

January 23, 2009

Board of Directors

**Iowa Comprehensive Petroleum
UST Fund Board**



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

NOTICE OF PUBLIC MEETING

A public meeting of the Iowa Comprehensive Petroleum Underground Storage Tank Fund Board has been scheduled for 10:00 a.m., Friday, January 23, 2009. **The meeting will be held at the Iowa Insurance Division located at 330 E Maple St, Des Moines, Iowa.**

The tentative agenda for the meeting is as follows:

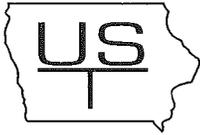
10:00 a.m. Call to Order

1. Approval of Prior Board Minutes
2. Closed Session – Discussion of Pending and Imminent Litigation (To adjourn by 10:30 a.m.)
3. Public Comment Period
4. Board Issues
 - A. Legislative Issues
 - B. Tier 2 Software Update
 - C. Shared Liability Sites—Transfer Agreement
 - D. DNR Update
5. Approval of Program Billings
6. Monthly Activity Report and Financials Reviewed
7. Attorney General's Report
8. Claim Payment Approval
9. Contracts Entered Into Since December 11, 2008 Board Meeting
10. Other Issues as Presented
11. Correspondence and Attachments

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6	Monthly Activity Report and Financials Reviewed
7	Attorney General's Report
8	Claim Payment and Loan Approval
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11	Correspondence and Attachments
12	

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

December 11, 2008

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

James Holcomb, sitting in for Chairperson Susan Voss, called the Iowa UST Board meeting to order at 10:09 A.M. A quorum was present. The following Board members were present:

Doug Beech
Kyle Rice (for Michael Fitzgerald)
Tim Hall (for Richard Leopold)
Jeff Robinson

Also present were:

Tim Benton, Attorney General's Office
Scott Scheidel, Program Administrator
James Gastineau, Program Administrator's Office
Lacey Skalicky, Program Administrator's Office
Elaine Douskey, Iowa Department of Natural Resources

APPROVAL OF PRIOR BOARD MINUTES

The minutes from the October 23, 2008 Board meeting were reviewed. Mr. Beech moved to approve the minutes, and Mr. Rice seconded the motion, and by a vote of 4-0, the minutes were approved.

CLOSED SESSION

Mr. Holcomb noted there were no matters dealing with litigation for discussion in closed session pursuant to Iowa Code Chapter 21. No closed session convened.

PUBLIC COMMENT

There were no public comments from anyone present.

BOARD ISSUES

A. Plume Study 28E Agreement

Mr. Scheidel stated that the Board that it had previously approved the 28E agreement with the Department of Natural Resources (DNR) to jointly complete a plume study with regard to the effects from proximal water supply well receptors. He explained that the Environmental Protection Commission (EPC) had requested the agreement be modified under the administration section to state that the “agreement shall be jointly administered” by the Board and the DNR director, as was stated similarly in the no further action (NFA) 28E agreement, also approved by the EPC. Therefore, the Board would have to again vote to approve the amended 28E agreement. He reminded the Board that the plume study agreement had come about in lieu of the additional items DNR had included in its proposed risk based corrective action (RBCA) model rule based on recalibration of the RBCA software, and the DNR had removed the additional items from the rule presented to the Administrative Rules Review Committee.

Mr. Beech submitted a motion to approve the amended 28E agreement for the plume study, and Mr. Hall seconded the motion, which was approved by a vote of 4-0.

Nancy Lincoln joined the meeting by teleconference.

B. DNR FY09 Funding 28E Agreement

Mr. Scheidel next presented the Board with a 28E agreement between the Board and the DNR to address the funding shortfalls in the DNR’s budget for fiscal year 2009. He explained that the agreement was unchanged since the last meeting, and the agreement was also approved by the EPC.

Mr. Scheidel referenced the Des Moines Register article that tried to paint a picture tying the Iowa UST funding of DNR to the change in DNR’s proposed RBCA rule, although the Iowa UST Fund had supplied DNR with additional shortfall funding for the past several years via similar 28E agreements. He explained that public comment at the following EPC meeting had included statements which echoed the article from a representative of the Sierra Club but were based entirely on the article itself. Other public comment was issued by a representative of the public water supply community, who stated the results of Iowa UST Fund and DNR negotiations were a positive for the protection of water supply, in contradiction to the articles intimations. Mr. Scheidel pointed out that the water supply representative’s comments were omitted from the follow up article in the Des Moines Register after the EPC meeting.

A motion to approve the 28E for fiscal year 2009 funding of the UST Section of DNR was submitted by Mr. Rice and seconded by Ms. Lincoln. Approved 5-0.

C. DNR Update

Ms. Douskey stated that DNR had presented three 28E agreements to the EPC, including the fiscal year 2009 funding agreement, the NFA agreement, and the plume study agreement – with

the amendment previously discussed, and all were approved by the EPC. In