing wells. The new well has been installed but is not yet operational due to high iron levels. It is anticipated the Cook Park municipal wells will be closed in 2009. In the interim, monitoring of the select wells in the area of the well field is ongoing. Both sites are USTF eligible.

CRPCA 9808-19: Bevington. Contract date: November 1998 Project timeline indefinite.  
This project involves one site considered high risk for a surface water, two private water wells, plastic water lines, and vapor receptors. A remedial system was put into operation in 2002 using a low-flow sparge and vapor extraction. The system has reduced contaminant levels and the amount of free product, however significant contamination remains. It is anticipated that continued system operation will be required for another 3 to 5 years. The site is USTF eligible.

CRPCA 9810-20: Charter Oak. Contract date: Jan. 1999 Project completion in 2008?  
This project involves 2 sites designated high risk for the groundwater ingestion pathway. A remedial system operated at the sites from 2003 through 2006. Post-remediation monitoring has been completed and reports requesting reclassification of the sites to a No Action Required status were submitted in June and August 2007. Both sites are USTF eligible.

CRPCA 0005-22: Dubuque. Contract date: Nov. 2000 Project completion indefinite.  
This project involves 4 sites, all low risk for the groundwater ingestion pathway. All sites have been razed and are now included within the US Highway 20 right-of-way. Monitoring began in 2002 and long term monitoring is anticipated. Due to the low target levels, it is unlikely a NAR classification will ever be received through the monitoring process; DNR legal staff has been

*DNR  
to review*

asked for assistance and is currently looking at options to establish an environmental covenant to all reclassification to proceed. All four sites are IUSTF eligible.

CRPCA 0008-24: Kingston. Contract date: Nov. 2000 Project completion indefinite.  
This project involves 2 sites with commingled contamination. The sites are classified high-risk for the groundwater ingestion pathway. Rural water is available, but multiple landowners still use private wells. The risk to the private wells is being monitored as efforts are ongoing to demonstrate that the plumes are steady and no expanding. Both sites are USTF eligible.

CRPCA 0111-26: Council Bluffs. Contract date: March 2002 Project completion indefinite. \*  
This project involves 4 sites, of which one is high risk, one low risk, and 2 are NFA. Remediation was implemented for the high risk site in 2003 and continued use of the remedial system is anticipated for 2-4 years. The low risk site is currently in monitoring however it is anticipated the site classification will change following the DNR review of the 2005 tank removal data. Both of the 2 remaining sites are USTF eligible, to the extent the contamination is attributed to the original releases.

*Reclass to high risk*

CRPCA 0702-27: Minden. Contract date: October 2002. Project end by 10/30/2008.  
This project involves 2 sites with a commingled plume. The sites were classified high risk due to proximity of the municipal water well. The City of Minden initially attempted to replace the threatened wells, but as those attempts failed opted to connect to and purchase water from the nearby rural water network. The at-risk municipal well has been closed. The sites were reclassified to low risk in early 2008. Both sites are USTF eligible.

*Oct 2002  
Contracts  
will end  
in Oct 2008*

CRPCA 0702-28: Walnut. Contract date: October 2002. Project completion indefinite.  
This project involves 3 sites with commingled contaminant plumes. All sites were classified high risk due to proximity of municipal water wells, plastic water lines, and vapor receptors. A Tier 3 evaluation was approved allowing the risk to the municipal wells to be reclassified as NAR. A remedial system is in place to remove contamination near the vapor receptors, while Tier 3 monitoring is ongoing to evaluate the risk to the plastic water lines. Free product recovery is also ongoing. It is anticipated site work will be required for an additional 2-4 years.

CRPCA 0306-29: Vinton. Contract date: December 2003 Project completed April 2008.  
This was the only State Lead Pay for Performance (PFP) contract entered into and involved one site considered high risk due to proximity to the City's municipal water wells. The PFP project resulted in site cleanup by attaining all site specific target levels within 3 years at the bid cost of \$652,686.10.

CRPCA 0308-31: Chelsea. Contract date: Nov. 2003 Project timeline indefinite.  
This project involves one site considered high risk for vapor receptors and a protected groundwater source. The site buildings have been removed however subsurface utilities remain. Excavation and plastic water line replacement were completed in December 2003. Post-excavation monitoring in ongoing; further remediation may be required.

CRPCA 0309-33: Bentley. Contract date: Dec. 2003 Project timeline indefinite.  
This project involves one site in an unincorporated community without a public water system. The site is high risk due to proximity to multiple private water wells. An innovative technology, in-well air stripping, is being used to remediate the site. It is anticipated that the system will require operation for 1 to 3 years. The site was given USTF eligibility by a settlement.

CRPCA 0309-34: Conesville Contract Date: Dec. 2003 Project timeline indefinite.  
This project involves one site in a small community with no public water system. The site is high risk due to proximity of nearby water wells. Contaminant levels have steadily declined since discovery. DNR has requested additional monitoring; a re-evaluation will be completed following the 08 monitoring event. The site is not fund eligible; a lien has been filed on the site.

CRPCA 0312-35: Sexton & Wesley Contract Date: May 2004 – expires May 2009  
This project involves individual LUST sites in two neighboring communities. For each site, an excavation has been completed and plastic water lines within the actual plumes have been replaced. Both sites remain high risk for vapor receptors and further monitoring is anticipated. Both sites are eligible for UST funding.

CRPCA 0312-36: Coin & College Springs Contract Date: May 2004 – expires May 2009  
This project involves individual LUST sites in two neighboring communities. In College Springs, activities have included plastic water line replacement and an excavation to remove the source area; post-excavation monitoring to assess remaining contamination has been ongoing to address risk to the nearby municipal water wells. In Coin, work was limited to replacement of a plastic water line and continued free product recovery. Neither site is eligible for UST funding; cost recovery by placement of a lien on the sites may be pursued.

CRPCA 0404-38: Rose Hill Contract Date: September 2004 – expires August 2008  
This project involves one LUST site. The site was designated high risk due proximity to private water wells, plastic water lines and sewer lines. The project work has included activities to abandon the private water wells on the neighboring property and monitoring to assess risk to the sewer and plastic water line near the site. The site is not fund eligible; a lien has been filed on the site.

CRPCA 0612-39: Galva Contract Date: May 2007 – expires May 2010  
This project involves two sites with a commingled contaminant plume. The sites are designated high risk due to proximity to the City-owned non-drinking water wells, a protected groundwater source and various vapor receptors. A Tier 2 SCR was submitted in Sept. 2007; further work is on hold pending DNRs review / acceptance of the report. It is anticipated that an active remedial response will be necessary to address the contamination. Both sites are eligible for UST funding.

*Not reviewed.*

UST CONTRACT UPDATES

UPDATED 6-27-2008

Project ID #	Location	Consultant	Contract Start	Contract End	Interim Contract Renewal	Original Contract Amount	Board Authorized Amount	Paid on Contract	Last Board Authorization
CA-CADR # 1	Ida Grove (well)		11/22/1995	5/19/2003		\$75,000.00	\$ 780,692.50	\$ 754,491.52	02/21/03
CRPCA9703-02	Climbing Hill	Enecotech	6/30/1999	4/30/2007		\$16,165.30	\$ 900,000.00	\$ 881,290.41	12/11/03
CRPCA 9708-03	Riverton	MPS	1/9/1998	4/30/2004		\$12,030.00	\$ 123,135.80	\$ 122,475.80	04/23/04
CRPCA9709-04	Delaware	MPS	4/24/1998		na	\$21,625.00	\$ 221,319.00	\$ 203,694.51	07/26/02
CRPCA9709-05	Marengo	MPS	2/4/1998		na	\$15,700.00	\$ 136,556.00	\$ 134,426.83	04/25/03
CRPCA 9710-06	Ames	Trileaf	2/9/1998	12/6/2002		\$14,850.00	\$ 258,805.00	\$ 236,120.74	02/21/02
CRPCA9710-07	Akron	Seneca	2/5/1998		by 9/1/08	\$23,484.94	\$ 500,000.00	\$ 388,673.61	09/23/04
CRPCA9711-08	Lake Mills	Barker	4/7/1998		na	\$46,825.00	\$ 561,077.50	\$ 477,950.66	01/11/03
CRPCA 9711-09	Wall Lake	Apex	9/24/1998	12/15/2003		\$52,612.00	\$ 127,808.00	\$ 120,731.57	07/13/01
CRPCA9803-10	Indianola	Apex	7/2/1998		na	\$39,613.55	\$ 575,000.00	\$ 503,414.19	10/27/05
CRPCA9803-11	Sheldon	Trileaf	7/1/1998	9/6/2006		\$28,525.00	\$ 254,321.00	\$ 190,456.67	07/13/04
CRPCA 9804-12	Adel	Geotek	7/27/1998	6/7/2006		\$34,060.00	\$ 50,315.00	\$ 50,195.00	10/03/05
CRPCA9804-13	Greeley	Trileaf	8/6/1998		na	\$25,900.00	\$ 300,000.00	\$ 178,163.19	10/26/06
CRPCA9805-14	Vinton	Beling	10/1/1998	4/30/2003		\$42,700.00	\$ 164,041.76	\$ 161,760.84	10/25/02
CRPCA 9805-15	Ida Grove (Plant)	Barker	11/5/1998	10/22/2001		\$16,855.00	\$ 19,900.00	\$ 12,565.00	
CRPCA9805-16	Ida Grove (ASTs)	Barker	8/19/1998	4/24/2004		\$31,500.00	\$ 165,246.00	\$ 143,884.40	01/15/04
CRPCA9805-17	Ida Grove	Barker	8/19/1998	6/15/2007		\$44,710.00	\$ 767,748.00	\$794,407.98	09/20/02
SPEC. 17A	Ida Grove	City, Ida Grove	8/23/2001	10/23/2006		\$400,000 + INCENTIVE	\$400,000 + INCENTIVE	\$452,297.67	NA
CRPCA9805-18	Sioux City	Northwest	7/6/1998			\$62,910.00	\$ 244,247.00	\$ 142,591.60	10/27/05
SPEC. 18A	Sioux City	City of Sioux City	1/5/2006			\$1,750,000.00	\$1,750,000.00		10/27/05
CRPCA9808-19	Bevington	Apex	11/2/1998			\$52,277.75	\$ 575,000.00	\$ 537,006.12	10/27/05
CRPCA9810-20	Charter Oak	GeoTek	1/14/1999			\$65,660.00	\$ 558,334.00	\$ 534,374.13	04/25/03

UST CONTRACT UPDATES

Project ID #	Location	Consultant	Contract Start	Contract End	Interim Contract Renewal	Original Contract Amount	Board Authorized Amount	Paid on Contract	Last Board Authorization
CRPCA 9907-21	Davenport	Triad	10/1/1999	8/30/2006		\$56,605.00	\$ 254,438.52	\$ 245,555.75	05/22/03
CRPCA0005-22	Dubuque	Barker	11/27/2000			\$48,790.00	\$ 93,830.00	\$ 76,295.00	07/26/02
CRPCA 0007-23	Dubuque (Budde)	Apex	11/29/2000	9/30/2005		\$12,630.00	\$ 51,323.00	\$ 42,218.18	
CRPCA0008-24	Kingston	Barker	11/30/2000			\$22,800.00	\$ 120,000.00	\$ 67,503.46	08/25/05
CRPCA 0101-25	LeClaire	Seneca	1/19/2001	5/17/2004		\$65,900.00	\$ 165,000.00	\$ 154,351.34	01/23/04
CRPCA0111-26	Council Bluffs	Barker	3/18/2002			\$46,998.00	\$ 500,000.00	\$ 309,558.58	06/23/06
NOTE: CONTRACTS ENTERED INTO AFTER 10/1/02: IOWA REG 11 IAC 106.11(3), SERVICE CONTRACTS SHALL NOT EXCEED 6 YEARS.									
CRPCA0206-27	Minden	Barker	10/1/2002			\$21,540.00	\$ 200,000.00	\$ 174,793.10	09/23/04
SPEC. 27A	Minden	City of Minden	10/1/2003			\$350,000.00	\$350,000.00	\$303,240.17	10/23/03
CRPCA0206-28	Walnut	Geotek	11/7/2002 am. 10/1/2004		by 8/20/08	\$41,014.00	\$ 500,000.00	\$ 410,992.38	03/31/06
CRPCA 0306-29	Vinton	Barker	12/17/2003		PPF	\$652,686.10	\$ 652,686.10	\$ 587,316.46	NA
CRPCA 0308-30	Scranton	Barker	11/10/2003	8/30/2005		\$103,238.00	\$ 175,000.00	\$ 144,038.17	10/28/04
CRPCA 0308-31	Chelsea	Trileaf	11/10/2003		by 10/30/08	\$77,723.35	\$ 120,000.00	\$ 90,906.67	02/25/05
CRPCA 0309-32	Popejoy	Seneca	12/21/2003	7/1/2005		\$146,534.00	\$ 146,534.00	\$ 97,102.17	12/21/03
CRPCA 0309-33	Bentley	Barker	12/21/2003		by 10/15/08	\$21,935.00	\$ 400,000.00	\$ 282,094.46	08/24/06
CRPCA 0309-34	Conesville	Seneca	12/21/2003		by 10/15/08	\$8,500.00	\$ 200,000.00	\$ 7,838.30	07/13/04
CRPCA 0312-35	Sexton & Wesley	Array	5/1/2004		by 03/15/09	\$143,220.00	\$ 200,000.00	\$ 163,644.48	07/13/04
CRPCA0312-36	College Springs & C	Array	8/1/2004		by 03/15/09	\$84,670.00	\$ 300,000.00	\$ 263,242.06	01/28/05
CRPCA 0404-37	What Cheer	Apex	1/25/2006	7/31/2006		\$71,563.00	\$ 150,000.00	\$ 68,568.75	09/24/04
CRPCA0406-38	Rose Hill	Apex	9/1/2004		by 8/20/08	\$16,978.42	\$ 23,108.42	\$ 12,945.00	09/01/04
CRPCA 0612-39	Galva	Geode Env	5/15/2007		by 5/4/2010	\$7,195.00	\$ 18,498.00	\$ 14,700.00	04/20/07
<b>Innovative Technology Projects</b>									
REMIT9703-04	Council Bluffs	Seneca	6/12/1997	NA	NA	\$181,652.29	\$ 800,000.00	\$ 578,973.31	02/25/05

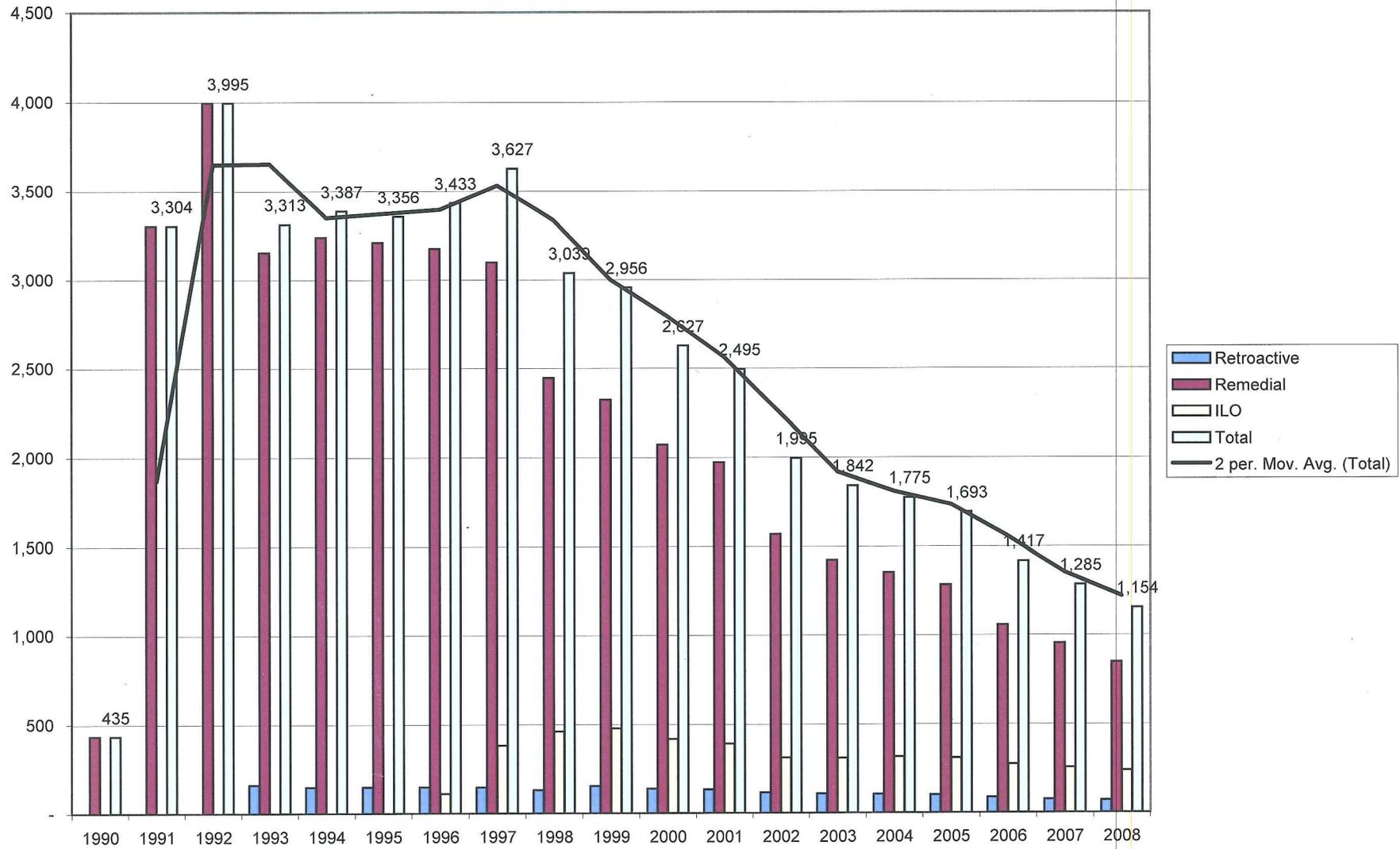
FISCAL YEAR END  
OPEN CLAIM DATA  
IOWA UST FUND  
1990 Through 2008

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
<b>Retroactive</b>										
Reserve	\$0	\$0	\$0	\$7,997,366	\$8,020,819	\$6,527,645	\$5,122,321	\$5,105,929	\$5,558,789	\$12,816,729
Paid	\$0	\$0	\$0	\$2,537,222	\$2,924,789	\$3,230,438	\$3,388,206	\$3,416,209	\$3,631,893	\$5,634,839
Total	\$0	\$0	\$0	\$10,534,588	\$10,945,608	\$9,758,083	\$8,510,527	\$8,522,138	\$9,190,682	\$18,451,568
Number Open	0	0	0	159	147	147	147	145	130	153
<b>Remedial</b>										
Reserve	\$14,176,804	\$237,122,878	\$277,093,959	\$279,389,771	\$263,111,215	\$170,290,956	\$121,115,479	\$121,745,953	\$112,741,979	\$138,502,942
Paid	\$0	\$7,206,855	\$28,332,995	\$42,333,538	\$60,492,002	\$72,414,070	\$77,238,020	\$80,157,138	\$73,242,358	\$75,338,637
Total	\$14,176,804	\$244,329,733	\$305,426,955	\$321,723,309	\$323,603,217	\$242,705,026	\$198,353,499	\$201,903,091	\$185,984,337	\$213,841,579
Number Open	435	3304	3995	3154	3240	3209	3176	3099	2447	2324
<b>ILO</b>										
Reserve	\$0	\$0	\$0	\$0	\$0	\$0	\$3,771,347	\$11,438,556	\$15,187,101	\$20,211,445
Paid	\$0	\$0	\$0	\$0	\$0	\$0	\$437,170	\$2,248,843	\$3,502,553	\$4,036,891
Total	\$0	\$0	\$0	\$0	\$0	\$0	\$4,208,517	\$13,687,399	\$18,689,654	\$24,248,336
ILO Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$4,857,486	\$1,689,944	\$17,532,211	\$22,102,965
Number Open	0	0	0	0	0	0	110	383	462	479
<b>Opt In</b>										
Reserve	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$365,742	\$1,135,715	\$1,403,179
Paid	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$279,978	\$712,240	\$945,399
Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$645,720	\$1,847,955	\$2,348,578
Number Open	0	0	0	0	0	0	0	60	140	178
<b>Insurance</b>										
Reserve	\$0	\$0	\$0	\$1,740,900	\$1,804,212	\$1,594,922	\$1,953,350	\$1,978,684	\$2,521,700	\$3,010,699
Paid	\$0	\$0	\$0	\$541,108	\$75,049	\$43,358	\$93,150	\$130,834	\$323,300	\$374,801
Total	\$0	\$0	\$0	\$1,795,008	\$1,879,261	\$1,638,280	\$2,046,500	\$2,109,518	\$2,845,000	\$3,358,500
Number Open	0	0	0	44	106	86	64	60	56	54
<b>AST</b>										
Reserve										
Paid										
Total										
Number Open										
								<b>Remedial, Retroactive and ILO Totals</b>		
	\$ 14,176,804	\$ 237,122,878	\$ 277,093,959	\$ 287,387,137	\$ 271,132,034	\$ 176,818,601	\$ 130,009,147	\$ 138,290,438	\$ 133,487,869	\$ 171,531,116
	435	3,304	3,995	3,313	3,387	3,356	3,433	3,627	3,039	2,956
<b>Total Active LUST Sites</b>										
"Lost Sites" Subtotal	2893	3440	3664	3784	3918	3931	4006	3926	3755	3,352
Closure Contract "Lost Sites"	2,458	136	-331	471	531	575	573	299	716	396
<b>Total Fund Balance</b>										
(Rmdl+Unasgn Rev+ILO)	\$ 78,940	\$ 58,756,562	\$ 47,390,393	\$ 37,922,648	\$ 65,598,734	\$ 61,681,595	\$ 67,793,092	\$ 101,006,153	\$ 115,401,420	\$ 110,680,346
<b>Compare Reserves</b>	\$ (14,097,864)	\$ (178,366,316)	\$ (229,703,566)	\$ (249,464,489)	\$ (205,533,300)	\$ (115,137,006)	\$ (62,216,055)	\$ (37,284,285)	\$ (18,086,449)	\$ (60,850,770)
Percent Change Res		1573%	17%	1%	-6%	-35%	-29%	1%	-7%	23%
Percent Change Count		660%	21%	-21%	3%	-1%	-1%	-2%	-21%	-5%
Percent Change LUST #		19%	7%	3%	4%	0%	2%	-2%	-4%	-11%

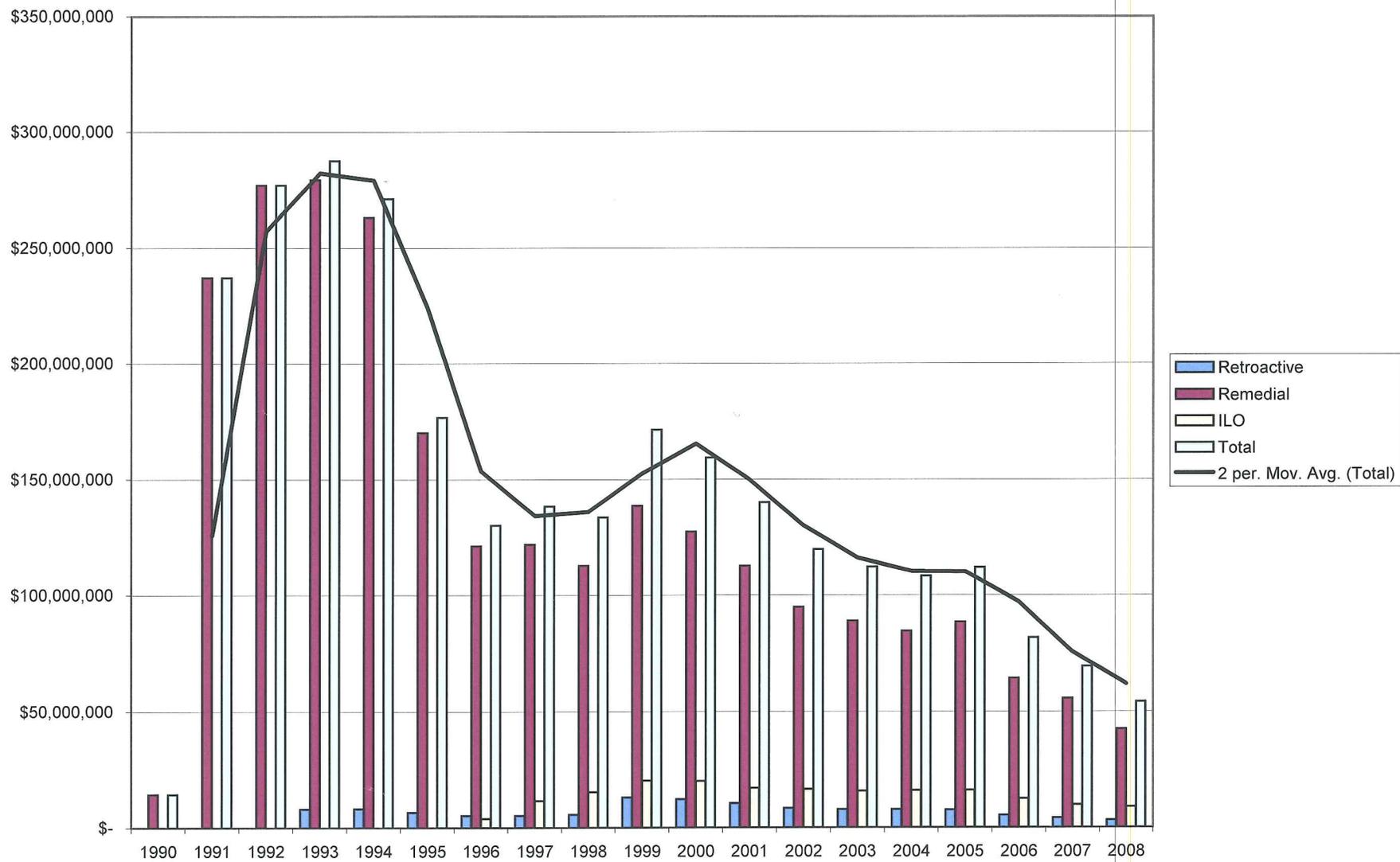
FISCAL YEAR END  
OPEN CLAIM DATA  
IOWA UST FUND  
1990 Through 2008

	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Retroactive</b>									
Reserve	\$12,115,368	\$ 10,328,237	\$8,305,772	\$ 7,696,557	\$ 7,744,329	\$ 7,536,124	\$5,223,456.68	\$4,057,632	\$3,077,779.67
Paid	\$5,772,923	\$ 6,181,975	\$6,203,843	\$ 6,610,396	\$ 7,555,192	\$ 8,649,148	\$8,201,250.08	\$8,054,104	\$8,083,919.63
Total	\$17,888,289	\$ 16,510,211	\$14,509,615	\$ 14,306,953	\$ 15,299,522	\$ 16,185,271	\$13,424,706.76	\$12,111,737	\$11,161,699.30
Number Open	137	132	114	108	105	101	86	75	69
<b>Remedial</b>									
Reserve	\$127,324,680	\$ 112,721,689	\$ 94,934,564	\$ 88,951,954	\$ 84,590,582	\$ 88,558,248	\$64,252,542	\$55,589,062	\$42,288,488.58
Paid	\$75,284,102	\$ 77,607,268	\$ 72,414,757	\$ 73,149,470	\$ 82,746,786	\$ 93,168,351	\$91,166,813	\$93,132,528	\$91,835,146.48
Total	\$202,608,781	\$ 190,328,957	\$ 167,349,320	\$ 162,101,424	\$ 167,337,368	\$ 181,726,599	\$155,419,355	\$148,721,589	\$134,123,635.06
Number Open	2,072	1,972	1,569	1,424	1,353	1,283	1,057	955	848
<b>ILO</b>									
Reserve	\$20,013,579	\$ 16,946,462	\$ 16,378,688	\$ 15,633,960	\$ 15,857,471	\$ 15,919,745	\$12,334,846	\$9,669,816	\$8,827,410.71
Paid	\$4,916,299	\$ 5,672,337	\$ 6,017,589	\$ 7,311,242	\$ 9,464,390	\$ 10,913,447	\$10,833,091	\$11,991,855	\$12,070,091.37
Total	\$24,929,879	\$ 190,328,957	\$ 22,396,277	\$ 22,945,202	\$ 25,321,861	\$ 26,833,193	\$23,167,937	\$21,661,671	\$20,897,502.08
ILO Balance	\$32,005,822	\$ 31,786,724	\$ 33,893,037	\$ 33,146,825	\$ 28,659,850	\$26,562,368	\$24,863,368	\$21,600,370	\$10,000,000
Number Open	418	391	312	310	317	309	274	255	237
<b>Opt In</b>									
Reserve	\$1,855,095	\$ 2,776,340	\$ 2,853,852	\$ 3,213,202	\$ 3,034,128	\$ 3,454,178	\$2,046,676	\$1,617,162	\$1,486,758.57
Paid	\$1,269,297	\$ 1,812,883	\$ 2,155,418	\$ 2,589,994	\$ 2,876,480	\$ 3,497,680	\$2,416,480	\$2,068,431	\$1,994,439.23
Total	\$3,124,392	\$ 4,589,223	\$ 5,009,270	\$ 5,803,196	\$ 5,910,608	\$ 6,951,857	\$4,463,156	\$3,685,593	\$3,481,197.80
Number Open	249	349	369	427	421	364	323	267	251
<b>Insurance</b>									
Reserve	\$2,900,611	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Paid	\$417,147	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$3,317,758	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Number Open	56	0	0	0	0	0	0	0	0
<b>AST</b>									
Reserve						\$ 23,706,817	\$251,921	\$ -	\$ -
Paid						\$ 2,396,085	\$90,079	\$ -	\$ -
Total						\$ 26,102,903	\$342,000	\$ -	\$ -
Number Open						139	7	0	0
	\$ 159,453,628	\$ 139,996,388	\$ 119,619,023	\$ 112,282,470	\$ 108,192,382	\$ 112,014,116	\$ 81,810,845	\$ 69,316,510	\$ 54,193,679
	2,627	2,495	1,995	1,842	1,775	1,693	1,417	1,285	1,154
<b>Total Active LUST Sites</b>	3,315	3,053	2355	2153	2049	1,818	1661	1619	1484
<b>"Lost Sites" Subtotal</b>	688	558	360	311	274	125	244	334	330
<b>Closure Contract</b>		101	121	78	78	12	19	30	63
<b>"Lost Sites"</b>		457	239	233	196	113	225	304	267
<b>Total Fund Balance</b>	\$ 126,605,234	\$ 131,522,995	\$ 102,028,639	\$ 86,234,558	\$ 74,354,067	\$ 66,982,327	\$ 53,532,383	\$ 47,296,272	\$ 26,693,215
(Rmdl+Unasn Rev+ILO)									
<b>Compare Reserves</b>	\$ (32,848,394)	\$ (8,473,393)	\$ (17,590,384)	\$ (26,047,913)	\$ (33,838,315)	\$ (45,031,789)	\$ (28,278,461)	\$ (22,020,239)	\$ (27,500,464)
Percent Change Res	-8%	-11%	-16%	-6%	-5%	5%	-27%	-13%	-24%
Percent Change Count	-11%	-5%	-20%	-9%	-5%	-5%	-18%	-10%	-11%
Percent Change LUST #	-1%	-8%	-23%	-9%	-5%	-11%	-9%	-3%	-8%

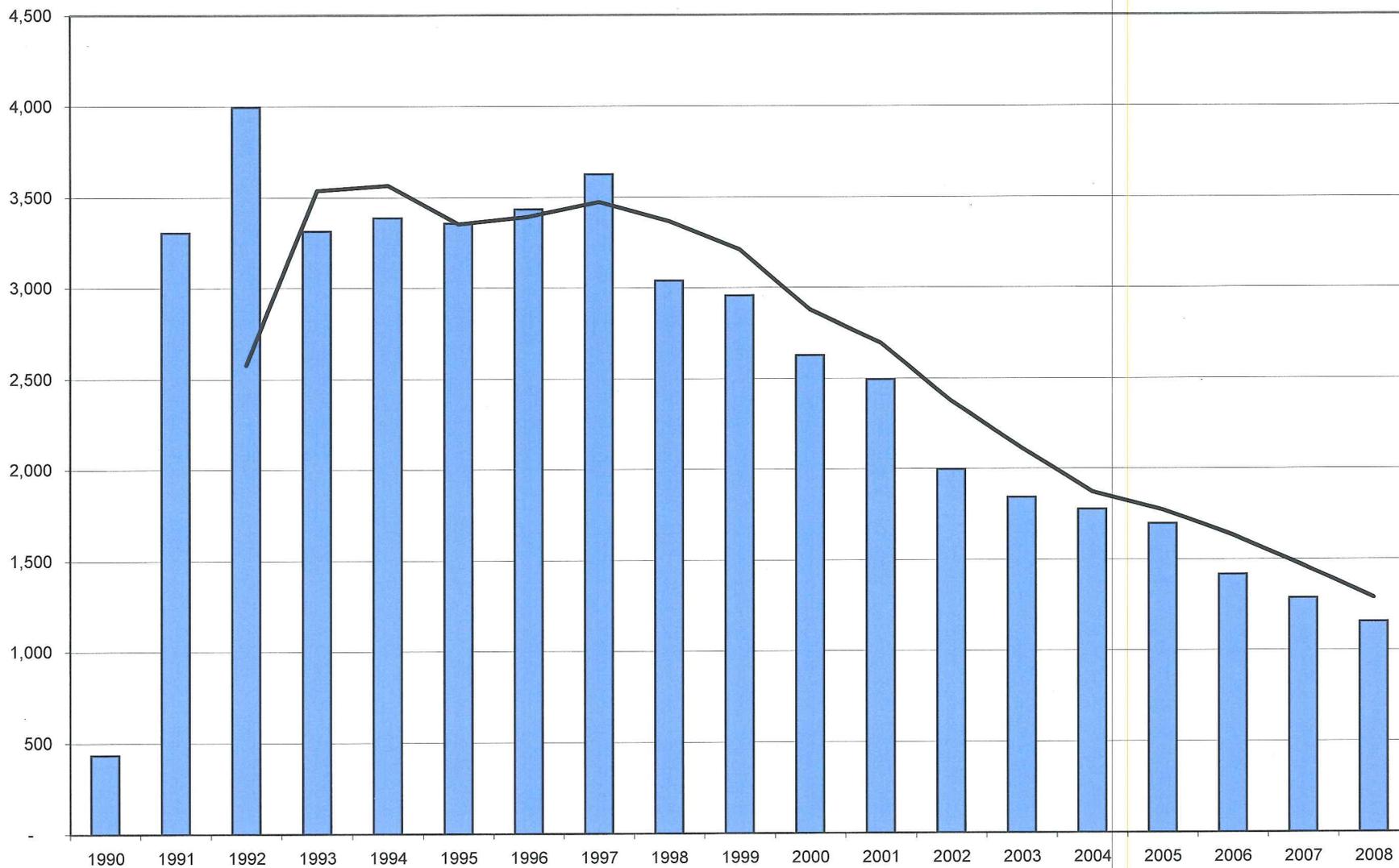
### Open Files



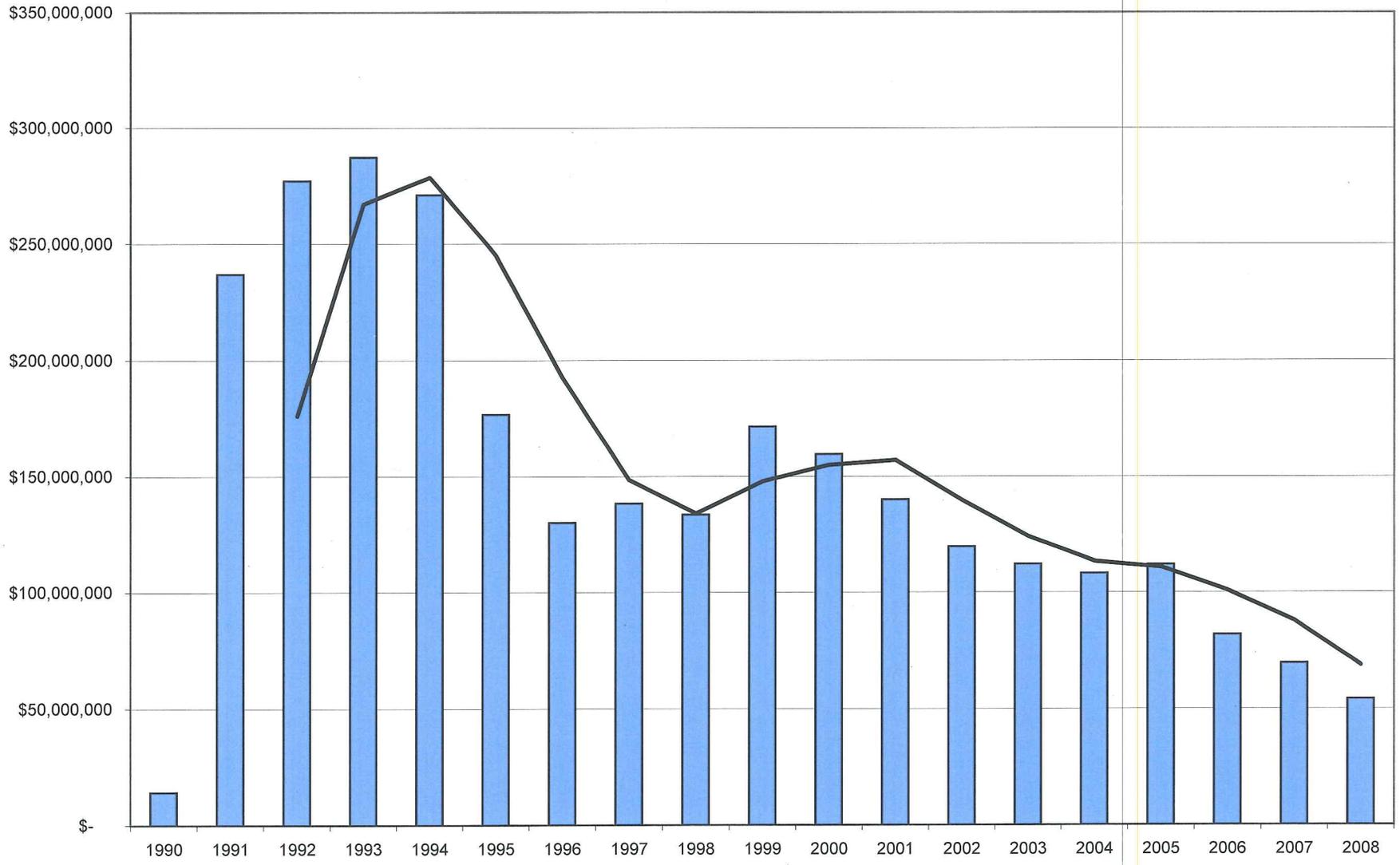
O/S Reserves By Year



Open Retro/Remed/ILO Files



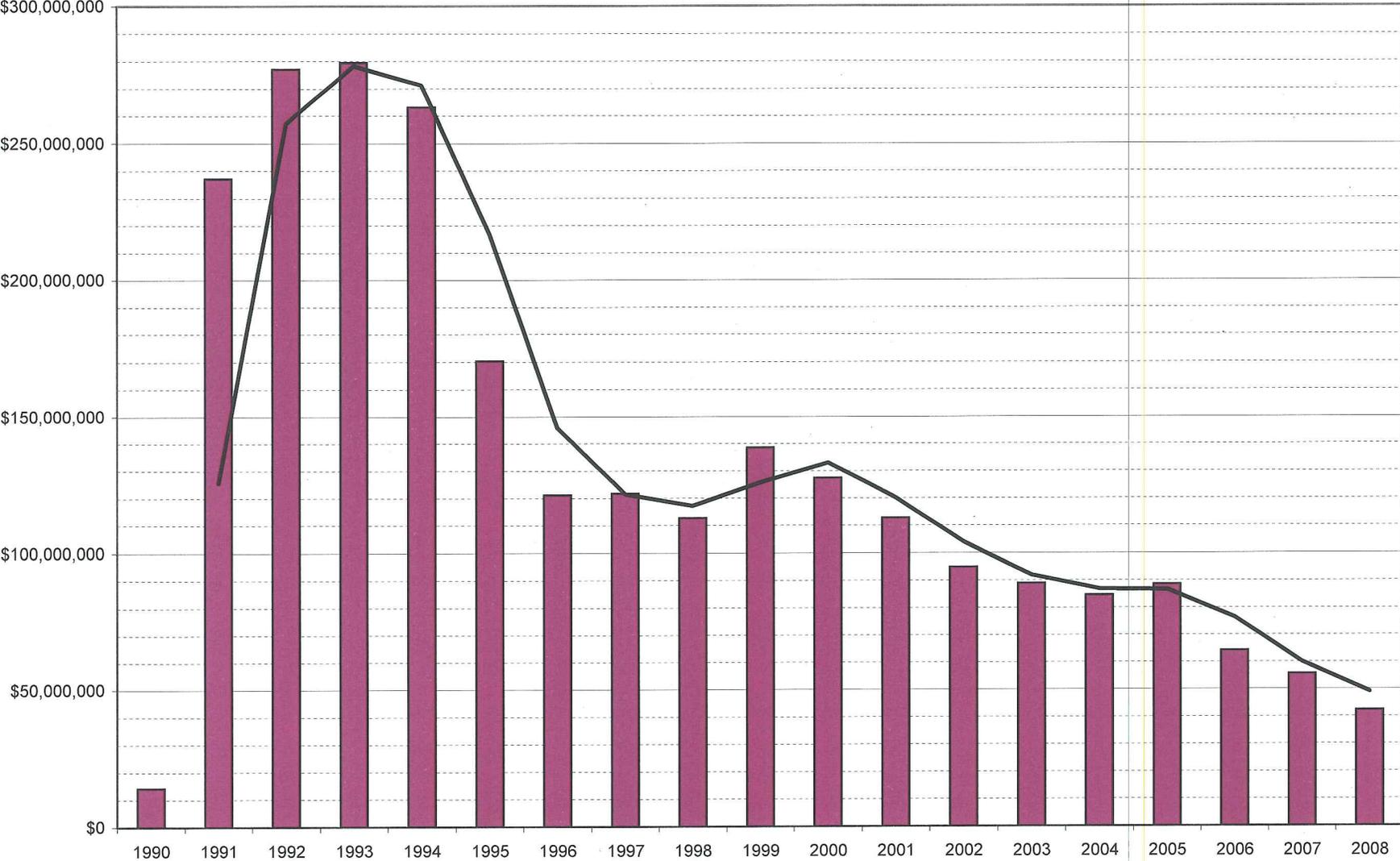
Retro/Remed/ILO Reserves



### Open Remedial Files



Outstanding Remedial Reserves



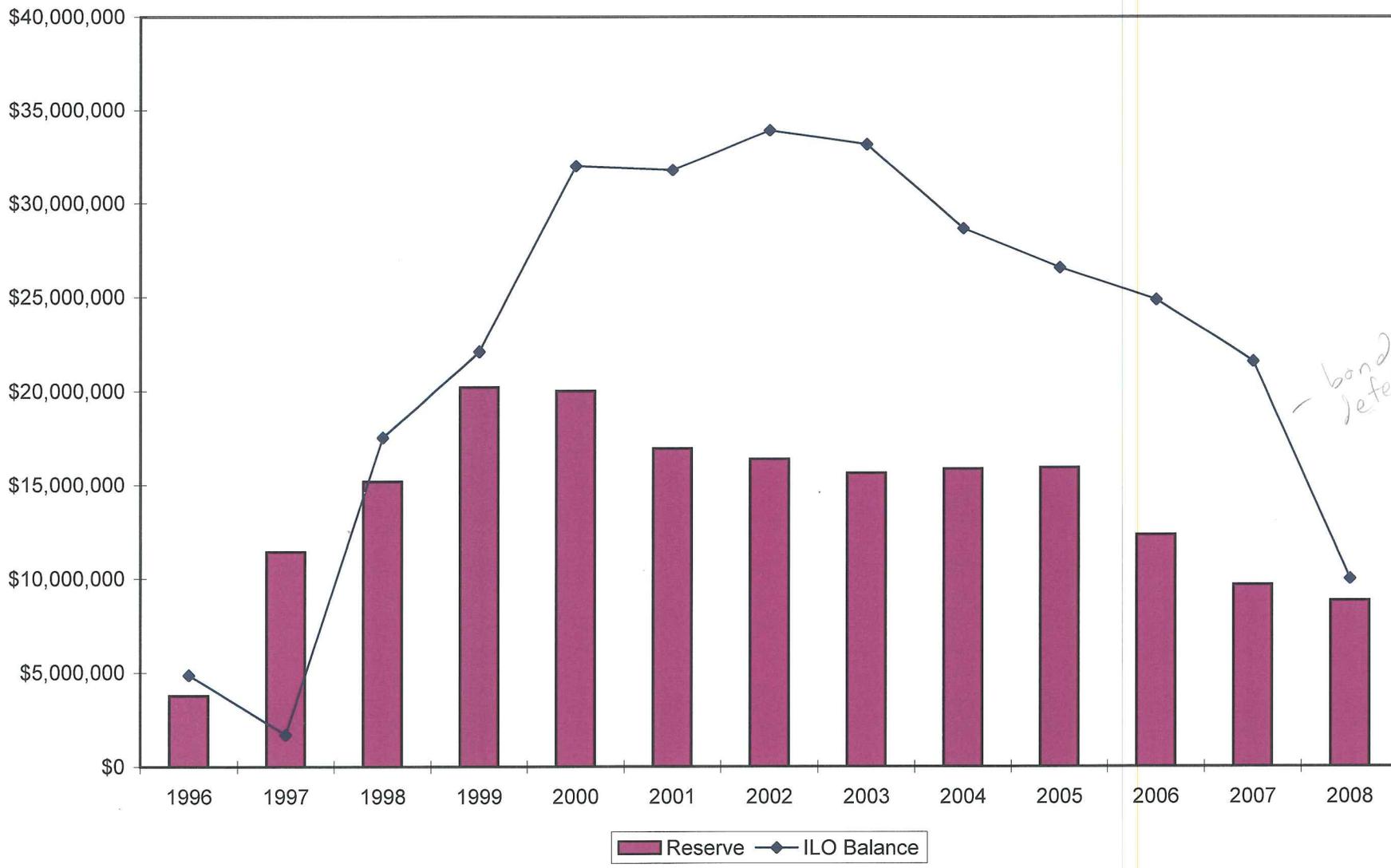
Open ILO Files



### Outstanding ILO Reserves

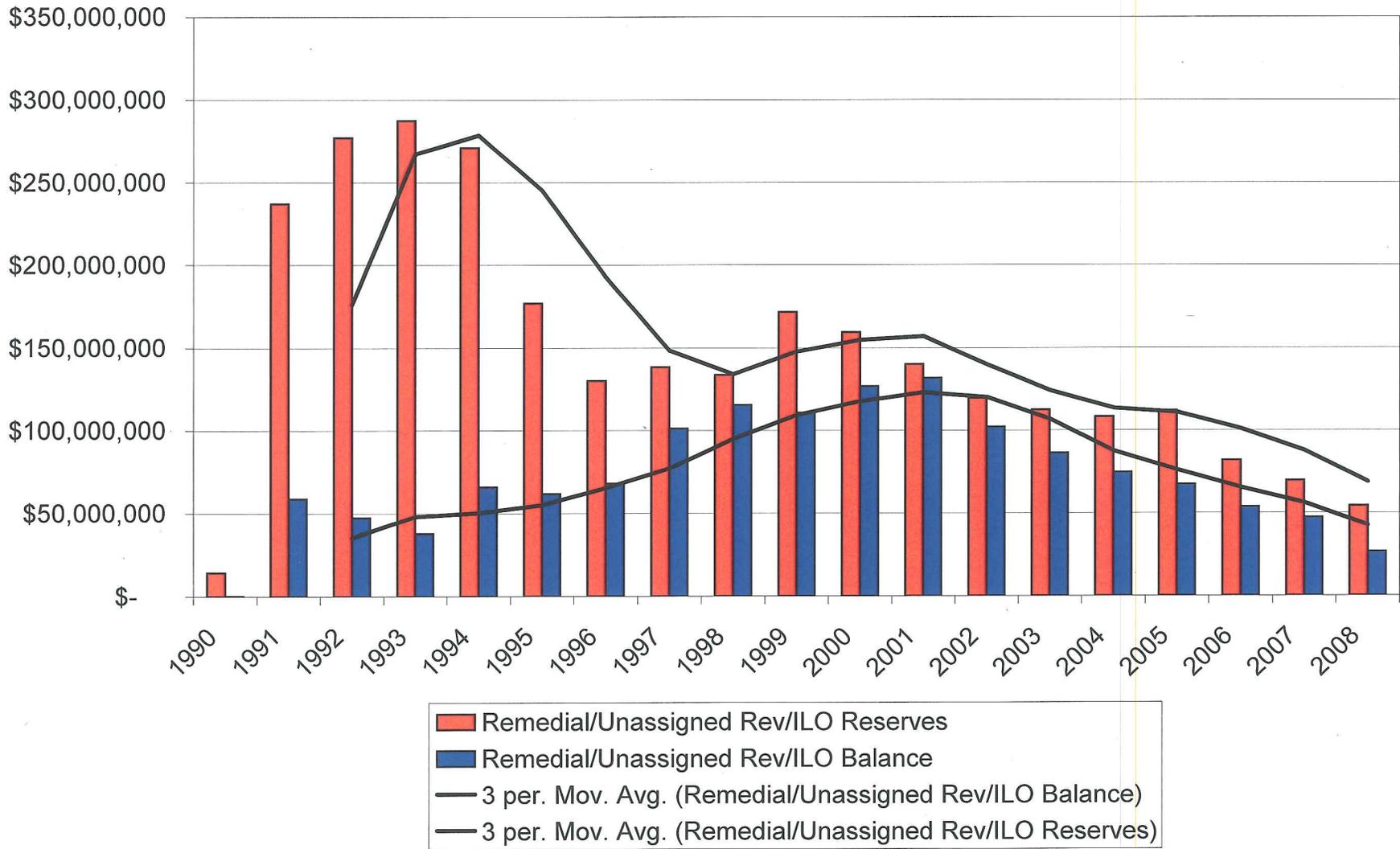


### ILO Reserves and ILO Fund Balance

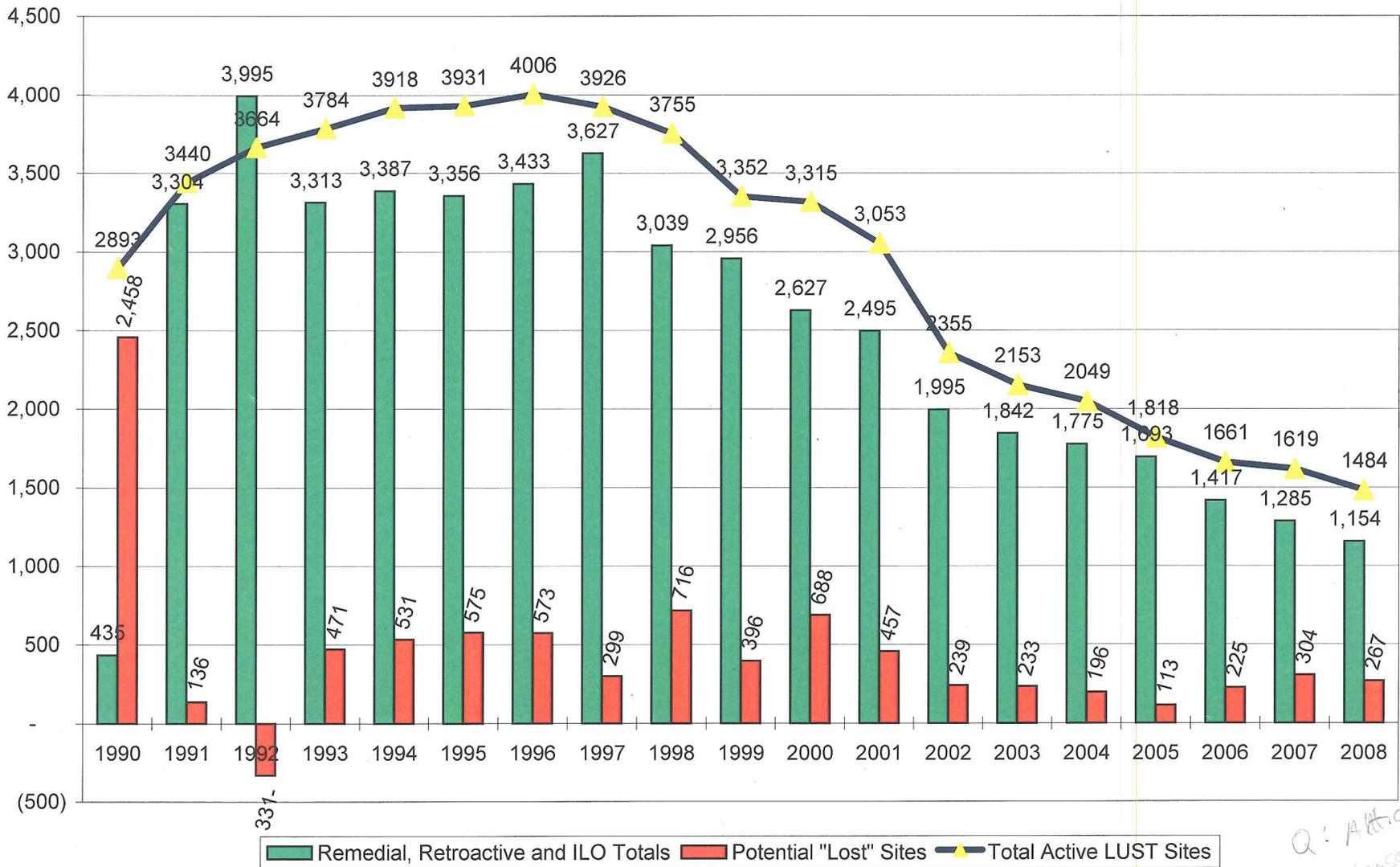


- bond defeasance

## Remedial/Retro/ILO Reserves vs. Balances

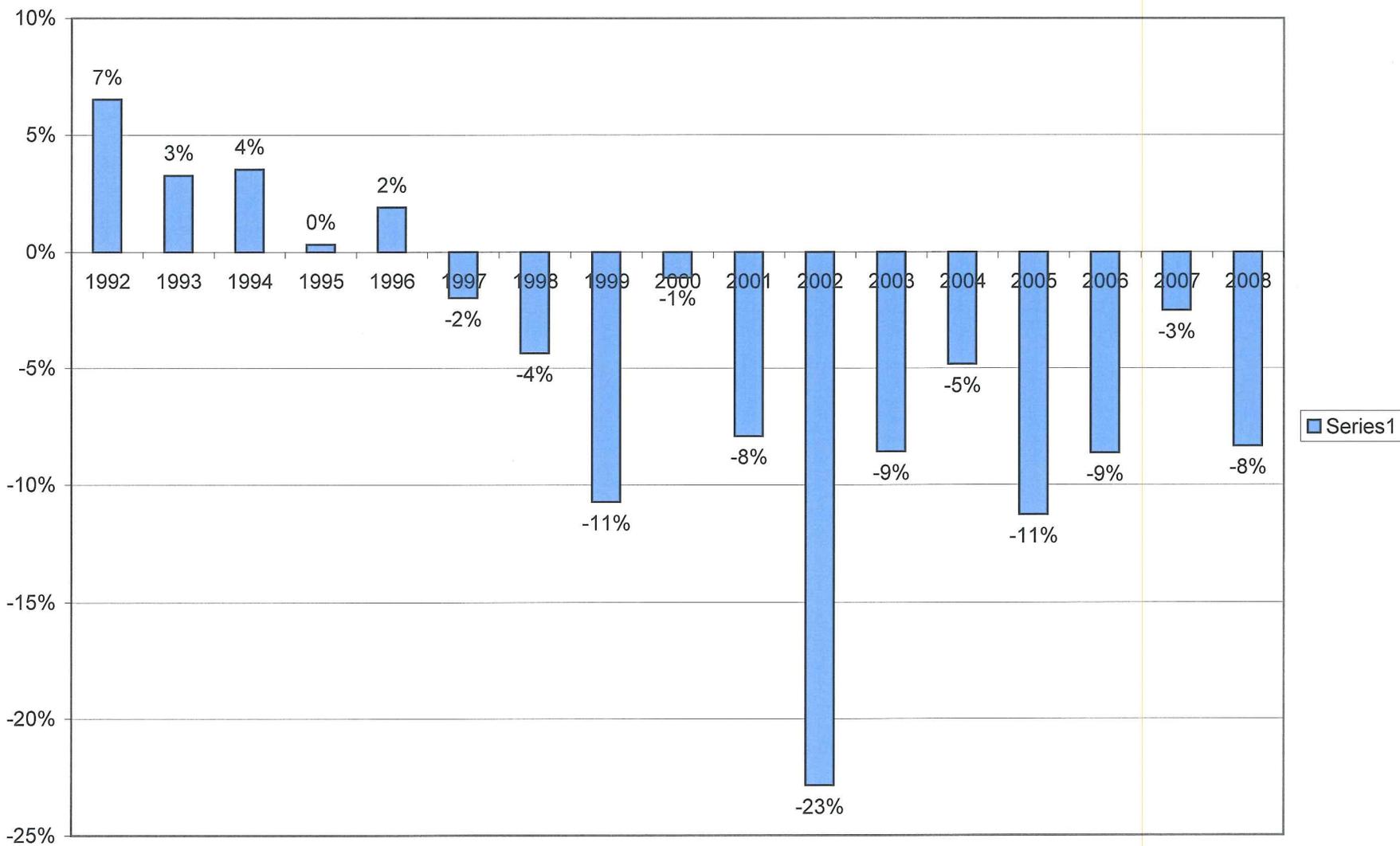


### Open Claims and Total Active LUST Sites

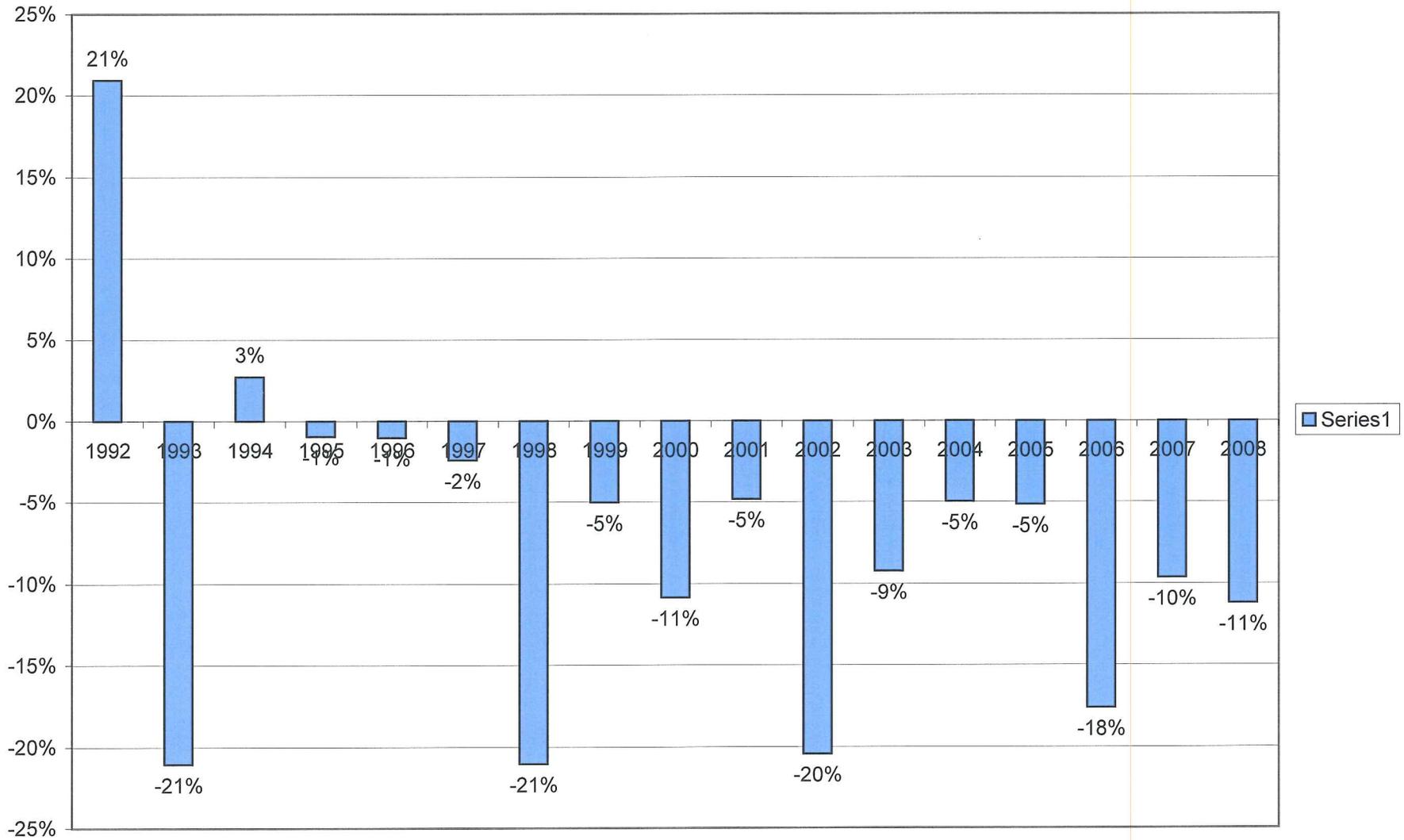


Q: Anticipate ↑ released due to flood?

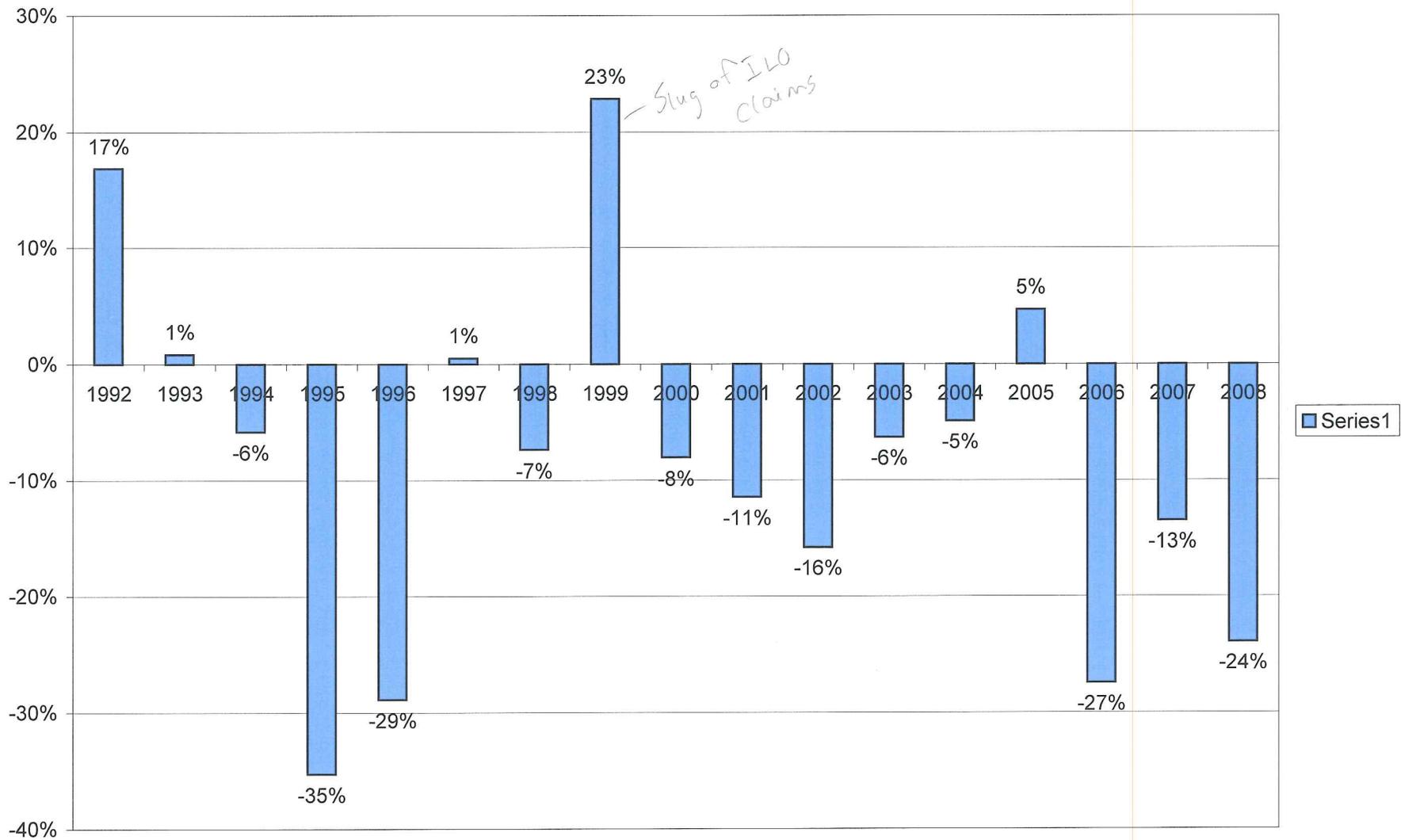
### Percent Change in LUST #



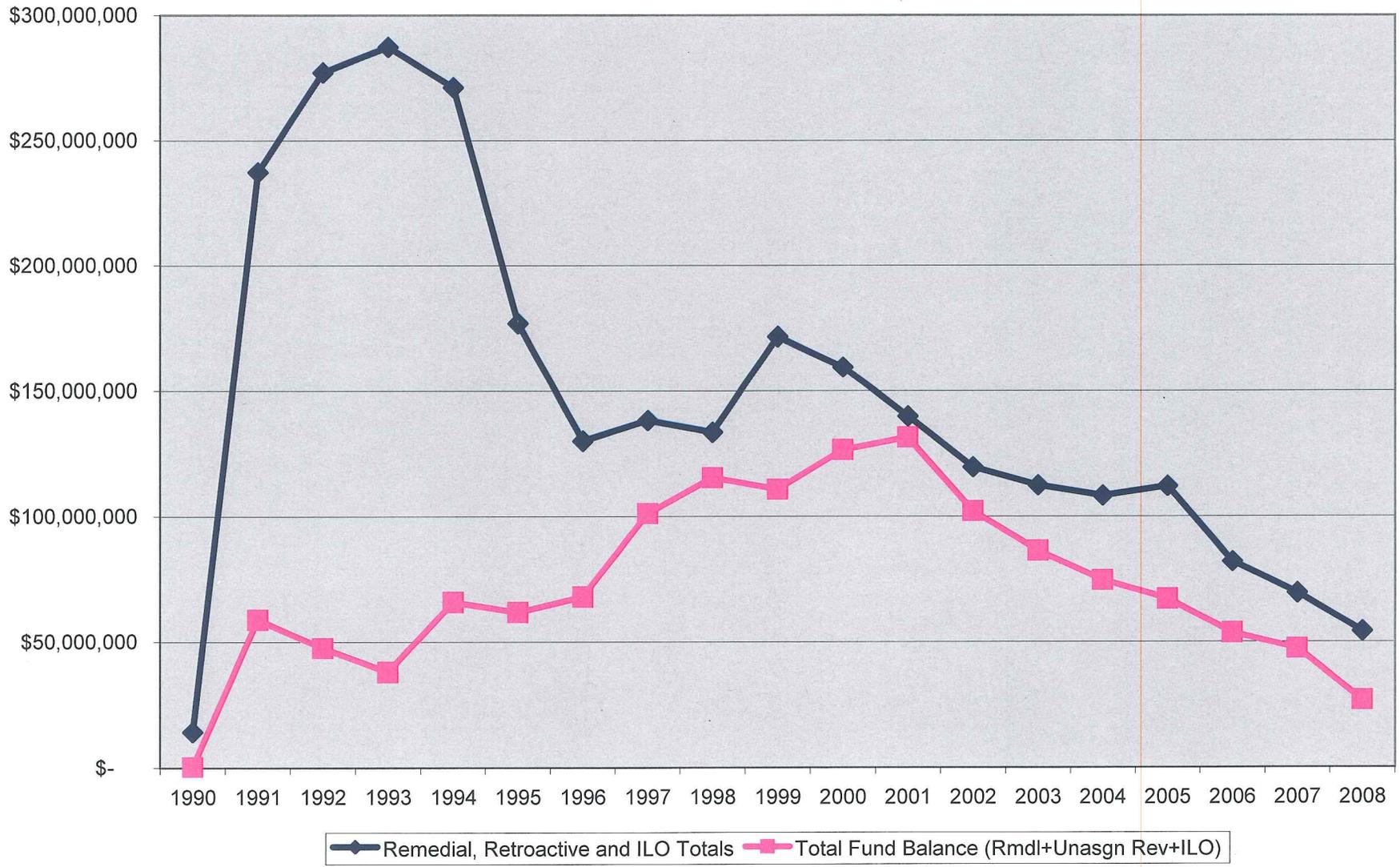
### Percent Change in Claim Count



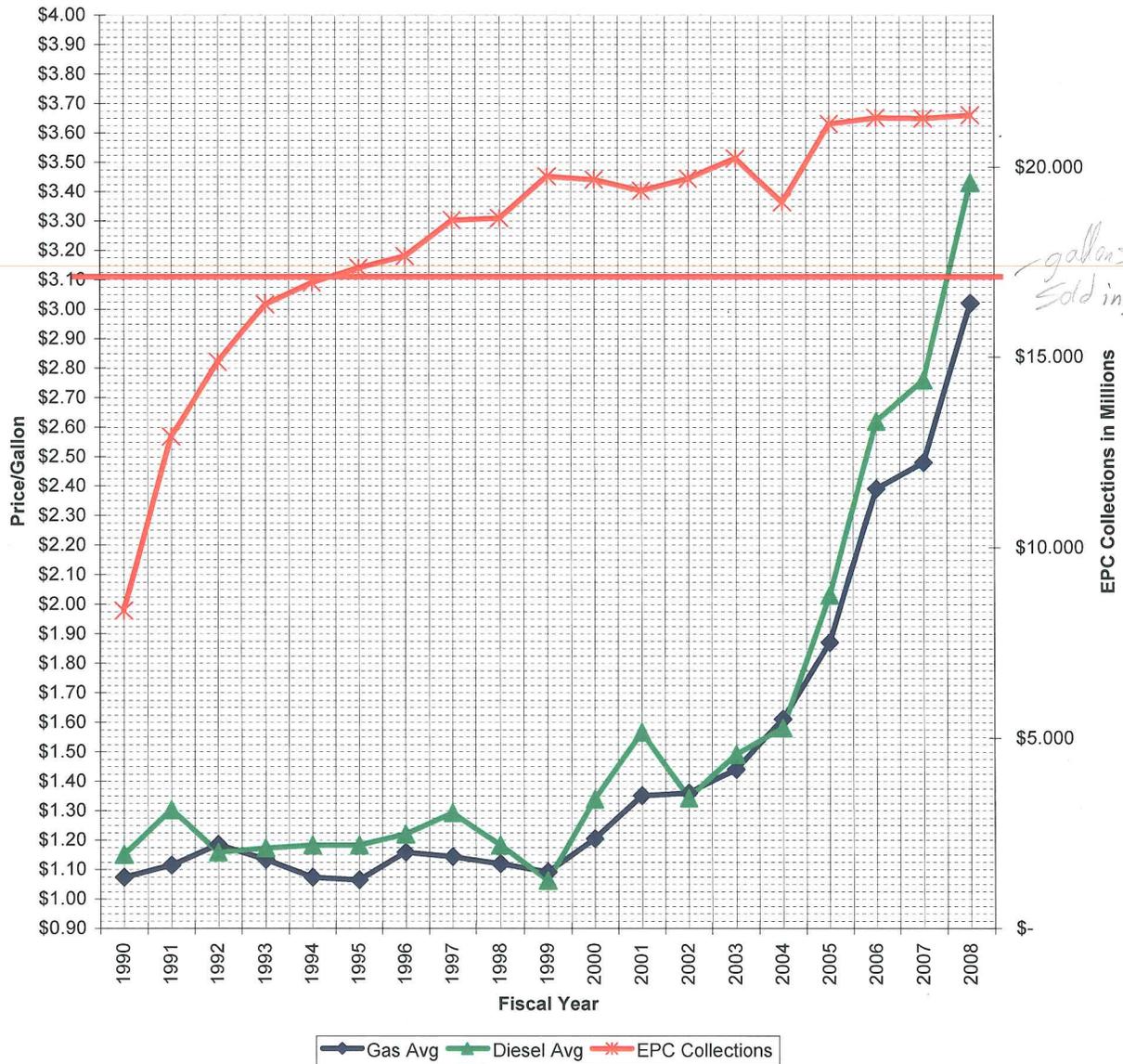
### Percent Change in Reserves



### Reserves vs. Balances



### EPC Collections and Gas Prices



Fiscal Year	Gas Avg	Diesel Avg	EPC Collections	Xcess EPC
1990	\$ 1.07	\$ 1.15	\$ 8.351	-\$ 3.65
1991	\$ 1.11	\$ 1.30	\$ 12.911	-\$ 2.39
1992	\$ 1.18	\$ 1.16	\$ 14.873	-\$ 0.43
1993	\$ 1.13	\$ 1.17	\$ 16.378	\$ 1.08
1994	\$ 1.07	\$ 1.18	\$ 16.949	\$ 1.65
1995	\$ 1.06	\$ 1.18	\$ 17.342	\$ 2.04
1996	\$ 1.16	\$ 1.22	\$ 17.652	\$ 0.65
1997	\$ 1.14	\$ 1.29	\$ 18.595	\$ 1.60
1998	\$ 1.12	\$ 1.18	\$ 18.652	\$ 1.65
1999	\$ 1.09	\$ 1.06	\$ 19.750	\$ 2.75
2000	\$ 1.20	\$ 1.34	\$ 19.664	\$ 2.66
2001	\$ 1.35	\$ 1.57	\$ 19.367	\$ 2.37
2002	\$ 1.36	\$ 1.34	\$ 19.684	\$ 2.68
2003	\$ 1.44	\$ 1.49	\$ 20.217	\$ 3.22
2004	\$ 1.61	\$ 1.58	\$ 19.066	\$ 2.07
2005	\$ 1.87	\$ 2.03	\$ 21.132	\$ 4.13
2006	\$ 2.39	\$ 2.62	\$ 21.299	\$ 4.30
2007	\$ 2.48	\$ 2.76	\$ 21.285	\$ 4.28
2008	\$ 3.02	\$ 3.43	\$ 21.364	\$ 4.36
<b>Total</b>			\$ 344.532	\$ 35.03
<b>Overall Avg</b>	\$ 1.47	\$ 1.58	\$ 18.13	\$ 1.84
<b>5 Year Avg</b>	\$ 2.27	\$ 2.48	\$ 20.83	\$ 3.83

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND  
STATEMENT OF FUND BALANCES  
FISCAL YEAR TO DATE ENDING MAY 31, 2008**

		<b>FISCAL 2008 BUDGET</b>
<b>0471 - UST REVENUE FUND (Bonding)</b>		
<b>Balance of Fund, July 1, 2007</b>		\$8,930,000.00
<b>Receipts:</b>		
Tank Management Fees	\$0.00	\$400,000.00
Motor Vehicle Use Tax	\$17,000,000.00	\$17,000,000.00
Intra State Fund Transfers Received	\$104,457.49	
Interest Income	\$0.00	
Interest Income - Capital Reserve Fund	\$0.00	
	\$17,104,457.49	\$17,400,000.00
<b>Disbursements:</b>		
Bond Interest Payment	\$1,698,403.76	\$1,698,403.75
Bond Principal Payment	\$7,245,000.00	\$7,245,000.00
Transfer to Unassigned Revenue Fund	\$8,591,053.73	\$8,456,596.25
	\$17,534,457.49	\$17,400,000.00
<b>Balance of Fund, May 31, 2008</b>	\$8,500,000.00	\$8,930,000.00
<b>0450 - UST UNASSIGNED REVENUE FUND (Non-Bonding)</b>		
<b>Balance of Fund, July 1, 2007</b>		\$17,075,662.99
<b>Receipts:</b>		
Installer's License Fees	\$0.00	\$0.00
Request for Proposal Fees	\$0.00	
Copying/Filing Fees	\$0.00	
Fines & Penalties	\$6,595.00	\$10,000.00
Refund/Overpayment	\$0.00	\$815.52
Transfer From UST Revenue Fund	\$8,591,053.73	\$8,456,596.25
Intra State Fund Transfers Received	\$0.00	\$1,102,272.55
Compensation for Pooled Money Investments	\$0.00	
Amort / Accretion	\$35,771.78	(\$70,000.00)
Buys/ Sells	(\$14,633.41)	(\$75,000.00)
Interest Income	\$1,807,420.31	\$1,800,000.00
	\$10,426,207.41	\$11,224,684.32
<b>Disbursements:</b>		
UST Administrator's Fees	\$1,440,285.94	\$1,418,664.00
Attorney General's Fees	\$113,708.07	\$105,000.00
Attorney's Fees: Cost-Recovery Administration	\$0.00	
Cost Recovery Expense (Lien Filing)	\$12.00	\$120.00
Actuarial Fees	\$0.00	
Auditor of the State Fees	\$4,786.13	\$4,786.13
Bond Trustee's Fees - Bankers Trust	\$1,250.00	\$1,500.00
Claim Settlement	\$1,050,000.00	\$0.00
Custodial Fees - BONY	\$1,163.97	\$1,000.00
Department of Revenue EPC Collection Fees	\$4,686.11	\$8,800.00
Innovative Technology	\$0.00	
Inspection & Appeals Service Fees	\$3,283.51	\$2,000.00

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND  
STATEMENT OF FUND BALANCES  
FISCAL YEAR TO DATE ENDING MAY 31, 2008**

		<b>FISCAL 2008 BUDGET</b>
Legal and Professional Fees	\$0.00	\$5,000.00
Postage / Printing / Miscellaneous	\$90.41	
Professional Admin Services (Investments)	\$38,300.50	\$50,000.00
Rebate	\$0.00	
Tank Closure Claims and Plastic Waterline Claims	\$38,826.35	\$200,000.00
Travel Expenses-UST Board Members	\$684.32	\$500.00
Warrant Float Expense	\$11,047.22	
Transfer to Remedial Non-Bonding Fund	\$5,000,000.00	\$5,000,000.00
Transfer to Innocent Landowner Fund	\$0.00	
28E Agreement - RBCA (DNR Staff Training & Development)	\$0.00	
28E Agreement - DNR UST Section Funding - FY07	\$100,000.00	\$200,000.00
Statutory Transfer to DNR - FY08	\$200,000.00	\$200,000.00
Statutory Transfer to DED - FY08	\$3,500,000.00	\$3,500,000.00
Statutory Transfer to General Fund - FY08	\$0.00	\$3,000,000.00
	<b>\$11,508,124.53</b>	<b>\$13,698,870.13</b>
<b>Balance of Fund, May 31, 2008</b>	<b>\$15,993,745.87</b>	<b>\$14,601,477.18</b>
<hr/>		
<b>0208 - UST REMEDIAL NON-BONDING FUND</b>		
<b>Balance of Fund, July 1, 2007</b>	\$6,753,532.72	\$6,753,532.72
<b>Receipts:</b>		
Remedial Refunds	\$8,444.60	\$10,000.00
Misc. Income (i.e. eligibility settlements)	\$0.00	
Interest Income	\$0.00	
Transfer Received from Unassigned Revenue	\$5,000,000.00	\$5,000,000.00
	<b>\$5,008,444.60</b>	<b>\$5,010,000.00</b>
<b>Disbursements:</b>		
Retroactive Claims	\$540,103.34	\$600,000.00
Remedial Claims	\$4,920,587.53	\$11,000,000.00
Balance of Outdated Warrants	(\$11,537.25)	
	<b>\$5,449,153.62</b>	<b>\$11,600,000.00</b>
<b>Balance of Fund, May 31, 2008</b>	<b>\$6,312,823.70</b>	<b>\$163,532.72</b>
<hr/>		
<b>0478 - UST MARKETABILITY FUND</b>		
<b>Balance of Fund, July 1, 2007</b>	\$2,246,390.04	\$2,246,390.04
<b>Receipts:</b>		
Interest	\$1,134,532.42	\$1,500,000.00
Use Tax	\$0.00	
	<b>\$1,134,532.42</b>	<b>\$1,500,000.00</b>
<b>Disbursements:</b>		
Transfer to Aboveground Storage Tank Fund	\$0.00	\$0.00
	<b>\$0.00</b>	<b>\$0.00</b>
<b>Balance of Fund, May 31, 2008</b>	<b>\$3,380,922.46</b>	<b>\$3,746,390.04</b>

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND  
STATEMENT OF FUND BALANCES  
FISCAL YEAR TO DATE ENDING MAY 31, 2008**

		FISCAL 2008 BUDGET
<b>0485 - UST INNOCENT LANDOWNERS FUND</b>		
<b>Balance of Fund, July 1, 2007</b>		\$21,354,512.83
<b>Receipts:</b>		
Cost Recovery (i.e. lien settlements)	\$13,538.57	\$10,000.00
ILO Refunds	\$1,100.40	
Intra State Fund Transfers Received	\$0.00	
Miscellaneous Income	\$0.00	
	\$14,638.97	\$10,000.00
<b>Disbursements:</b>		
Other Contractual Services	\$0.00	
Global Settlement Claims	\$271,513.19	\$500,000.00
Innocent Landowner Claims	\$1,959,031.98	\$2,000,000.00
Balance of Outdated Warrants	(\$187.54)	
	\$2,230,357.63	\$2,500,000.00
<b>Balance of Fund, May 31, 2008</b>	↑ \$19,138,794.17	\$18,864,512.83
<b>0455 - ABOVEGROUND STORAGE TANK FUND</b>		
<b>Balance of Fund July 1, 2007</b>		\$102,443.17
<b>Receipts:</b>		
Interest Income	\$2,014.32	\$0.00
Canceled warrants/Corrected warrants	\$0.00	
Transfer from Marketability Fund	\$0.00	
Transfer from Unassigned Revenue Fund	\$0.00	
	\$2,014.32	\$0.00
<b>Disbursements:</b>		
Transfer to Revenue Fund (0471)	\$104,457.49	\$102,272.55
	\$104,457.49	\$102,272.55
<b>Balance of Fund on May 31, 2008</b>	\$0.00	\$170.62
<b>0238 - UST LOAN GUARANTEE FUND (Non-Bonding)</b>		
<b>Balance of Fund, July 1, 2007</b>		\$1,228,506.44
<b>Receipts:</b>		
Interest Income	\$59,396.77	\$60,000.00
	\$59,396.77	\$60,000.00
<b>Disbursements:</b>		
Payments on Loan Losses	\$0.00	
Transfer to Unassigned Revenue Fund	\$0.00	\$1,000,000.00
	\$0.00	\$1,000,000.00
<b>Balance of Fund, May 31, 2008</b>	↑ \$1,287,903.21	\$288,506.44

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND  
STATEMENT OF FUND BALANCES  
FISCAL YEAR TO DATE ENDING MAY 31, 2008**

**UST BOND FUND (Bonding)**

**Series 1997 A Revenue Refunding Bonds**

		FISCAL 2008 BUDGET
<b>Balance of Fund, July 1, 2007</b>	\$0.00	\$0.00
<b>Receipts:</b>		
Transfer From/(To) UST Revenue Fund	\$6,546,416.26	\$6,545,916.25
Transfer From/(To) UST Unassigned Revenue Fund	\$0.00	
Accrued Interest From Bonds	\$0.00	
Interest Income	\$0.00	
	\$6,546,416.26	\$6,545,916.25
<b>Disbursements:</b>		
Principal Payments to Bondholders	\$5,510,000.00	\$5,510,000.00
Interest Payments to Bondholders	\$1,036,416.26	\$1,035,916.25
Trustee Fee to Bankers Trust	\$0.00	
	\$6,546,416.26	\$6,545,916.25
<b>Balance of Fund, May 31, 2008</b>	\$0.00	\$0.00

**Series 2004 Cost of Issuance Bonds**

<b>Balance of Fund, July 1, 2007</b>	\$0.00	\$0.00
<b>Receipts:</b>		
Transfer From/(To) UST Revenue Fund	\$0.00	\$0.00
Transfer From/(To) UST Unassigned Revenue Fund	\$0.00	
Accrued Interest From Bonds	\$0.00	
Interest Income	\$0.00	
	\$0.00	\$0.00
<b>Disbursements:</b>		
Principal Payments to Bondholders	\$0.00	\$0.00
Interest Payments to Bondholders	\$0.00	\$0.00
Trustee Fee to Bankers Trust	\$0.00	
	\$0.00	\$0.00
<b>Balance of Fund, May 31, 2008</b>	\$0.00	\$0.00

**Series 2004 A Revenue Refunding Bonds**

<b>Balance of Fund, July 1, 2007</b>	\$0.00	\$0.00
<b>Receipts:</b>		
Transfer From/(To) UST Revenue Fund	\$2,397,487.50	\$2,397,487.50
Transfer From/(To) UST Unassigned Revenue Fund	\$0.00	
Accrued Interest From Bonds	\$0.00	
Interest Income	\$0.00	
	\$2,397,487.50	\$2,397,487.50
<b>Disbursements:</b>		
Principal Payments to Bondholders	\$1,735,000.00	\$1,735,000.00
Interest Payments to Bondholders	\$662,487.50	\$662,487.50
Trustee Fee to Bankers Trust	\$0.00	
	\$2,397,487.50	\$2,397,487.50
<b>Balance of Fund, May 31, 2008</b>	\$0.00	\$0.00

bined UST Bond Fund Balances, May 31, 2008

<b>\$0.00</b>	<b>\$0.00</b>
---------------	---------------

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND  
STATEMENT OF FUND BALANCES  
FISCAL YEAR TO DATE ENDING MAY 31, 2008**

		FISCAL 2008 BUDGET
<b>0614 - UST CAPITAL RESERVE FUNDS (Bonding)</b>		
<b>Series 1990 A</b>		
Balance of Fund, July 1, 2007	\$3,990,710.18	\$3,990,710.18
<b>Receipts:</b>		
Proceeds From Issuance of Bonds	\$0.00	
<b>Disbursements:</b>		
Transfer Interest to Revenue Fund	\$0.00	
<b>Balance of Fund, May 31, 2008</b>	<b>\$3,990,710.18</b>	<b>\$3,990,710.18</b>
<b>Series 1991 A</b>		
Balance of Fund, July 1, 2007	\$2,641,220.03	\$2,641,220.03
<b>Receipts:</b>		
Proceeds From Issuance of Bonds	\$0.00	
<b>Disbursements:</b>		
Transfer to Cost of Issuance Fund	\$0.00	
<b>Balance of Fund, May 31, 2008</b>	<b>\$2,641,220.03</b>	<b>\$2,641,220.03</b>
<b>Series 1994 A</b>		
Balance of Fund, July 1, 2007	(\$394,430.21)	(\$394,430.21)
<b>Receipts:</b>		
Proceeds From Issuance of Bonds	\$0.00	
<b>Disbursements:</b>		
Debt Service for Issuance of Bonds	\$0.00	
<b>Balance of Fund, May 31, 2008</b>	<b>(\$394,430.21)</b>	<b>(\$394,430.21)</b>
<b>Combined UST Capital Reserve Fund Balances, May 31, 2008</b>	<b>\$6,237,500.00</b>	<b>\$6,237,500.00</b>
<b>TOTAL FUND BALANCES, May 31, 2008</b>	<b>\$60,851,689.41</b>	<b>\$52,832,089.83</b>

**FOOTNOTES:**

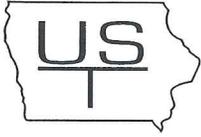
Note 1: Funds labeled "Bonding" were created as a result of the issuance of UST Revenue Bonds. Disbursements from funds are restricted by the Revenue Bond indenture.  
Funds labeled "Non-Bonding" are funds not restricted as to use by the Revenue Bond indenture.

Iowa UST Fund  
 Projected Cash Flows Available for Corrective Action Costs  
 7/2/2008

*based on past years figures*

	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Revenues</b>									
EPC	\$ 17,000,000	\$ 17,000,000	\$ 17,000,000	\$ 17,000,000	\$ 17,000,000	\$ 17,000,000	\$ 17,000,000	\$ 17,000,000	\$ 17,000,000
Tank Fees	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000
Interest	\$ 805,260	\$ 845,468	\$ 946,882	\$ 1,470,784	\$ 1,716,016	\$ 2,463,820	\$ 2,885,012	\$ 3,402,262	\$ 3,957,875
Cost Recovery	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
<b>Total Revenues</b>	\$ 18,225,260	\$ 18,265,468	\$ 18,366,882	\$ 18,890,784	\$ 19,136,016	\$ 19,883,820	\$ 20,305,012	\$ 20,822,262	\$ 4,377,875
<b>Expenditures</b>									
Administration	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 750,000	\$ 750,000
Remedial Claims	\$ 11,060,000	\$ 8,560,000	\$ 8,560,000	\$ 8,560,000	\$ 8,560,000	\$ 8,560,000	\$ 7,060,000	\$ 7,060,000	\$ 7,060,000
Low Risk	\$ 1,560,000	\$ 1,560,000	\$ 1,560,000	\$ 1,560,000	\$ 1,560,000	\$ 1,560,000	\$ 1,560,000	\$ 1,560,000	\$ 1,560,000
High Risk	\$ 9,500,000	\$ 7,000,000	\$ 7,000,000	\$ 7,000,000	\$ 7,000,000	\$ 7,000,000	\$ 5,500,000	\$ 5,500,000	\$ 5,500,000
ILO Claims	\$ 2,300,000	\$ 2,300,000	\$ 2,300,000	\$ 2,300,000	\$ 2,300,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
NFA Claims	\$ -	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
DNR Transfers	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000
Govt. Transfers	\$ 1,725,000	\$ 1,725,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Expenditures</b>	\$ 16,885,000	\$ 14,885,000	\$ 13,160,000	\$ 12,760,000	\$ 12,760,000	\$ 11,460,000	\$ 9,960,000	\$ 9,710,000	\$ 9,710,000
<b>Fund Balances</b>									
Revenue	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Unassigned Revenue	\$10,130,000	\$6,000,000	\$16,950,728	\$24,457,610	\$32,888,394	\$41,564,410	\$50,988,230	\$62,333,242	\$74,445,504
Remedial	\$16,130,000	\$16,600,000	\$14,300,000	\$12,000,000	\$9,700,000	\$7,400,000	\$6,400,000	\$5,400,000	\$4,400,000
Remedial + Unassigned	\$10,400,000	\$262,000	\$262,000	\$262,000	\$262,000	\$262,000	\$262,000	\$262,000	\$262,000
Innocent Landowner	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Loan Guaranttee	\$ 26,842,000	\$ 28,182,260	\$ 31,562,728	\$ 36,769,610	\$ 42,900,394	\$ 49,276,410	\$ 57,700,230	\$ 68,045,242	\$ 79,157,504
Marketability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total of Balances</b>	\$ 26,842,000	\$ 28,182,260	\$ 31,562,728	\$ 36,769,610	\$ 42,900,394	\$ 49,276,410	\$ 57,700,230	\$ 68,045,242	\$ 79,157,504

## **B. Status of 28E Agreements**



# IOWA UNDERGROUND STORAGE TANK FUND

Susan E. Voss, Chairperson

Scott M. Scheidel, Administrator

Board Members:

Michael L. Fitzgerald ❖ Jeff W. Robinson ❖ Jacqueline A. Johnson ❖ James M. Holcomb  
Richard Leopold ❖ Nancy A. Lincoln ❖ Douglas M. Beech

## MEMORANDUM

**TO: UST BOARD MEMBERS**

**FROM: SCOTT SCHEIDEL**

**SUBJECT: 28E AGREEMENTS**

**DATE: July 1, 2008**

There is a total of (21) 28E agreements that the Board has entered into since the inception of the Program. They are as follows:

### 28E AGREEMENT

### FISCAL 08 EXPENDITURES

*1. Dept of Revenue & Finance – fee for EPC collections	\$3,160.04
2. DNR – registration of groundwater professionals	\$ 0.00
3. DNR – site mapping project with Iowa State University	\$ 0.00
4. DNR – SCR technical review assistance	\$ 0.00
5. DNR – LUST trust funds – Shenandoah/Council Bluffs	\$ 0.00
6. DNR – automation of ability to pay system	\$ 0.00
7. DNR – EPA flood impact study	\$ 0.00
8. DNR – part time staffing for computer system development & input	\$ 0.00
9. Attorney General’s Office – Board & Cost Recovery Counsel	\$ 0.00
10. DNR – RBCA implementation assistance & staff training	\$ 0.00
*11. DNR – UST closures	\$ 117,376.25
12. DNR – Database integration	\$ 0.00
13. DNR – assistance in administering RBCA processes	\$ 0.00
*14. Attorney General’s Office – Board & Cost Recovery Counsel	\$ 105,287.26
15. DNR – assistance for UST Section (FY05)	\$ 0.00
16. DNR – assistance for UST Section (FY06)	\$ 0.00
*17. DNR – Double Circle FS CRP for 2 LUST sites	\$14,100.00
*18. DNR – City of Sioux City agreement (potential pymt to City of \$1.75M)	\$ 0.00
19. DNR – Temporary FTE for report reviews (Jan-Jun 2006)	\$0.00
20. DNR – assistance for UST Section (FY07)	\$100,000.00
*21. DNR – legal staff position funding	0.00

\* Denotes ongoing agreements; all other agreements have been completed.

### C. Attorney General's Report

- More of a contract attorney to the Fund,
- Tim/working on backlog of fund-denial appeals  
AG (approx. 12 remaining / 2 new ones)
- August meeting: 3<sup>rd</sup> extension request for  
AG - Aon contract. (3) or Aon contract(?)  
last one, then have to RFP  
2010 - 2016

## **D. Prior Year's Goals**

# IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND PROGRAM

## Status of Goals for Fiscal 2008

### GOALS

#### A. REMEDIAL PROGRAM—"GETTING SITES TO CLOSURE"

**Closing Claims.** A numeric goal was set to close 165 claims during the fiscal year. A sub tracking goal of 100 Corrective Action meetings was also set.

**Loss Portfolio Transfer** The Board set a goal to evaluate and make a decision regarding a proposed transfer of liabilities to PMMIC. The group of sites PMMIC indicated an interest in was those with both an open UST Fund claim and an in force insurance policy with PMMIC.

### STATUS

The fiscal year saw a net 137 claims closed for a 10.6% reduction in overall claim count.

There were 16 new Innocent Landowner claims, 4 new Remedial claims opened. Additionally there were 17 Remedial and 5 Innocent Landowner claims reopened. Making the gross number of closed claims for the fiscal year 179.

94 Corrective Action meetings were completed during the fiscal year.

The Board approved a Request For Information as a method to determine whether bidding was practical as well as to evaluate other LPT alternatives. The RFI was placed on hold due to funding changes mandated by the Legislature which resulted in the Board seeing a large reduction in available capital for a transfer transaction.

*don't understand*

*10 claims \$ 511,000 paid out  
271,910 spent by PMMIC  
- NFA'd  
1 requesting NFA*

### COMMENTS

In addition to the files closed, there are an additional group of files that have pending NAR classification requests waiting review by DNR. This group of files is approximately 49, with the time period they have been awaiting review varying from a few months to nearly two years.

057

## GOALS

### **B. MAINTAIN SHORT AND LONG TERM SOLVENCY**

#### Plastic Water Line Policy

The Board established a goal to coordinate with DNR for the implementation of a Plastic Water Line policy that draws from both the actual experience in Iowa and other states and the study data available, specifically the most recent study completed at Iowa State University. The goal was aimed at reaping cost savings that could be used to focus corrective action in areas that have proven to be a real problem.

## STATUS

Very little was accomplished during the year on this goal driven mainly by DNR's insistence that the ISU study become final and published prior to discussing it. Recently (past 30 days) meetings between DNR and Administrator staff have begun in earnest to push discussions to a PWL policy more in line with experience and other states policies.

## COMMENTS

Claims with PWL pathways are evaluated for the cost benefit tradeoff as well as proximity to actual versus simulated contamination and claim payment authorizations are handled on a case by case basis until the policy is changed.

## RBCA Model Evaluation

The Board set a goal to continue to move forward in the implementation of the calibrated RBCA Tier 2 model as recommended by the Software Investigation Committee.

DNR drafted rules and submitted to the Environmental Protection Commission without stakeholder input. After several iterations through the fall and spring and meetings held with stakeholders DNR moved forward with their proposed final version that is before the Administrative Rules Review Committee. The Board, as well as the overwhelming majority of stakeholder groups, petitioned the DNR to continue working to find a solution that does not place the financial or regulatory burden on industry that their proposed rules do. DNR elected to move forward without amending the Adoption.

The rules as proposed add at the low end \$2,000 and at the high end \$100,000 to \$200,000 to each and every site where a Tier 2 is completed. For the Board that is 50 to 150 sites per year making additional cost range \$100,000 to \$3 million—most likely in the \$500,000 to \$1.5 million range for practical purposes. We are projecting NO additional corrective action, only assessment as required. This is due to the lack of any identification of risk that would be missed at any of the known LUST sites for the factors in the proposed rule.

*If we have seldom ever looked then of course we have seldom ever found... not the same as no or low risk potential!!!!*

## Well Closure

The Board set a goal to work with DNR to implement formal guidelines for well closure orders from DNR legal staff by the end of calendar year 2007.

The DNR drafted guidance for internal use to implement their guidelines on closing abandoned private water wells. Neither a document outlining the guidelines or policy memo has been provided to the Board or public for reference.

*↓  
Need to provide to public*

The DNR project managers and legal staff have been advised of wells in 3 communities which appear to meet the definition of abandoned wells. Yet, no known actions have been taken to abandon the wells.

*\* check*

## GOALS

### NFA Agreement

The Board set a goal to enter into an agreement with DNR to provide for activity at sites with NFA Certificates that are later shown to pose a risk to human health.

## STATUS

A proposed agreement was provided to DNR in May 2007. We have been unable to reach agreement with DNR due primarily to several areas that the proposed agreement excludes, but authorized case by case exceptions by the Board. The exclusions in question are for 1) sites not closed consistent to DNR rules and statutes, 2) sites closed with known errors, 3) changes in DNR regulations, 4) changes in regulated chemicals of concern, 5) failure of control which DNR has regulatory authority over and 6) new release. Currently DNR is working on proposing alternative wording. We last met in May.

## COMMENTS

The Board has 3 sites that might fall under a completed agreement, however without an agreement the Board may have to make case by case decisions regarding activities to fund or not fund at those sites.

### C. LEGISLATIVE INITIATIVES

The Board did not have any specific statutory changes to pursue entering into the last legislative session.

The Board was significantly affected by the TIME 21 Transportation funding bill. The bill changed the way money flows through the Road Use Fund creating a security issue for the Board's outstanding bonds. The Board retired and defeased all bonds in the past 30 days. Additionally, the Legislature diverted \$1,725,000 from the Board to DNR for their Snowmobile and ATV funds.

The diversion language passed is in violation of existing law. The Board will be deciding on potential instructions to the Treasurer regarding the conflict.

## II. DNR Report of UST Issues

### **III. Program Goals – Fiscal 2009**

# IOWA UST FUND PROGRAM FISCAL YEAR 2009 GOALS DISCUSSION

## A. ISSUES FROM LAST YEAR

## B. REMEDIAL PROGRAM—GETTING SITES TO CLOSURE

- Setting number or percentage goals
- Setting an activity goals
- Process Improvements
- RBCA Changes—model/receptor treatment
- Loss Portfolio Transfers
- NFA Agreement

## C. MAINTAIN SHORT AND LONG TERM SOLVENCY

- Revenue expansion
- Expense controls
- DNR Coordination
  - Model Calibration
  - Plastic Water Lines
  - Implementing Other RBCA Lessons Learned

## D. COMPARISON OF IOWA UST PROGRAM WITH OTHER STATES' PROGRAMS

In the past, Board members have inquired about how Iowa compares to the UST programs of other states. Annually the Fund Administrators from all the states, along with EPA representatives, get together to discuss the state of their Programs and share ideas that have been successful or have not been successful. In conjunction with this annual meeting there is a survey of all of the states. Information from that survey is attached.

	<u>Iowa</u>	<u>Countrywide</u>
Average Cost Per Site	\$37,967	\$126,532
Estimated Processing Time Per Claim	1.5 month	3.25 months
Total Spent	\$246 M	\$16.257 B
Total Sites	1,500	299,763
Total Claims	8,059	754,091

In addition to the above numbers comparing Iowa to the overall numbers for the 47 states who have a UST program, Iowa shares characteristics with other states. Iowa is:

- 1 of 9 States utilizing a third party administrator
- 1 of 8 States that have passed their eligibility date for releases
- 1 of 45 States the approve budgets or plans prior to implementation
- 1 of 22 States with Board providing fund oversight
- 1 of 16 States to have used Pay for Performance.
- 1 of 10 States to have transitioned to private insurance.

The complete survey is attached for further review.

#### **E. LEGISLATIVE INITIATIVES**

- Fiscal issues (Board and DNR)
- June 30, 2009 expiration of Iowa Code Section 455G.6—Extension
- Unresolved RBCA issues?

*Scott - will circulate synopsis of Board goals - Bring to Director.*

---

#### **IV. UST State Fund Administrators' Conference**

Summary of State Fund Survey Result: 08

Mon, June 9, 2008

	2004	2005	2006	2007	2008
Approximate Annual Revenues (billions)	\$1.47 B	\$1.53 B	\$1.48 B	\$1.5 B	\$1.47 B
Approximate Current Balance (billions)	\$1.65 B	\$1.52 B	\$1.47 B	\$1.74 B	\$1.42 B
Outstanding Claims (billions)	\$1.76 B	\$1.80 B	\$1.32 B	\$2.68 B <sup>A</sup>	\$2.67 B
Fund Staff Tech/Fin/Total	710/229/946	718/205/884	654/208/932	633/213/894	697/213/920
#of sites with claims	143,827	154,069	159,909	162,699	162,827
#of sites with 3rd Party claims	1,202	1,299	1,341	1,359	1,443
# of claims received	575,489	628,144	672,921	706,679	754,091
% change (claims received) from previous year	4%	9%	9%	9%	9%
Total # of sites	256,719	270,144	288,478	284,492	299,763
Total # of tanks	1,425,335	1,439,398	1,452,187	1,471,504	1,462,882
Sites/staff	152	172	171	182	176
Approximate Total amount Paid (billions)	Total: \$12.068 B Annual: \$1.03 B	Total: \$13.141 B Annual: \$1.06 B	Total: \$14.183 B Annual: \$1.03 B	Total: \$15.453 B Annual: \$1.01 B	Total: \$16.257 B Annual: \$997 M
% change (total amount paid) from previous year	10%	10%	9%	9%	9%
Average cost per site	\$97,904	\$108,146	\$114,105	\$115,744	\$126,532
Average cost per site at closure	\$90,375	\$94,144	\$98,292	89,087	94,633
Estimated processing time per claim (months)	5	3.5	3.8	3.4	3.25
States using Pay-For-Performance	15	15	17	18	16
Employ a 3rd Party Administrator	11	10	10	9	9
States in which Outstanding Claims Exceed Balance	12	10	8	9	9
# of States which have transitioned to private insurance	10 <sup>B</sup>	11 <sup>B</sup>	10 <sup>B</sup>	10 <sup>B</sup>	10 <sup>B</sup>
# of States w/ sunset date >2010	12	13	17	17	18

\*\* Not all States reported by UST vs. AST; therefore, the total does not add up.

A This number is significantly higher than previous years due to the figure reported for CA. CA's figure is higher than previous years because it includes claims currently active and those claims waiting on the priority list for funding. In previous years the figure reported was only for the claims on the priority list waiting to be funded, but did not include the claims that were currently active at that time.

B AK, AZ, DE, FL, IA, MD, NY, WI, WV, TX (Hawaii and Oregon never had a state fund); NY has always relied on insurance for tank owners.

Survey responses only as accurate as responses provided to the VT DEC in the Annual State Fund Survey Update.

TABLE 1. DESIGN CHARACTERISTICS OF STATE FINANCIAL ASSURANCE FUNDS

State	Agency/ Department With Primary Responsibility	Types of Tanks Covered <sup>A</sup>	#Of Facilities Covered	# Of Tanks Covered	Fund Coverage					UST Replacement Loan Program	Factors Affecting Limits of Coverage						Fund Sunset Dates				
					Corrective Action	Third-Party	Separate or Combined	Deductible Amount (if more than one, specify range)	Cover Future Releases		# Tanks	Tank Size	Tank Type	Tank Owner	Extent of Regulatory Compliance	Date of Release	Release Eligibility Sunset Date	Fee Sunset Date	Program Ending Date	Sunset Date Extended	Sunset Date Abolished
AK	Response Fund Administration Program	NA	0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	12/22/1993	NA	6/30/2004	NA	NA
AL	Dept. of Environmental Management	P,A (A: motor fuel only)	6,369	17,180	partial (requires deductible)	partial (requires deductible)	combined up to \$1 million	\$5,000 UST/\$10,000 AST for corr action; additional deductible for 3rd party	x			x		x	x	x	none	none	none	no	no
AR	Department of Environmental Quality	P,U,A,AB	4,874	13,245	partial	partial	Separate	\$7,500/Corre ctive Action & \$7,500/Third- Party	x					x	x	none	none	none			
AZ	Dept. of Environmental Quality	P,U,AB	2,600	7,600	90% of eligible activities			10%	No				x		x	x	6/30/2006	2013	2013	no	no
CA	Water Resources Control Board	P,H,U,AB	60,000	180,000	x	x	combined	\$0-\$20,000	x	x				x	x	none	Jan 2011	none	2x for total of 10 yrs.	no	
CO	Department of Labor and Employment	P,AB,A, U	4,441	11,647	x	x	Separate	\$10K Cleanup \$25K 3rd party	x			x	x	x	x	x	NA	2012	NA	NA	NA
CT	Dept. of Environmental Protection	P,U,AB (H:only marketers)	8,900	31,725	x	x	combined	\$10,000	x					x		NA	NA	NA	NA	NA	

Based on responses to a survey conducted by the Vermont Department of Environmental Conservation. Data received from all States with Financial Assurance Funds. Updated May 2008.

TABLE 1. DESIGN CHARACTERISTICS OF STATE FINANCIAL ASSURANCE FUNDS

State	Agency/ Department With Primary Responsibility	Types of Tanks Covered <sup>A</sup>	# Of Facilities Covered	# Of Tanks Covered	Fund Coverage					UST Replacement Loan Program	Factors Affecting Limits of Coverage						Fund Sunset Dates				
					Corrective Action	Third-Party	Separate or Combined	Deductible Amount (if more than one, specify range)	Cover Future Releases		# Tanks	Tank Size	Tank Type	Tank Owner	Extent of Regulatory Compliance	Date of Release	Release Eligibility Sunset Date	Fee Sunset Date	Program Ending Date	Sunset Date Extended	Sunset Date Abolished
DE	Department of Natural Resources and Environmental Control	P,U,H,F,AB	240	720	partial	partial	separate	\$2,500		x			x		x	x	NA	2010	NA	NA	NA
FL	Dept. of Environmental Protection	P,A,AB	17,787		x		separate	\$500 - \$30,000 or 25% of all costs							x	x	12/31/1998				
GA	Dept. of Natural Resources - Environmental Protection Division	P,U,AB <sup>B</sup>	7,881	23,471	partial	partial	combined	\$10,000	x		x				x		none	none	none	NA	NA
IA	Iowa Comprehensive Petroleum Storage Tank Fund Board	P,U,H,AB	NA	NA	partial		combined	NA		sunset 1998			x	x	x	x	10/26/1990	6/30/ 2016	2015-2018	no	no
ID	Petroleum Storage Tank Fund	P,A,U,M,F,H	1,425	4,092	x	x	combined	\$10K - ASTs/USTs \$100 heating oil	x		x		x	x	x	x	NA	NA	NA	NA	NA
IL	Environmental Protection Agency	P,H,U,AB	8,521	22,907	x	x	separate	\$10,000 - \$100,000	x	No	x				No	x	none	1/1/2013		No	No
IN	Dept. of Environmental Management	P,U	4,200	14,173	partial	partial	combined	\$20,000 - \$35,000	x		x			x	x	x	NA	NA	NA	NA	NA

Based on responses to a survey conducted by the Vermont Department of Environmental Conservation. Data received from all States with Financial Assurance Funds. Updated May 2008.

TABLE 1. DESIGN CHARACTERISTICS OF STATE FINANCIAL ASSURANCE FUNDS

State	Agency/ Department With Primary Responsibility	Types of Tanks Covered <sup>1</sup>	#Of Facilities Covered	# Of Tanks Covered	Fund Coverage					UST Replacement Loan Program	Factors Affecting Limits of Coverage						Fund Sunset Dates				
					Corrective Action	Third-Party	Separate or Combined	Deductible Amount (if more than one, specify range)	Cover Future Releases		# Tanks	Tank Size	Tank Type	Tank Owner	Extent of Regulatory Compliance	Date of Release	Release Eligibility Sunset Date	Fee Sunset Date	Program Ending Date	Sunset Date Extended	Sunset Date Abolished
KS	Dept. of Health and Environment	P,H,C,U,AB,A	13,346	37,339	partial	partial	separate	\$3,000 + \$500/tank at facility	x		x			x	x		7/1/2014	7/1/2014	7/1/2014	2x each for 10 yrs.	no
KY	Environmental and Public Protection Cabinet/Division of Waste Management Underground Storage Tank Branch	P,U,F	16,362	52,045	partial	partial	combined	1-5 tanks: \$500 6-10 tanks: \$2,500 +11 tanks: \$12,500	x		x		x		x		NA	NA	NA	every 2 yrs since 1990	no
LA	Dept. of Environmental Quality	P, U, AB	4,622	12,464	x	x	Separate	\$5,000 per release, \$5,000 3rd Party, & \$5,000 Additional Non Compliance Deductible	x	N/A	x	NA	x	x	x	x	NA	NA	NA	NA	NA
MA	Dept. of Revenue	P	3,047	7,049	partial	partial	combined	\$5K-\$10K depending on the number of facilities	x	NA	NA	NA	NA	NA	x	x	NA	NA	NA	NA	NA

Based on responses to a survey conducted by the Vermont Department of Environmental Conservation. Data received from all States with Financial Assurance Funds. Updated May 2008.

TABLE 1. DESIGN CHARACTERISTICS OF STATE FINANCIAL ASSURANCE FUNDS

State	Agency/ Department With Primary Responsibility	Types of Tanks Covered <sup>A</sup>	# Of Facilities Covered	# Of Tanks Covered	Fund Coverage					UST Replacement Loan Program	Factors Affecting Limits of Coverage						Fund Sunset Dates					
					Corrective Action	Third-Party	Separate or Combined	Deductible Amount (if more than one, specify range)	Cover Future Releases		# Tanks	Tank Size	Tank Type	Tank Owner	Extent of Regulatory Compliance	Date of Release	Release Eligibility Sunset Date	Fee Sunset Date	Program Ending Date	Sunset Date Extended	Sunset Date Abolished	
MD	Dept. of Environment Waste Management Administration/Oil Control Program	H (commercial UST) M,H (residential only)	2,514 commercial	14,119 commercial	partial			various <sup>c</sup>			x					x	x	RCRA I = 12/1998	7/1/2010	RCRA 6/30/2005;no n RCRA 12/31/2007; Residential 6/30/2010	2x for 5 yrs.	no
ME	Dept. of Environmental Protection	P,H,U,AB,A,F	2893 ust; 1000's of ast	4843 ust; 1000's of ast	partial	partial	combined	\$500 - \$97,500	x	x	x			x	x	x	non- conforming: 10/1/98 conforming: 12/31/10	12/31/2010	12/31/2010	2x for 5 yrs. Each.	no	
MI	Dept. of Environmental Quality	P,U,AB <sup>d</sup>	7,135 <sup>d</sup>		partial <sup>d</sup>	partial	combined <sup>d</sup>		x <sup>d</sup>	x <sup>d</sup>					x <sup>d</sup>	x <sup>d</sup>	6/29/1995 <sup>d</sup>	12/31/2004				
MN	Dept. of Commerce	P,A,H,U,AB,F	25,500	59,500	partial - 90% up to \$1 million per release, \$2 million per site	partial - 90% of court- approved settlement amount	combined	90% up to \$1 million, \$2 million per site	x		sites w/ storage capacity > 1 million are not eligible	sites w/ storage capacity > 1 million are not eligible			non- compliance = reduction in reimburse- ment rate		6/30/2012	6/30/2012	6/30/2012	3x from 6/30/00 to 6/30/05 to 6/30/07 to 6/30/2012	no	

Based on responses to a survey conducted by the Vermont Department of Environmental Conservation. Data received from all States with Financial Assurance Funds. Updated May 2008.

TABLE 1. DESIGN CHARACTERISTICS OF STATE FINANCIAL ASSURANCE FUNDS

State	Agency/ Department With Primary Responsibility	Types of Tanks Covered <sup>a</sup>	#Of Facilities Covered	# Of Tanks Covered	Fund Coverage					UST Replacement Loan Program	Factors Affecting Limits of Coverage						Fund Sunset Dates				
					Corrective Action	Third-Party	Separate or Combined	Deductible Amount (if more than one, specify range)	Cover Future Releases		# Tanks	Tank Size	Tank Type	Tank Owner	Extent of Regulatory Compliance	Date of Release	Release Eligibility Sunset Date	Fee Sunset Date	Program Ending Date	Sunset Date Extended	Sunset Date Abolished
MO	Pet. Stor. Tk Ins. Fund Board of Trustees	P,U,A,AB	15,000	40,000	x	x	combined	\$10,000	x						x	x	12/31/2010*	12/31/2010 *	After 2010* when claims run-off is paid out	*Bill passed by legislature to extend 10 yrs to 2020; if Governor signs, will become law.	no
MS	Dept. of Environmental Quality	P,U,AB	2,870	7,926	x	x	separate	0	x					x	x	NA	NA	NA	NA	1x indefinitely	
MT	Petroleum Tank Release Compensation Board	P,H,A,U,F,AB	3,057	10,939	partial	partial	combined	\$5,000 - \$17,500 per release	x			x	x	x	x	x	NA	NA	NA	NA	NA

Based on responses to a survey conducted by the Vermont Department of Environmental Conservation. Data received from all States with Financial Assurance Funds. Updated May 2008.



TABLE 1. DESIGN CHARACTERISTICS OF STATE FINANCIAL ASSURANCE FUNDS

State	Agency/ Department With Primary Responsibility	Types of Tanks Covered <sup>A</sup>	#Of Facilities Covered	# Of Tanks Covered	Fund Coverage					UST Replacement Loan Program	Factors Affecting Limits of Coverage						Fund Sunset Dates					
					Corrective Action	Third-Party	Separate or Combined	Deductible Amount (if more than one, specify range)	Cover Future Releases		# Tanks	Tank Size	Tank Type	Tank Owner	Extent of Regulatory Compliance	Date of Release	Release Eligibility Sunset Date	Fee Sunset Date	Program Ending Date	Sunset Date Extended	Sunset Date Abolished	
NM	Environment Department	P*,A,C,AB *AST: 1320- 55000 gal only	1,929 w/ active tanks	5,090	x	NA	NA	\$10,000 w/sliding scale to \$0 based on through put	x	NA	N/A	x	x	NA	x	N/A	NA	NA	NA	NA	NA	NA
NV	Division of Environmental Protection	P,H,A,U,AB,F	1,366	4,004	partial	partial	separate	10% regulated tanks \$250 heating oil tanks	x		x	x	x		x	x	NA	NA	NA	NA	NA	NA
NY	Office of State Comptroller	P (spills from all sources)	NA	NA	x	partial								x			NA	NA	NA	NA	NA	NA
OH	Petroleum UST Release Compensation Board	P,U	NA	22,000	x	x	combined	\$55,000 standard; \$11,000 reduced	x	x	x				x	x	NA	NA	NA	NA	NA	NA
OK	Oklahoma Corporation Commission	P,A,U,AB	18,664 - Now Includes AST's & Historical	36,653	x	x	combined	1% (max 5k)	x								NA	NA	NA	NA	NA	There is no date certain titled "Sunset Date"
PA	Department of Insurance	P,H,C,U,M,F	13,198	25,760	x	x	combined	\$5,000 First Party, \$5,000 Third Party	x		x				x	x	none	none	none	NA	NA	NA

Based on responses to a survey conducted by the Vermont Department of Environmental Conservation. Data received from all States with Financial Assurance Funds. Updated May 2008.

TABLE 1. DESIGN CHARACTERISTICS OF STATE FINANCIAL ASSURANCE FUNDS

State	Agency/ Department With Primary Responsibility	Types of Tanks Covered <sup>a</sup>	# Of Facilities Covered	# Of Tanks Covered	Fund Coverage					UST Replacement Loan Program	Factors Affecting Limits of Coverage						Fund Sunset Dates				
					Corrective Action	Third-Party	Separate or Combined	Deductible Amount (if more than one specify range)	Cover Future Releases		# Tanks	Tank Size	Tank Type	Tank Owner	Extent of Regulatory Compliance	Date of Release	Release Eligibility Sunset Date	Fee Sunset Date	Program Ending Date	Sunset Date Extended	Sunset Date Abolished
RI	Rhode Island Review Board	P,U	638	1,700	x	x	combined	\$20,000	x						x	x	none	none	none	NA	NA
SC	Department of Health and Environmental Control	P,AB	4,271	11,961	x	x	separate	\$25,000	x						x	x	12/31/2026	12/31/2026	1/31/2027	1x for 29 yrs	no
SD	Department of Revenue and Regulation	P,U,H,A, AB, F	All petro tank facilities (2,105 regulated USTs & ASTs; unknown # of unregulate d facilities)	All petro tanks (7,140 regulated USTs & ASTs, unknown # of unregulated tanks)	x	partial	combined	\$10,000 (or \$0 for abandoned tank site)	x						x	x	NA	NA	NA	NA	NA
TN	Department of Environment and Conservation	P,U	5,659	17,199 compartme nts	partial	partial	separate	\$20K	x						x	x	NA	NA	NA		
TX	Texas Commission On Environmental Quality	P,A,U,AB	23,500	66,000	partial		NA	\$1,000 - \$80,000							x	x	12/23/1998	9/1/20011	9/1/2012	4x for 12 yrs	no
UT	Department of Environmental Quality	P,U,A	1,121	3,064	x	x	combined	\$10,000	x	x							None	None	2018		No

Based on responses to a survey conducted by the Vermont Department of Environmental Conservation. Data received from all States with Financial Assurance Funds. Updated May 2008.

TABLE 1. DESIGN CHARACTERISTICS OF STATE FINANCIAL ASSURANCE FUNDS

State	Agency/ Department With Primary Responsibility	Types of Tanks Covered <sup>A</sup>	#Of Facilities Covered	# Of Tanks Covered	Fund Coverage					UST Replacement Loan Program	Factors Affecting Limits of Coverage					Fund Sunset Dates				
					Corrective Action	Third-Party	Separate or Combined	Deductible Amount (if more than one, specify range)	Cover Future Releases		# Tanks	Tank Size	Tank Type	Tank Owner	Extent of Regulatory Compliance	Date of Release	Release Eligibility Sunset Date	Fee Sunset Date	Program Ending Date	Sunset Date Extended
VA	Department of Environmental Quality	P,H,U,A,F,AB	6,867	20,600	partial	parital	combined	\$500-\$1 mil	x				x		x	none	none	none	no	no
VT	Department of Environmental Conservation	P,H,U,F,AB,A	2,130	3,653	partial	x	separate	\$250 - \$10,000	x	x			x	x	7/1/2009	4/1/2011	when \$ runs out	3x each for 5 yrs.	no	
WA <sup>E</sup>	Pollution Liability Insurance Agency	P,H (marketers) U,A	1,973	5,302	x	x	combined	various	x		x	x	x	x			6/1/2013	6/1/2013	3x	no
WA <sup>F</sup>	Pollution Liability Insurance Agency	H	61,868	63,247	x	x	combined		x			x-Must Be Active		x			6/1/2013	6/1/2013	2x	no
WI	Department of Commerce - Environmental/ Regulatory Services Division	P,H,A,U,F,AB	unknown	191,423	partial	partial	combined	\$2,500 + 5% of total eligible costs						x	x	NA	NA	NA	NA	NA
WV	Department of Environmental Protection		0	0	x	x	combined	\$0	x	terminated				x	x	9/30/2000	9/30/2000	9/30/2000		
WY	Department of Environmental Quality	P,C,U,A,AB	3,828 includes 101 AST facilities	10,521 includes 536 ASTs	x	corrective action is fully covered; financial responsibility is partially covered	separate	\$30,000 (3rd party financial responsibility)	yes					site registered with WDEQ and all fees paid		none	none	none	NA	NA
TOTAL			417,048	1,462,882																

Based on responses to a survey conducted by the Vermont Department of Environmental Conservation. Data received from all States with Financial Assurance Funds. Updated May 2008.

TABLE 1. DESIGN CHARACTERISTICS OF STATE FINANCIAL ASSURANCE FUNDS

State	Agency/ Department With Primary Responsibility	Types of Tanks Covered <sup>A</sup>	#Of Facilities Covered	# Of Tanks Covered	Fund Coverage					UST Replacement Loan Program	Factors Affecting Limits of Coverage					Fund Sunset Dates				
					Corrective Action	Third-Party	Separate or Combined	Deductible Amount (if more than one, specify range)	Cover Future Releases		# Tanks	Tank Size	Tank Type	Tank Owner	Extent of Regulatory Compliance	Date of Release	Release Eligibility Sunset Date	Fee Sunset Date	Program Ending Date	Sunset Date Extended

<sup>A</sup> P = Petroleum; U = Used oil; H = Heating oil; A = Aboveground; C = Chemical; F = Farm; M = Mixed; AB = abandoned.

<sup>B</sup> GA's fund can be accessed to clean up abandoned tanks that are a threat to human health and the environment at the discretion of the director.

<sup>C</sup> MD's deductible amounts 1) commercial heating: <7 tanks owned = \$7,500; 7-15 = \$10,000; 16-30 tanks = \$15,000; >30 tanks = \$20,000 2) residential heating oil: \$500.

<sup>D</sup> Information presented for MI refers to the old fund which has been insolvent since June, 1995.

<sup>E</sup> Commercial USTs

<sup>F</sup> Heating Oil Tanks

**Table 1 Definitions:**

**# Of Facilities Covered:** The total universe of properties or facilities which would be covered by your fund if a release from a covered tank were to occur.

**# of Tanks Covered:** Of the total number of facilities covered, the number of USTs within those facilities which would be covered if a release were to occur.

**Release eligibility sunset date:** The date the fund will no longer accept sites in the program where there has been a new release. Some states refer to this date as the claims bar date.

**Fee sunset date:** The date where the collection of any fees, taxes, program income, etc. is stopped.

**Program ending date:** The date the fund will no longer be in existence (e.g.- legislative termination date, the date the fund runs out of money).

TABLE 2. FUNDING FOR STATE FINANCIAL ASSURANCE FUNDS

State	Sources of Funds			Approximate Annual Revenue (millions)	Fund Floor (millions)	Fund Ceiling (millions)	Approximate Current Balance (millions)			Outstanding Claims (millions)	Fund Transition to other financial mechanism?
	Tank Fee (annual)	Petroleum Fee (per gallon)	Insurance Premiums				Total	Unobligated (optional)	Obligated (optional)		
AK	x	NA	NA	\$0.00	NA	NA	\$0	0	0	NA	Loan Program 7/1/2004
AL	\$150, currently set at \$0	\$.01 per gallon	None	\$36	None	None	\$6.7	NA	NA	\$5.40	No
AR	\$75	\$0.003	none	\$8.30	\$12	\$15	\$18.33	\$3.99	\$14.34	\$0.85	No
AZ		\$0.01		\$31	NA	NA	\$29.66			\$3.00	approved financial responsibility mechanism
CA		\$0.014		\$250	NA	NA	\$67 as of 2/2008			\$2,200.00	unk
CO	\$35	\$0.00-\$0.0125	\$0.00	\$40.00	none	\$12	\$3.00	NA	NA	\$9.11	No
CT				\$12	NA	NA	\$3.0			\$46	No
DE	\$50 (not used for state fund)	\$9 mils/gal on wholesale petroleum	\$0	\$1.00	NA	NA	\$1.0 annually	NA	NA	\$0.35	State requires facilities to comply with FR requirements through private mechanisms. (insurance, self insurance, etc.)
FL	UST initial = \$50 UST renewal = \$25 AST <250K = \$25 AST >250K = \$1/10,000 gals	\$0.02		\$225	\$50	\$150	\$101	\$0	\$101		as of 1/1/99
GA	none	\$0.005	\$0.00	\$22	\$30	\$50	\$57.90	\$1	\$53.00	\$11.00	no
IA	\$65	\$0.01	NA	\$17.40	NA	NA	\$60		\$60	\$0.00	Yes, completed 11/8/00
ID	\$25 USTs/ASTs \$5 heating oil	\$0.002 from off road fuel	0	\$2	\$25	\$35		\$21	\$2.8	\$2.5^	N/A
IL	No	1.1 cents	No	\$76.00	None	None	\$8.80			\$75.70	No
IN	\$90/tank	\$0.01/gal. on gasoline, diesel, and kerosene	NA	\$51	\$5	None	\$30			\$12	Unk
KS	UST initial = \$20 UST renewal = \$10 AST annual = \$10	\$0.01	0	\$13	\$2	\$5	\$5.50	\$5.50	\$12.25	\$0.00	no

Based on responses to a survey conducted by the Vermont Department of Environmental Conservation. Data received from all States with Financial Assurance Funds. Updated May 2008.

TABLE 2. FUNDING FOR STATE FINANCIAL ASSURANCE FUNDS

State	Sources of Funds			Approximate Annual Revenue (millions)	Fund Floor (millions)	Fund Ceiling (millions)	Approximate Current Balance (millions)			Outstanding Claims (millions)	Fund Transition to other financial mechanism?
	Tank Fee (annual)	Petroleum Fee (per gallon)	Insurance Premiums				Total	Unobligated (optional)	Obligated (optional)		
KY	\$30.00 per tank per year (not used for state fund)	\$1.4 cents/gal	0	\$44	\$1.50	NA	\$37.00	< \$1	\$14.60	\$1.20	For FY07 the Fund will receive \$25 million for UST cleanup from new bonds.
LA	\$54 per tank annual registration; \$275.00 Used Oil	\$.008	NA	\$22	\$10	\$20(total)	(\$14.00)	\$31.60	\$45.60	\$0.90	No
MA	\$250	\$0.025	NA	\$77.00	N/A	N/A	\$18.2 <sup>B</sup>	\$0.00	\$18.2 <sup>B</sup>	\$0.00	no
MD	NA	\$.00042/gal (\$.0175/bbl)	NA	\$2	None	None	\$7.00		\$7.00	\$0.00	no <sup>C</sup>
ME	\$35 per year per tank	.38 to.58 cents/barrel gas and .19 to.29 cents/barrel #2	NA	\$17.01	NA	\$12.50	\$4.86	\$3.46	\$1.19	\$0.00	unknown
MI	N/A [ Tank fee exists but is not used for site cleanup]	7/8 cent/gal	N/A	\$61	\$0	\$0	\$32	\$0	\$32	\$0.00	Temporary Reimbursement Program created in 2005
MN	none	\$0.02 when balance drops below \$4M	none	\$27	\$4	fee must be imposed for 4 months and "blinks-off" when balance exceeds \$4 million	\$36.00			\$9.60	unknown

Based on responses to a survey conducted by the Vermont Department of Environmental Conservation. Data received from all States with Financial Assurance Funds. Updated May 2008.

TABLE 2. FUNDING FOR STATE FINANCIAL ASSURANCE FUNDS

State	Sources of Funds			Approximate Annual Revenue (millions)	Fund Floor (millions)	Fund Ceiling (millions)	Approximate Current Balance (millions)			Outstanding Claims (millions)	Fund Transition to other financial mechanism?
	Tank Fee (annual)	Petroleum Fee (per gallon)	Insurance Premiums				Total	Unobligated (optional)	Obligated (optional)		
MO	none	\$0.005 (Board is taking comments on proposed reduction in fee to \$0.0025)	\$100-200/tank/yr* (Bill enacted by legislature wd allow Board to charge up to \$500, if signed by Governor)	26.5 (Board is taking comments on proposed reduction in fee; annual revenues wd decrease to \$13.5 million)	\$12	\$100	\$85	\$61.11	\$23.59	\$1.95	yes in 2010
MS	\$100	\$0.004		\$10.50	\$6	\$10	\$13.71	\$7.55	\$6.20	\$0.20	no
MT	none	3/4 cent/gal	none	\$6.87	\$4	\$8	\$0.65	\$2.30	\$2.90	\$2.82	no
NC	\$200-\$300 (commercial only)	1/4 of \$.01/gallon inspection tax; 22/32 of 1/2 cent excise tax <sup>D</sup>	0	\$27.1 commercial, \$6.6 noncommercial <sup>F</sup>	NA	NA	\$41.3 commercial, \$2.9 noncommercial	\$17.8 commercial, 2.2 noncommercial	\$23.5 commercial, \$5.1 noncommercial	\$3.8 commercial, \$3.5 noncomm	no
ND	\$50	NA		\$0.29		NA	\$6.80			\$2.33	no
NE	\$90	gas 9/10 cents/gal diesel 3/10 cents/gallon	none	\$11.90	n/a	n/a	\$7.30			\$1.50	unk
NH		Motor Fuel: UST \$.014/gal. \$.0025 directed for MtBE; AST \$.001/gal gallon Fuel Oil: AST \$.01/gal residential \$.01/gal Motor Oil: UST/AST \$.04/gal		\$14	\$5	\$10	\$4.5 (total for all fund accounts)			\$3.8 (total for all fund accounts)	unk
NJ	As of 2008 there is no annual Corporate Business Tax dedication to the Fund, however, if the Fund balance drops below \$20 M, the annual dedication of funds begins again	NA	NA	0 <sup>F</sup>	none	none	\$105.00			\$5.60	no
NM	\$100	\$0.005-\$0.1875/gal	N/A	\$19.20	NA	NA	\$15.10	\$3.30	\$11.80	\$11.80	no

Based on responses to a survey conducted by the Vermont Department of Environmental Conservation. Data received from all States with Financial Assurance Funds. Updated May 2008.

TABLE 2. FUNDING FOR STATE FINANCIAL ASSURANCE FUNDS

State	Sources of Funds			Approximate Annual Revenue (millions)	Fund Floor (millions)	Fund Ceiling (millions)	Approximate Current Balance (millions)			Outstanding Claims (millions)	Fund Transition to other financial mechanism?
	Tank Fee (annual)	Petroleum Fee (per gallon)	Insurance Premiums				Total	Unobligated (optional)	Obligated (optional)		
NV	\$100	\$0.0075	NA	\$10	\$5	\$7.50	\$7.40	\$2.40	\$5.00	\$0.06	No
NY	1100-2000 gal; \$100/5yrs 2001-4999 gal; \$300/5 yrs 5000-399,999 gal; \$500/5 yrs	\$0.08/barrel transferred by a MOSF		\$35	\$0	\$25	\$14.73			NA	no <sup>c</sup>
OH	\$600/\$55K deductible \$800/\$11K deductible	NA	NA	\$15.10	\$15	\$45	\$13.76	\$10.79	\$2.97	\$27.03	no
OK	NA	\$.01	NA	\$27.50	N/A	N/A	\$25.48	\$16.53	\$8.95	\$0.69	no
PA	\$.0825 per capacity on Diesel, Heating Oil and Kerosene tanks	\$.011 on Gasoline tanks, aviation fuel, gasohol		\$61			\$203			\$211.4 This represents the claim reserves established by the claim department for open cases	no
RI	0	\$0.01	0	\$4.50	\$5	\$8	\$1.10			\$0.00	no
SC	\$100	\$0.005	NA	\$22.20	NA	NA	\$28.93	\$1.91	\$25.62	\$0.19	no
SD	NA	10.65 % of \$.02/gal	NA	\$1.60	\$2.00	NA	\$5.60			\$0.05	no
TN	\$250/tank	\$.004	NA	\$20	\$2	\$50	\$36	\$34.9	\$0	\$0.32	no
TX	not used for state fund	\$0.03	NA	34	NA	NA	191	153	38	\$10.20	yes
UT	\$50 or \$150 per tank depending on throughput.	\$0.005	None	\$6.0	NA	\$20	\$11.8			None	No
VA	NA	\$.002-.006 (motor fuel, diesel, heating oil)	NA	\$35.95		NA	\$1.23	NA	NA	\$0.38	no
VT	\$100/tank	\$0.01-motor fuel, \$0.005-heating fuel		\$6		\$6 motor fuel \$3 heating fuel	\$7.60	\$7.30	\$0.30	\$0.25	no
WA <sup>e</sup>	NA	.5% of value (only collected when fund floor hit)	1% of earned premium	(\$0.43)	\$7.50	\$15	\$27.7	\$14.1	\$13.6	\$5.6	no
WA <sup>h</sup>	NA	\$0.012	1% of earned premium	\$0.56	NA	NA	\$0.44	NA	NA	\$2.00	no
WI	\$0	\$.02	\$0	\$20	0	\$0	\$8.83	0	\$0.00	\$0.81	yes <sup>f</sup>

Based on responses to a survey conducted by the Vermont Department of Environmental Conservation. Data received from all States with Financial Assurance Funds. Updated May 2008.

TABLE 2. FUNDING FOR STATE FINANCIAL ASSURANCE FUNDS

State	Sources of Funds			Approximate Annual Revenue (millions)	Fund Floor (millions)	Fund Ceiling (millions)	Approximate Current Balance (millions)			Outstanding Claims (millions)	Fund Transition to other financial mechanism?
	Tank Fee (annual)	Petroleum Fee (per gallon)	Insurance Premiums				Total	Unobligated (optional)	Obligated (optional)		
WV	0	0	0	\$0	none	none	\$0.00		\$0.00	unknown	yes
WY	\$200/operational tank, or \$200 contaminated site fee/year	\$0.01	State provides financial responsibility with a \$30,000 deductible	\$11	\$11	\$17	\$41.6	\$8.0	\$33.6	continuing operational program	no
<b>TOTAL</b>				<b>\$1,467.65</b>			<b>\$1,421.41</b>	<b>\$406.34</b>	<b>\$563.11</b>	<b>\$2,673.89</b>	<b>10</b>

<sup>A</sup> Anticipated losses not yet incurred on insured tanks.

<sup>B</sup> MA's fund was repealed in FY04 so all revenue goes to the General Fund.

<sup>C</sup> MD and Nys fund is not an assurance or a financial responsibility fund, tank owners need private insurance or be self-insured.

<sup>D</sup> Effective July 1, 2004, revenue increases to 5/7ths of 1 cent/gallon the commercial fund.

<sup>E</sup> The total amount increases by \$32 million for the fiscal year ending June.

<sup>F</sup> Legislation diverts previously dedicated Corporate Business Tax monies away from the UST Fund to fund other programs until such time as the balance of the UST Fund falls to the \$20 million level, at which time the annual dedication of these tax monies to the UST fund will commence again.

<sup>G</sup> Commercial Underground Storage Tank Program

**Table 2 Definitions:**

**Fund Floor:** The amount at which the program starts collecting taxes or fees.

**Fund Ceiling:** The amount at which the program stops collecting taxes or fees.

**Outstanding Claims:** Claims submitted but not yet paid.

TABLE 3. LEVEL OF ACTIVITY IN STATE FINANCIAL ASSURANCE FUNDS

State	Date Legislation Enacted	State Fund Staff					Total # of Sites	Claims Processing Experience to Date										Average Cost Per Site			Average Cost Per Site at completed cleanup sites	Estimated Processing Time (months - submission to payment)	# of Claims formally Appealed			
		Technical Staff	Financial Staff	Total # of State Fund Staff	Total includes regulatory Staff	State contracts with outside staff		# sites where claims have been paid to date	# sites where covered third party claims have been paid	# of Claims		Approximate Total Amount Paid (millions)						USTs	ASTs	Total			annual	total		
										Received	Processed	USTs		ASTs		Total										
												annual	total	annual	total	annual	total									
AK <sup>a</sup>	9/5/90	0	0	0	x		NA	NA	NA	NA	NA	\$0.00	\$0.00	NA	NA	\$0.00	\$31.50	\$0	NA	\$0	\$0	NA	NA	NA	NA	NA
AL	10/1/88	14	3	17	x		2,623	2,175	19	24,648	24,248	\$38.08	\$248.57	\$0.59	\$2.73	\$38.67	\$251.30	\$115,722	\$170,660	\$115,540	\$51,905	2	20	210		
AR	2/22/89	6	3	9		x	1,394	297	27	1,894	1,866	n/a	n/a	n/a	n/a	\$5.70	\$57.80	n/a	n/a	\$196,105	151,685 <sup>b</sup>	2.5		n/a		
AZ	6/1/90	3	12	15			4,765	2,651	NA	15,684	15,461	\$22.90	\$284.00	N/A	N/A	\$22.90	\$284.00	\$269,776	N/A	\$269,776	\$81,461	3	116	1,914		
CA	9/26/90	26	39	65		x	30,000	10,285	26	19,094	18,729	\$208	\$2,381			\$208	\$2,381	\$300,000		\$300,000	\$136,375	8	365	Unk		
CO	7/1/89	6.5	6.5	13	x	x	2,198	1,936	3	17,429	16,128					\$33.40	\$325.00			\$152,967	\$98,802	1.9	6.1	443		
CT	7/5/89	8	4	15		Board legal services	1,320	991	345	9,862	8,712	\$12	\$170	NA	NA	\$12	\$170	\$171,632	NA	\$171,632		6 to 12				
DE	7/16/87	1	1	1			240	129	0	999	960	\$1.00	\$20.00	\$0.00	\$0.00	\$1.00	\$20.00	\$332,270	NA	\$332,270	\$103,776	3	0	0		
FL	7/1/86			117	x	x	17,787	16,500	NA	72,042 <sup>c</sup>	72,042 <sup>c</sup>					\$157.50	\$2,409.00			\$380,000	\$380,000					
GA	7/1/88	12	5	17	x	x	2,975	2,232	3	NA	NA	\$24.0	\$280.0			\$24.0	\$280.0	\$136,166		\$136,166	\$71,703	6	0	0		
IA	5/5/89	2	7	9		x	1,500	6,295	0	8,059	8,059	\$12.00	\$235.00	\$0.00	\$11.00	\$12.00	\$246.00	\$38,045	\$26,670	\$37,967	NA	1.5	3	368		
ID	3/23/90	0	0	12			419	151	4	419	419	unk	unk	unk	unk	\$1.5	\$24.4	unk	unk	\$152,330	\$152,330					
IL	7/28/89	43	9	52			20,000	6,800	9		25,822	\$53.10	\$801.00			\$53.10	\$801.00	\$200,000+ (current year)		\$200,000+ (current year)	unk	20				
IN	3/31/88	8	7	8	x	x	2,470	2,119	20	26,784	26,261	\$30.7	\$307.0			\$30.7	\$307.0	\$157,948		\$157,948	\$157,948	2	35	395		
KS	4/1/90	25	5	34	x		2,396	2,297	2	unk	unk	\$11.00	\$135.00	\$1.50	\$11.50	\$12.50	\$146.50	\$54,313	\$56,271	\$54,460	\$45,000	0.5	<1	<5		
KY	4/9/90	0	7	7	X		4,750	4,511	8	38,939	36,837	\$13.80	\$299.70	NA	NA	\$13.80	\$299.70	\$67,366	NA	\$67,366	\$63,000	5	unk	unk		
LA	7/15/88	42	1	12			1,407	1,380	12	24,345	24,250	\$17.50	\$250.00	NA	NA	\$17.50	\$250.00	\$201,587	NA	\$201,587	\$294,000	0.5	0	2		
MA	1/2/91	4	3	10	-	x	2,054	1,801	5	25,950	25,087	\$26.90	\$320.00	NA	NA	\$26.90	\$320.00	\$156,000		\$156,000	\$114,000	7	131	2,101		
MD	7/1/1993, 7/1/2000, 7/1/2005	0.5	1	1.5	x		541	431	NA	unk	unk	\$1.54	\$14.60			\$1.54	\$14.60	\$62,462		\$62,462	\$72,746	9	0	1		

Based on responses to a survey conducted by the Vermont Department of Environmental Conservation. Data received from all States with Financial Assurance Funds. Updated May 2008.

TABLE 3. LEVEL OF ACTIVITY IN STATE FINANCIAL ASSURANCE FUNDS

State	Date Legislation Enacted	State Fund Staff					Total # of Sites	Claims Processing Experience to Date										Average Cost Per Site			Estimated Processing Time (months - submission to payment)	# of Claims formally Appealed		
		Technical Staff	Financial Staff	Total # of State Fund Staff	Total includes regulatory Staff	State contracts with outside staff		# sites where claims have been paid to date	# sites where covered third party claims have been paid	# of Claims		Approximate Total Amount Paid (millions)						USTs	ASTs	Total		Average Cost Per Site at completed cleanup sites	annual	cumulative
										Received	Processed	USTs		ASTs		Total								
												annual	total	annual	total	annual	total							
ME	4/19/90	28	1	29	x		2,734	2,734	393	2,734	2,734	\$0.9	\$37.52	\$1.4	\$29.0	\$2.3	\$66.52	unk	unk	unk	\$30,258	1	2 UST; 4 AST (2 withdrawn)	unk
MI	2005	1	2	3	3	0	600 under the Temporary Reimbursement Program created in 2005. 7167 in the old program	267 - new fund (7,135 - the number of sites reported last year which was reflective of MI's old fund which had been insolvent since June, 1995)	n/a	816	816	\$0.00	\$5.8 - new fund (last year's data reporting the old fund numbers indicated \$622.2)	N/A	N/A	N/A	\$5.8 - new fund (last year's data reporting the old fund numbers indicated \$622.2)	\$64,000 - the amount is the maximum reimbursement per site and is not reflective of actual cost to cleanup a site	n/a	\$64,000 - the amount is the maximum reimbursement per site and is not reflective of actual cost to cleanup a site	\$64,000 - the amount is the maximum reimbursement per site and is not reflective of actual cost to cleanup a site	4 months is allowed in the statute. Actual processing time is averaging 3 months.	96	98
MN	1987	29	9	38	x		15,973	11,306	unk	29,777	29,069	not tracked	not tracked	not tracked	not tracked	\$10.00	\$388.00	not tracked	not tracked	\$34,000	\$41,000	3	13	unk
MO	8/28/89			3.5		x	5,842	2,026	32	9,808	9,667	\$12.58	\$143.82	\$1.79	\$14.91	\$14.37	\$158.19	\$76,057	\$110,432	\$78,347	\$62,167	1.25	44	494
MS	5/18/88	7	4	11			936	930	9	unk	unk	\$8.00	\$122.45			\$8.00	\$122.45	\$130,831		\$130,831	\$95,151	1	3	93
MT	4/13/89	6	1	6		x	3,628	1,506	35	23,600	22,653					\$4.60	\$83.42			\$55,408	\$15,683	1.8	4	unk
NC	6/30/1988	49	5	57	x		16,247 regulated 6,865 nonreg.	3,315 comm 4,254 noncomm	21 comm	29,022 comm 11,049 noncomm	28,899 comm 10,945 noncomm	\$7.6 comm \$6.2 noncomm	\$404.0 comm \$86.4 noncomm	\$0.00	\$0.00	\$7.6 comm \$6.2 noncomm	\$404.0 comm \$86.4 noncomm	\$121,950 comm \$20,331 noncomm	\$0	\$121,950 comm \$20,331 noncomm	\$82,835 comm \$17,343 noncomm	2	10	40
ND	7/1/89	1	1	2			1641	698	0 <sup>b</sup>	704	698					\$0.86	\$8.05			\$28,602		1	2	2

Based on responses to a survey conducted by the Vermont Department of Environmental Conservation. Data received from all States with Financial Assurance Funds. Updated May 2008.

TABLE 3. LEVEL OF ACTIVITY IN STATE FINANCIAL ASSURANCE FUNDS

State	Date Legislation Enacted	State Fund Staff					Total # of Sites	Claims Processing Experience to Date						Average Cost Per Site			Average Cost Per Site at completed cleanup sites	Estimated Processing Time (months - submission to payment)	# of Claims formally Appealed					
		Technical Staff	Financial Staff	Total # of State Fund Staff	Total includes regulatory Staff	State contracts with outside staff		# sites where claims have been paid to date	# sites where covered third party claims have been paid	# of Claims		Approximate Total Amount Paid (millions)				USTs			ASTs	Total	annual	total		
										Received	Processed	USTs		ASTs									Total	
												annual	total	annual	total								annual	total
NE	5/27/89	7	5	15	x		6,615	1,358	2	9,397	9,291	\$6.00	\$86.00	\$1.50	\$15.70	\$7.50	\$101.70	\$69,190	\$167,000	\$74,880	unk	2	2	9
NH	7/1/1988 for motor fuel, 8/93 for fuel oil, 7/95 for motor oil, 7/01 for M+BE	13	6	20	x		3,263	2,820	27	26,240	25,480		\$143.30		\$10.50	\$12.20	\$153.80	\$172,359	\$162,270	\$334,629	\$114,778	2.8	1.5	
NJ	8/31/97	75+	10	85			10,346	1,300	NA	1,313	1,300	\$11.00		NA	NA	\$11.00	\$97.00			\$135,000	4	NA	NA	
NM	3/7/90	22	4	26	x		2,281	1,324	NA	22,484	19,896					\$10.60	\$190.00			\$135,144	\$130,000	2		1
NV	1989	3	3	3	x		1,307	1,134	5	Unk	Unk					\$7.40	\$140			\$110,000	unk	3	3	68
NY	4/1/78	123	NA	8		x	NA	NA		NA	NA							unk	unk	unk	unk	NA	NA	
OH	7/11/1989	4	4	16			7,500	2,569	13	10,937	9,140	\$9.00	\$178.10			\$9.00	\$178.10	\$69,326		\$69,326	\$64,779.00	8	70	475
OK	7/1/89	14	3	29		x	4,830	3,101	NA	41,677 <sup>E</sup>	41,666					\$22.60	\$309.98	NA	NA	\$99,962	\$94,643	0.5	NA	NA
PA	7/69 amended 12/92	5	2	7		x	13,198	3,551	152	4,740	4,740	\$68.14	\$750.64			\$68.14	\$750.64	\$158,228		\$158,228	\$157,639	1	24	unk
RI	7/1/94	1.5	2	3.5	yes		312	222	4	1797	1,797	\$2.40	\$45.00			\$2.40	\$45.00	\$202,858		\$202,858	\$97,187	2	2	2
SC	5/88	21	3	24	no		9,028	6,958	15	58,431	56,863	\$17.36	\$248.52			\$17.36	\$248.52	56,337 <sup>F</sup>		\$56,337	52,604 <sup>G</sup>	0.49	0	6
SD	4/1/88	4.5	0	5.5			6,478	4,166	6	16,126	16,108					\$0.82	\$80.74			\$19,381	\$16,190	0.9	9.5	190
TN	7/1/88	1	5	6			5,813	2,635	6	33,061	33,023	\$5.51	\$298.21			\$5.51	\$298.21	\$113,174		\$113,174	\$93,737	1	63	3189
TX	5/31/89	35	16	57	x	x	22,750	13,359	0	63,300	62,440	\$29	\$1,051			\$40	\$1,051	\$73,580		\$73,580	\$73,500	3	618	29,650
UT	1989	7	2	9	x		1,631	551	2	7,850	7,850	\$6.00	\$81.50	\$0.00	\$0.00	\$6.00	\$81.50	\$50,000		\$50,000	\$25,000	1	0	1
VA	7/1/87	2	5	7		x	27,812	11,068	1	27,541	27,176	\$19.55	\$226.93	\$6.08	\$69.82	\$25.63	\$296.75	\$34,944	\$15,267	\$26,814	\$19,736	2	1	12
VT	7/1/88	11	3	14	x		3,089	1,616	165	unk	unk	\$5.10	\$74.10	\$0.40	\$3.40	\$5.90	\$77.50	\$70,053	\$11,326	\$46,720	\$27,466	2	2	12
WA <sup>H</sup>	1989	1	0.6	4			375	252	0	375	375	\$1.90	\$21.58	\$0.00	\$0.00	\$1.90	\$21.58	\$85,635	\$0	\$76,230	\$83,635		NA	NA
WA <sup>I</sup>	1995	2	0.4	2.6			1,683	1,215	72	1,220	1,215	\$1.80	\$12.68	\$0.01	\$0.19	\$1.81	\$12.87	\$10,659	\$7,402	\$10,592	\$11,365		1	5

Based on responses to a survey conducted by the Vermont Department of Environmental Conservation. Data received from all States with Financial Assurance Funds. Updated May 2008.

TABLE 3. LEVEL OF ACTIVITY IN STATE FINANCIAL ASSURANCE FUNDS

State	Date Legislation Enacted	State Fund Staff					Total # of Sites	Claims Processing Experience to Date										Average Cost Per Site	Average Cost Per Site at completed cleanup sites	Estimated Processing Time (months - submission to payment)	# of Claims formally Appealed				
		Technical Staff	Financial Staff	Total # of State Fund Staff	Total includes regulatory Staff	State contracts with outside staff		# sites where claims have been paid to date	# sites where covered third party claims have been paid	# of Claims		Approximate Total Amount Paid (millions)									Average Cost Per Site			annual	cumulative
										Received	Processed	USTs		ASTs		Total					USTs	ASTs	Total		
												annual	total	annual	total	annual	total								
WI	8/1/87	22	1	12	x		16,590	12,419	unk	33,557	28,619	\$12.04	\$1,288.64	\$4.08	\$139.29	\$16.12	\$1,427.93	\$131,682	\$160,846	\$134,053	\$110,289	3.5	78	2630	
WV	4/22/91	0	0	0	x		NA	NA	NA	unk	unk	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$15.00	\$0		\$0			unk	unk	
WY	3/21/90	1	1.5	2.5			1,557	1,192	0	NA	NA	\$9.5	\$116.2	included	included	\$9.5	\$116.2	\$97,483	included	\$97,483	unk - WY does not track costs/individual site cleanup	1.5	NA	NA	
<b>TOTAL</b>		697	213	920.1		16	299,763	162,827	1,443	754,091	757,341	\$712.10	\$11,168.26	\$20.35	\$308.04	\$997.03	\$16,257.85	\$123,392	\$88,799	\$126,532	\$94,633	3.25	1,730	42,416	

- <sup>A</sup> AK's Program ended June 30, 2004.
- <sup>B</sup> AR's average cost per site at completed cleanup sites that exceeded the state's deductible.
- <sup>C</sup> FL - # of claims represents combination of reimbursement claims prior to 1997 and preapproval work orders and task assignments from 1996 to date.
- <sup>D</sup> ND does not separate 1st party and 3rd party.
- <sup>E</sup> OK-# of Claims Received is now compiled differently, and only relates to claims for actual Cases
- <sup>F</sup> Amount indicated is the amount per site. Payments were made for 4,394 sites since 1988.
- <sup>G</sup> Amount as reported on the State UST Fund Soundness Data Form for period ending June 30, 2006; amount not determined for period after this date but cost should be similar.
- <sup>H</sup> Commercial Underground Storage Tank Program.
- <sup>I</sup> Oil Heat Program

**Table 3 Definitions:**

**Total # of State Fund Staff:** The total number of staff that have responsibility for managing your state fund including technical staff, plus financial staff and administrative staff.

**Total # of sites:** Any location where there has been a release of petroleum from a UST (and above ground tanks if included in your fund).

**claim:** Any request for reimbursement or payment from a fund. Some states allow for claims to be filed on an ongoing basis during site cleanup, while others require claims to be filed only after certain milestones are reached (e.g. - site investigation completed claim, site cleanup completed claim). For this survey, any request for payment is considered a claim and includes both cleanup and third party claims. Please put unknown if your state does not track individual claims.

**Average cost per site:** this is the total funds expended on federally regulated UST sites divided by the total number of sites where there were expenditures. This is not a measure of the average cost per site at site closure (closure means the point when the site has been cleaned up to the state's criteria, and not tank closure).

**Average cost per site at completed cleanup sites:** this is the total spent from the fund on federally regulated UST closed sites divided by the total number of sites in the fund that have reached closure (closure means the point when the site has been cleaned up to state's criteria, and not tank closure). This does not include any deductible amounts paid by the tank owner.

**Estimated processing time:** this is the total time it takes from when a claim is received to the time it takes to issue payment. This should include all the review time necessary before the claim is processed for payment.

TABLE 4. COST CONTROL MEASURES AND MANAGEMENT PRACTICES USED BY STATE FINANCIAL ASSURANCE FUNDS

State	Use Standard Forms for Site Assessment and Corrective Action Plans	Approve Cleanup Plans and/or Budget Prior to Implementation (preapproval)	Specify Cleanup Plans	Requires Competitive Bidding		Payment Limits for Site Assessment/ Receptor Assessment	Certify Contractors or Set Contractor Qualification Requirements	Limit Types of Activities at Sites	Limit Extent or Amounts of Allowed Activities	Limit Overhead Paid	Require Use of a Fee Schedule	Oversee Cleanups	Use Pay-For-Performance	Prioritize Claims to Conserve Funds	Employ a Board to Oversee Fund Activities	Employ a Third Party Administrator	Risk-based Cleanups			Cover Corrective Actions undertaken only as a result of a capital improvement	
				Tank Owner	State as Agent of Owner												Cover cleanups based on site specific Risk-based end points	Costs incurred for cleanups more stringent than Risk-based end points	Cover long-term monitoring/maintenance of engineering controls following risk-based closure		
AK																					
AL	x	x		Highly recommended		x	x	x	x	x	x	x			x		x	No. But may if there is still a nuisance.			
AR		x				allowable reasonable necessary			x	x	x	x			x		x				
AZ		Pre-approval is an option			x	x		x	x	x	x						x				
CA		Pre-approval is optional		x		Reasonable Necessary	x	x			x		Only existing PFP/Ceased new PFP 6/2007	x							
CO	x	x				x	x	x	x	x	x	x			x		x				
CT		x		x		reasonable costs		x							x						
DE		x					x	x	x	x	x				x		x				
FL	x	x			x	x	x	x	x	x	x	x	x	x				x			
GA	x	x				reasonable costs		x	x	x	x	x	x	x							

Based on a survey conducted by the Vermont Department of Environmental Conservation. Data received from all States with Financial Assurance Funds. Updated May 2008.

TABLE 4. COST CONTROL MEASURES AND MANAGEMENT PRACTICES USED BY STATE FINANCIAL ASSURANCE FUNDS

State	Use Standard Forms for Site Assessment and Corrective Action Plans	Approve Cleanup Plans and/or Budget Prior to Implementation (preapproval)	Specify Cleanup Plans	Requires Competitive Bidding		Payment Limits for Site Assessment/ Receptor Assessment	Certify Contractors or Set Contractor Qualification Requirements	Limit Types of Activities at Sites	Limit Extent or Amounts of Allowed Activities	Limit Overhead Paid	Require Use of a Fee Schedule	Oversee Cleanups	Use Pay-For-Performance	Prioritize Claims to Conserve Funds	Employ a Board to Oversee Fund Activities	Employ a Third Party Administrator	Risk-based Cleanups			Cover Corrective Actions undertaken only as a result of a capital improvement
				Tank Owner	State as Agent of Owner												Cover cleanups based on site specific Risk-based end points	Costs incurred for cleanups more stringent than Risk-based end points	Cover long-term monitoring/maintenance of engineering controls following risk-based closure	
MA	x	x	x	reserve discretion to require	x		x	x	x	x		x	x	have authority if necessary	x	x	x	no reimbursement	x	only if supported by RBCA
ID	x	x					x			x	Fee negotiated annually in contract with contractor				x		x			
IL	x	x						x	x	x	x						x			
IN		x	x	x		x		x	x	x	x			x	x	x				
KS	x	x	x	x	x	x	x	x	x			x	x	prioritize work		x				
KY	x	x				x	x			x	x	x	x	x						
LA	x	x		x RAC obtains bids for certain activities	x Abandoned Tank Fund Only	x	x	x	x	x	x	x	x		x		x		x	x
MA				x		x		x	x	x	x			x	x	x	x	x	x	
MD		x	x			x		x	x			x		x						
ME	x	x	x					x	x	x		x		x	x					

Based on a survey conducted by the Vermont Department of Environmental Conservation. Data received from all States with Financial Assurance Funds. Updated May 2008.

TABLE 4. COST CONTROL MEASURES AND MANAGEMENT PRACTICES USED BY STATE FINANCIAL ASSURANCE FUNDS

State	Use Standard Forms for Site Assessment and Corrective Action Plans	Approve Cleanup Plans and/or Budget Prior to Implementation (preapproval)	Specify Cleanup Plans	Requires Competitive Bidding		Payment Limits for Site Assessment/ Receptor Assessment	Certify Contractors or Set Contractor Qualification Requirements	Limit Types of Activities at Sites	Limit Extent or Amounts of Allowed Activities	Limit Overhead Paid	Require Use of a Fee Schedule	Oversee Cleanups	Use Pay-For-Performance	Prioritize Claims to Conserve Funds	Employ a Board to Oversee Fund Activities	Employ a Third Party Administrator	Risk-based Cleanups			Cover Corrective Actions undertaken only as a result of a capital improvement	
				Tank Owner	State as Agent of Owner												Cover cleanups based on site specific Risk-based end points	Costs incurred for cleanups more stringent than Risk-based end points	Cover long-term monitoring/maintenance of engineering controls following risk-based closure		
MI	x		a separate statute provides the elements of site investigation and cleanup	x			x	x	x	x	x										
MN	x	active rem. only		x		x			x	x	x	x			x			x			
MO		x		x				x	x	x		x	x		x	x		x			
MS	x	x	x	x		x	x	x	x	x	x	x									
MT		x	x								x				x						
NC		x		x		x		x	x	x	x							x			
ND	x	x	x	x				x	x	x		x									
NE	x	x		optional	PPF contracts are bid		no but other NE agencies -licenses required.	x	x	x	x	x	x	x				x			case by case

Based on a survey conducted by the Vermont Department of Environmental Conservation. Data received from all States with Financial Assurance Funds. Updated May 2008.

TABLE 4. COST CONTROL MEASURES AND MANAGEMENT PRACTICES USED BY STATE FINANCIAL ASSURANCE FUNDS

State	Use Standard Forms for Site Assessment and Corrective Action Plans	Approve Cleanup Plans and/or Budget Prior to Implementation (preapproval)	Specify Cleanup Plans	Requires Competitive Bidding		Payment Limits for Site Assessment/Receptor Assessment	Certify Contractors or Set Contractor Qualification Requirements	Limit Types of Activities at Sites	Limit Extent or Amounts of Allowed Activities	Limit Overhead Paid	Require Use of a Fee Schedule	Oversee Cleanups	Use Pay-For-Performance	Prioritize Claims to Conserve Funds	Employ a Board to Oversee Fund Activities	Employ a Third Party Administrator	Risk-based Cleanups			Cover Corrective Actions undertaken only as a result of a capital improvement
				Tank Owner	State as Agent of Owner												Cover cleanups based on site specific Risk-based end points	Costs incurred for cleanups more stringent than Risk-based end points	Cover long-term monitoring/maintenance of engineering controls following risk-based closure	
NH	x	x	x	Case-by-case		x	Consultant must be PE or PG, no requirements for contractors	x	x	x	standard costs	x	x	x	x					
NJ		x				x	x	x	x		x	x					x	x	x	
NM				x	x		x	x			x	x	x		x					
NV		x		x			x	x	x		x	x			x		x	x		
NY	x	x	x						x	x	x				x					
OH		x						x	x						x		x			
OK	x	x				x	x	x	x	x	x	x	x							
PA		on occasion		option of the Fund						x			x		x	x	x	x	x	x
RI		x					consultant must be PE			x		x			x					
SC	x	x		x	x	x	x	x	x	x	x	x	x				x			
SD		x	x	option of the Fund		x	x	x	x		x	x			x		x		x	x
TN	x	x	x	sometimes		x	x	x	x	x	x	x			x					
TX	x	x	x		x	x	x	x	x	x	x	x				x				

Based on a survey conducted by the Vermont Department of Environmental Conservation. Data received from all States with Financial Assurance Funds. Updated May 2008.

TABLE 4. COST CONTROL MEASURES AND MANAGEMENT PRACTICES USED BY STATE FINANCIAL ASSURANCE FUNDS

State	Use Standard Forms for Site Assessment and Corrective Action Plans	Approve Cleanup Plans and/or Budget Prior to Implementation (preapproval)	Specify Cleanup Plans	Requires Competitive Bidding		Payment Limits for Site Assessment/ Receptor Assessment	Certify Contractors or Set Contractor Qualification Requirements	Limit Types of Activities at Sites	Limit Extent or Amounts of Allowed Activities	Limit Overhead Paid	Require Use of a Fee Schedule	Oversee Cleanups	Use Pay-For-Performance	Prioritize Claims to Conserve Funds	Employ a Board to Oversee Fund Activities	Employ a Third Party Administrator	Risk-based Cleanups			Cover Corrective Actions undertaken only as a result of a capital improvement
				Tank Owner	State as Agent of Owner												Cover cleanups based on site specific Risk-based end points	Costs incurred for cleanups more stringent than Risk-based end points	Cover long-term monitoring/maintenance of engineering controls following risk-based closure	
UT		x		x	x		x	x	x	x	x	x	x				x	x		
VA	x	x	x	x		x		x	x	x	x	x			x					
VT		x	x	sometimes		x		x	x	x	x	x	x	x			x			
WA <sup>A</sup>	x	x	x			x	x	x	x	x	x	x			private insurance					
WA <sup>B</sup>	x	x	x			x	x	x	x	x	x	x								
WI	x	x	x	x	x	x	x	x	x	x	x	x	x							
WV																				
WY	x	x	x		x		x	x		x	x	x								
TOTAL	27	45	20	26	12	29	27	36	38	39	35	36	16	14	22	9	22	6	6	5

<sup>A</sup> Commercial Underground Storage Tank Fund.

<sup>B</sup> Oil Heat Program.

TABLE 5. STATE FUND UPDATES

	Major Legislative Changes	Current Status of Fund/How Success is Measured	Impacts/Consequences of the Energy Act
AK	**no update in 2008**	Fund is no longer active.	
AL	No new legislation.	Funds are available to pay incoming payment requests./ The Fund is successful based on the number of cleanups funded and brought to NFA status. Emergencies and sensitive receptors are addressed appropriately. The timely approval of cost proposals and payment requests for all eligible sites indicates a successful program.	
AR	No new legislation	Funds available to pay all submitted corrective action plans and third party claims. / Number of confirmed releases received, sites closed.	
AZ	New legislation limits number of claim submittals. An applicant may only submit one claim per LUST site, per calendar month.	Funds are available to pay claims.Fund "phase out" began with the June 30, 2006 deadline for release reporting. Only releases reported before July 1, 2006 were eligible for coverage from the fund. The next stage of the phase out requires preapproval applications to be received no later than June 30, 2009. No applications will be accepted after June 30, 2010. / Success is measured by the number of claims processed within the statutory timeframes.	None
CA	Effective January 1, 2008, Assembly Bill 1437 expanded the availability and changed the criteria for requesting a waiver of the permitting requirements.	The Fund continues to accept claims for unauthorized releases. An annual appropriation of funds each fiscal year continues to provide for the payment of claims. / Key measurements of the Fund's success is the timely processing of claims and payments.	

TABLE 5. STATE FUND UPDATES

	Major Legislative Changes	Current Status of Fund/How Success is Measured	Impacts/Consequences of the Energy Act
CO	<p>The following passed during the legislative session in 2007:</p> <ol style="list-style-type: none"> <li>1) The Division of Oil and Public Safety (OPS) is now allowed to be more stringent than Federal regulations on tank closure requirements.</li> <li>2) The Fund may now be used to provide incentives for voluntary UST system leak detection upgrades.</li> </ol>	<p>Environmental surcharge has remained at \$100/tanker. Payments are being made within the statutory requirement of 90 days and Fund balance has remained below \$3 million, allowing the surcharge to remain at \$100/tanker.</p> <p>How quickly claims are paid; level of participation by the regulated community; cost savings for remediation costs negotiated up front.</p>	<p>Modifications to our rules and regulations were made to comply with the Energy Act. The draft was presented to stakeholders and their input was obtained during a series of meetings beginning in October 2007. A public hearing regarding the final rules and regulations is scheduled for May 2008 with possible implementation date of June or July 2008.</p>
CT		<p style="text-align: center;">/</p> <p>Streamlining application processing, fund solvency, and ensuring clean-ups are completed in cost effective manner and in accordance with state remediation standards.</p>	
DE		<p style="text-align: center;">Fund is currently solvent. /</p> <p>Completed site remediation activity resulting in closed claims</p>	<p>Anticipate that increased inspection frequency will result in increased number of cleanups required.</p>
FL	<p>(Recently passed, pending governor's approval)</p> <p>Legislative funding appropriation for cleanup in FY 08-09 reduced by \$10.5 M (6.4%) from same at beginning of FY 07-08. Funding caps for certain cleanup eligibility programs increased as follows: \$1.0 M to \$1.2M, \$300K to \$400K, and \$150K to \$300K.</p>	<p>The fund is sound and revenues remain steady. Of the 17,787 eligible sites, 32% have cleanups completed, 22% have cleanups underway and the remaining 46% are awaiting cleanup in priority order.</p> <p>By the number of sites cleanup up and the number of potable wells in the vicinity of contaminated sites that have been protected (through periodic surveys, sampling and analysis and , if necessary, filters or alternate water supplies.</p>	
GA		<p style="text-align: center;">Fund is currently solvent./</p> <p>We consider our fund successful as remediation of sites is being accomplished, claims are processed in a timely manner and the fund remains solvent.</p>	

Based on responses to a survey conducted by the Vermont Department of Environmental Conservation. Data received from all States with Financial Assurance Funds. Updated May 2008 .

TABLE 5. STATE FUND UPDATES

	Major Legislative Changes	Current Status of Fund/How Success is Measured	Impacts/Consequences of the Energy Act
IA	Legislature changed DOT funding which affected UST Fund source. Result required UST Fund Board to retire all debt by 6/30/08. Total balance drops from \$60 Million to roughly \$28 million. Also a transfer of \$1.725 million is pending Governor signature that would divert clean up monies for snowmobile and ATV trails.	Fund is currently solvent./ Closure of LUST sites. There are ~1,500 (1,048 eligible claims) LUST sites currently open in the state. About 500 of the LUST sites have active tanks. Majority are just LUST sites.	
ID	None	Fund is solvent / Completed site remediation activity resulting in closed claims	Unknown
IL	Legislation passed in 2007 which allows for third party purchase of unpaid claims (at discount value) from owner thereby providing immediate liquidity to owner.	Cash balance has been depleted. Currently, fund is operating on a cash-in, cash-out basis. Incoming revenues are not high enough to prevent delays in the payment of claims. Revenues received prior to Fund sunset date will not be sufficient to pay all claims. Formal Measure: mandated time frames for technical/budget approvals and for complete claims approval. Informal Measure: The number of sites remediated.	
IN	Legislation was recently passed limiting the amount that can be spent from the fund for administrative expenses. This limitation is 10% of the previous years fees collected.	Since legislation was passed in 2005 increasing the fund revenue the balance has slowly increased and we are now out of priority payment. At the start of each fiscal year the LUST section establishes goals which are monitored through out the year. The success for these established goals are measured thru implementation dates.	
KS	The Kansas Storage Tank Act amended to require Operator Training, and Financial Responsibility for UST installers and manufacturers in accordance with provisions of the Energy Policy Act of 2005. Broadened use of the fund to include expenditures for enforcement and reporting of UST compliance and costs for UST operator training.	Following directives from the legislature, the Underground Fund now works from a cash balance without being able to encumber funds for approved work. Encumbrances are still possible for the Above ground Fund. / Prevention of a backlog and lack of 3rd party actions.	Broadened use of the fund to include expenditures for enforcement and reporting of UST compliance and costs for UST operator training.

TABLE 5. STATE FUND UPDATES

	Major Legislative Changes	Current Status of Fund/How Success is Measured	Impacts/Consequences of the Energy Act
KY	<p>A biennial budget for FY07 and FY08 was passed that provides \$25 million for claim payments for each year. The \$25 million for FY07 is to be generated from bond sale proceeds, and the \$25 million for FY08 is to be generated from fee receipts, along with an additional transfer from the PSTEAF to the General Fund of \$59.5 million over the biennium.</p>	<p>The backlog of unpaid claims should be effectively eliminated by the close of FY06 (June 30, 2006) which will allow for the initiation of new reimbursable SI and CAP directives. Administrative regulations have been passed to institute a pre-established fixed cost approach to reimbursement to bring about more cost effective and expeditious cleanups. / By evaluating the number of NFA's issued, site investigations completed, and the timeliness of payments compared to past trends.</p>	
LA	<p>Regulation change recently allows the state to choose one contractor in cases where there are two Responsible Parties, each with a release, and each with a contractor and they cannot agree on a single contractor to perform work and submit reimbursement applications.</p>	<p>The Louisiana Trust Fund continues to be solvent. / We consider our fund successful as remediation of sites is being accomplished, claims are processed in a timely manner.</p>	<p>Since any activity in excess of collected fees and federal grants are offset by the Louisiana fund, an additional \$500,000.00 will be taken out of the fund this fiscal year. In future years, we estimate the offset will increase to \$1 million per year unless Energy Act activities are funded.</p>
MA	<p>Regulations were modified to remove reductions in claim payments as a result of late filings. This has resulted in more funding being returned to the Claimant which can be re-invested back into the site cleanup. In addition, the reimbursement fee schedule was updated to be aligned with current regulations, industry practice, and costs.</p>	<p>The dedicated UST Fund was repealed in 2003. Current funding of the UST Program is provided by annual legislative appropriations as part of the overall state budget. To date, the UST program budget for claim reimbursement has been sufficient to meet claim obligations. However, the budget is expected to be under funded at year-end based on the projected number of claims received by the end of the fiscal year. The budget shortfall projected for FY08 is expected to be approximately \$5 million. / No formal method</p>	<p>Possible effect may be how EPA evaluates and determines FUND soundness. As noted, the dedicated Fund was repealed and the funding source for claim reimbursement is now through annual legislative appropriations, which are currently insufficient to meet claim applications. EPA may view this as a not being a sound funding source.</p>

TABLE 5. STATE FUND UPDATES

	Major Legislative Changes	Current Status of Fund/How Success is Measured	Impacts/Consequences of the Energy Act
MD		<p>a) As of April 2007 the remaining applications awaiting funding are primarily residential tank systems (approximately 6 commercial applications are remaining and awaiting review/funding approval) b) After 12/31/2007, only residential AST and UST heating oil systems will be eligible for reimbursement from the Site Cleanup Fund. /</p> <p>Reduction of application backlog while insuring the Fund balance remains "in-the-black"</p>	
ME	none	<p>Maine's Ground Water Oil Clean Up Fund continues to be closely monitored and managed to remain solvent. /</p> <p>Completed site remediation, protection of human health and the environment. Compliance with operation, maintenance and upgrade requirements.</p>	
MI	No Legislative Activity	Currently processing invoices submitted under the Temporary Reimbursement Program that was established in 2005. Program is expected to end in 2009.	
MN	None	Minnesota's state fund continues to be financially sound. / Fund solvency & claim processing time.	Negligible, to date.
MO	Bill enacted by 2008 legislature will -- if signed by Governor -- extend Fund's sunset date to 2020; will require AST owners to have "FR;" will allow Trust Fund Board to increase annual premiums; will give "red tag" authority to MDNR; and will allow the Board to require extra premium payment and/or site assessment if a new applicant previously had no FR.	<p>Excellent. Cash reserves are sufficient to complete all ongoing cleanups and pay for new claims as they are filed. Board is considering lowering the transport load fee. Fewer old releases are being found; few new releases are occurring at insured facilities. Enjoy broad support from petroleum industry and public officials. /</p> <p>Tank o/o's receiving timely, professional services; cleanups proceeding expeditiously; efficient and cost-effective expenditures from trust fund.</p>	Little or no financial impact on Trust Fund. FR req't for equipment companies may allow more/better recovery of monies spent to clean up releases caused by defective workmanship.

TABLE 5. STATE FUND UPDATES

	Major Legislative Changes	Current Status of Fund/How Success is Measured	Impacts/Consequences of the Energy Act
MS	None	Increase in cash balance from the last year. / Fund balance and processing reimbursement requests in 30 days or less.	
MT	None	Beginning July 1, 2007, Board decided that funds would be obligated to cleanup releases which pose the greatest threat to human health and the environment. Since July the fund has obligated \$2.9 million and non-obligated \$2.2 million. The fund has \$800,000 in claims awaiting revenue. Fund continues to receive approximately \$395,000 per month for claims. / Fund balance & claim processing time.	
NC	None	Considering all obligations of trust fund monies (administration, state-lead contracted work, etc) Commercial fund is in the black by \$17.8 million, Noncommercial fund is in the red by 2.2 million. / Number of complaints received, sites closed.	Not yet known
ND	During the 2007 Legislative session, HB1106 passed which requires a phase II environmental study and a tank integrity test completed for existing tank site that were not previously and continuously registered with the Fund. If contamination exists, the site <u>must</u> be remediated prior to participation in the Fund is approved.	Solvent	
NE	LB1145 - extended the release reporting date from June 30, 2009 to June 30, 2012 for fund coverage	RBCA Tier 1 and Tier 2 investigation program working well. PFP program has 24 contracts at orphan tank sites with 5 completed successfully, 2 did not meet SSTLs with remainder in process. Slowing work at sites to manage fund balance. / The number of sites closed. Expenditures keeping pace with revenues. Application payment in less than 60 days.	none

Based on responses to a survey conducted by the Vermont Department of Environmental Conservation. Data received from all States with Financial Assurance Funds. Updated May 2008 .

TABLE 5. STATE FUND UPDATES

	Major Legislative Changes	Current Status of Fund/How Success is Measured	Impacts/Consequences of the Energy Act
NH	<p>A bill to increase motor fuel import fees from \$.015 per gallon to \$.01725 per gallon and extend the fund sunset date(s), passed the NH House. The NH Senate amended the bill to remove the import fee increase, but did retain the sunset date extension from 2010 to 2015. The bill now goes back to the House and is expected to be approved and eventually become law. At this time, it is not clear if an import fee increase will be sought in the 2009 legislative session.</p>	<p>Fund(s) is active, we are re-prioritizing AST/UST cleanups to avoid soundness problems/ # of claims processed and cleanups completed</p>	<p>UST delivery prohibition legislation passed in 2007. Operator training legislation will be proposed for 2009. Current income is not sufficient to meet motor fuel AST/UST cleanup demand, so work is being re-prioritized to avoid soundness problems.</p>
NJ		<p>Fund is being utilized more than ever. Number of applications greatly increased from 2006 (357 applications) to 2007 (666 applications), and is projected to exceed 1,000 applications in 2008. Increase is believed to be mostly due to the initiation of funding for non-leaking, non-regulated heating oil tanks in 2006, as we have found that many tanks thought to be non-leaking have been found to be leaking upon removal, and thus the increase of applications to our program.</p>	<p>No financial impact to the fund from the Energy Act.</p>
NM	<p>In the Laws of 2004, Chapter 88, the legislature may appropriate up to 30% of the annual distribution to Fund for federal funds match, for underground contamination cleanup, and to address water needs. July 1, 2001 was the effective date for Fund coverage for ASTs.</p>	<p>Since Corrective Action Fund revenues will also be used for other department needs, closer management of workplan approvals is required in order not to over obligate the Fund / Protection of drinking water, public health and safety, use of technological and cost effective methods to clean up sites, progress in closure of sites.</p>	
NV	<p>Summer 2008 revision to Nevada Administrative Code adopting delivery prohibition and dispenser secondary containment as per Energy Policy Act of 2005</p>	<p>Active &amp; solvent. / 1. Number of cleanups concluded. 2. Reduction of cleanup costs by technology reevaluation of sites. 3. Identification, through inspections, of sites eligible for reduced cleanup funding due to operational non-compliance to regulations.</p>	<p>New legislation currently being implemented and expected in the future. Evaluation of Fund applications will include compliance with new legislative mandates.</p>
NY	<p>None</p>	<p>The fund is currently solvent, but the cash balance has been decreasing every year for the last several years.</p>	

TABLE 5. STATE FUND UPDATES

	Major Legislative Changes	Current Status of Fund/How Success is Measured	Impacts/Consequences of the Energy Act
OH	None	<p>The Fund continues to accept claims for releases occurring before and after 12/22/98. The Board issued revenue bonds for the second time in 1998 in the amount of \$35 million. These bonds do not mature until 2013 and no change in the Fund as the State's financial responsibility mechanism is anticipated before that date. /</p> <p>The Financial Assurance Fund is supported solely by annual tank fees, revenue bond proceeds and interest income. The Board's challenge is to strike a balance between reasonable fee levels and timely reimbursements. Revenue bond debt was created to allow timely claim reimbursements without excessive fee rates. The Fund's success is measured by the 1) maintenance of an affordable fee structure that generates sufficient revenues to maintain Fund Solvency; 2) maintenance of claims submissions standards that encourage cost-effective remediations; 3) timely reimbursement of eligible claimed costs; and 4) conformance to all bond trust agreement covenants.</p>	
OK	As of 07/01/06, 8% of the \$.01 assessment is apportioned to the OK Dept of Environmental Quality (ODEQ). As of 05/01/08, \$54M of the assessment will go to Okla Dept of Transportation (ODOT) over a span of 9-10 yrs, per an MOU.	<p>Active &amp; solvent. /</p> <p>We consider our fund successful as remediation of sites is being accomplished, claims are being processed in a timely manner and the fund remains solvent.</p>	
PA	Uniform Environmental Covenant Act adopted in february 2008. DEP enlarged "short list" to include TMBs	<p>Fund is viable and paying claims as they are submitted /</p> <p>The Fund undergoes a statutory review every 5 years by an outside entity. In addition, the Fund measures success by a combination of sites remediated and financial status which allows all sites to be addressed.</p>	
RI	Supplemental budget for FY 09 is seeking a 2 million dollar redirect from fund revenues with potential for another 2 million redirect in FY 10	<p>Fund is viable and paying claims as they are submitted/</p> <p>Continued solvency, improving cost efficiency, closing sites</p>	

TABLE 5. STATE FUND UPDATES

	Major Legislative Changes	Current Status of Fund/How Success is Measured	Impacts/Consequences of the Energy Act
SC	House Bill 3292 was introduced in January 2007 to amend SECTION 44-2-60 Code of Laws of South Carolina, Registration of underground storage tanks; environmental impact fee. If passed in current form, initial UST registration fees would be increased by \$35 (from \$100 to \$135) and the environmental impact fee would increase from ½ cent per gallon to one cent per gallon. Bill H.3292 currently resides in the House Committee on Agriculture, Natural Resources and Environmental Affairs.	South Carolina prioritizes releases based on risk and directs site rehabilitation as funding allows. The number and percent of confirmed releases that are closed per year which were funded by the State fund and fund administration efficiency are measures of success.	In 2007, the South Carolina Legislature approved a one-time \$5 Million appropriation for FY 2008 to assist with UST cleanup for high priority sites and in part to address the fund solvency concern.
SD	Senate Bill 203 transfers \$2.5 million from the PRCF to the state highway fund on July 1, 2008.	The PRCF is able to pay all claims in a timely manner and has sufficient revenue to handle future claims. / Success is measured by the efficiency, timeliness and cost-effectiveness of the corrective action. Success is also measured by the speed of claims approval and maintenance of the fund's solvency.	None

TABLE 5. STATE FUND UPDATES

	Major Legislative Changes	Current Status of Fund/How Success is Measured	Impacts/Consequences of the Energy Act
TN	<p>Amendments to the TN Petroleum UST Act will take effect July 1, 2008.</p> <p>Changes include:</p> <ol style="list-style-type: none"> <li>1) Amendment of language for a clear statement that the fund is the FR mechanism for all registered tank owners in TN. Fund eligibility for future releases (on or after the effective date of the amendment) will be based solely on registration prior to the release and not on fee payment.</li> <li>2) Language allowing the commissioner to reimburse a tank owner/operator or petroleum site owner for the cost of property improvements currently prohibited if, and only if, the expenditure would save the fund money. [For example, removing and replacing a canopy or signage if that would allow over-excavation of soil contamination in lieu of very costly in situ soil remediation.]</li> </ol>	<p>The most recent UST legislative change in TN took effect July 1, 2005. The provisions that impacted the TN Fund were an increase in the annual fee paid by tank owners from \$125 per tank to \$250 per compartment. Also, the legislation provided for changes to the fund deductibles for both corrective action and third party claims. The deductible for both corrective action and third party claims for all tank owners is an up-front \$20,000 per occurrence to be paid before any reimbursement is paid by the fund.</p>	<p>Amendments to the TN Petroleum UST Act will take effect July 1, 2008. Changes include:</p> <ol style="list-style-type: none"> <li>1) Removal of certificates for delivery from the law. Delivery prohibition will rest solely on the Do Not Deliver list on the UST Web site and on red tags on fill prots and/or dispensers.</li> <li>2) Addition of the authority for the Board to promulgate rules requiring product drop records to be retained and/or supplied to the division.</li> </ol> <p>It is anticipated that the regulatory requirements for secondary containment and interstitial monitoring for all tanks and lines and for under-dispenser containment for all motor fuel dispensers will result in fewer releases. These regulations took effect July 24, 2007.</p> <p>It is also anticipated that at least three aspects of the Energy Act will contribute to indentifying releases more quickly and to better operational compliance for preventing releases, both of which will save state fund dollars: (1) the frequency of inspections; (2) the red tag program for non-compliant tanks; (3) operator eductaion and training.</p> <p>The TN Fund pays for all UST Division operating costs, salaries, etc. The Energy Act costs to the TN Fund include: (1) funding three additional inspector positions, (2) purchasing red tags and tamper resistant cable ties, (3) staff time to develop new policies and new regulations and train staff on the delivery prohibition policy, and (3) staff time, production costs and mailing costs for an instructional CD miald to all tank owners as a part of operator training.</p>
TX	<p>Sunset date for the Fund was extended two years during the last legislative session in 2007. New sunset date is Sept. 1 2012. Any sites in the program that have not been closed at that time will be transferred to the State Lead contracting program where cleanups will be completed.</p>	<p>The Fund is able to pay all claims in a timely manner and has sufficient revenue to handle future claims. /</p> <p>By the number of of cleanups completed, timely review and payment of claims and reimbursing costs in line with the rules.</p>	

Based on responses to a survey conducted by the Vermont Department of Environmental Conservation. Data received from all States with Financial Assurance Funds. Updated May 2008 .

TABLE 5. STATE FUND UPDATES

	Major Legislative Changes	Current Status of Fund/How Success is Measured	Impacts/Consequences of the Energy Act
UT	The Utah Underground Storage Tank Program was reauthorized to 2018 by the Utah State Legislature.	<p>Utah's Petroleum Storage Tank (PST) Trust Fund is in sound financial condition based on an October 19, 2007 Actuarial Report prepared by Deloitte Consulting. The report stated that the PST Trust Fund cash balance will remain positive until beyond 2018. A legislative performance audit was conducted on the PST Trust Fund in 2007. The audit found no significant concerns.</p> <p>The Utah DEQ has cleaned up and closed 4,125 LUST sites since the inception of the program in 1989. We still have 481 open LUST sites: 261 are on the PST Trust Fund and 220 are RP lead or LUST Trust.</p>	
VA	None	<p>Claims are released for payment twice a month due to cash flow limitations. Over the past year the average time between claim processing completion and payment has grown from 6 to 14 days. Overall success is measured through: Number of cleanups completed; Average cleanup cost; Claims processing time; Overall reasonableness of cost approved.</p>	The VPSTF has not been directly impacted by the Energy Act. However, there have been indirect cost increases associated with Inspector's travel in order to meet the Act's inspection deadlines.
VT	<p>Passed a bill that creates a fund ceiling at \$6 million in the motor fuel account and \$3 million in the heating fuel account. When the ceiling is reached, the fee will turn off for one year. Also, the Vermont UST Regs adopted on August 1, 2007 now require registration of all heating oil tanks located at public buildings, regardless of size.</p> <p>\$2.9 million was transferred from the fund to help offset lost revenue proposed for a July weekend sales tax holiday.</p>	The Fund continues to provide resources to address petroleum releases from USTs and ASTs. Future releases remained covered under the program. / Success of fund is measured by ability to pay claims, solvency and support of stakeholders.	The increased inspection frequency has resulted in an increase in the discovery of releases from UST systems. Fortunately, secondary containment prevented most releases from impacting the environment.
WA	None	Active and solvent	

Based on responses to a survey conducted by the Vermont Department of Environmental Conservation. Data received from all States with Financial Assurance Funds. Updated May 2008 .

TABLE 5. STATE FUND UPDATES

	Major Legislative Changes	Current Status of Fund/How Success is Measured	Impacts/Consequences of the Energy Act
WI	None at this time	Fund no longer provides financial responsibility for owners, they must have other means of meeting the FR requirements, such as self insurance or private sector insurance. Program continues to fund old releases or newly reported releases from systems taken out of service before 12/22/1998 that did not meet the new or upgrade requirements. / Reduction in new sites reported, closure of existing sites, and timely payments of ongoing cleanups.	None at this time
WV		Fund is no longer active.	
WY	Completed revisions to Chapter 17 concerning storage tanks to incorporate Energy Policy Act requirements. Chapter 17 goes before the Environmental Quality Council on May 29, 2008. Likely will be signed by the Governor later this year.		Required revisions to Chapter 17.

---

## V. Summary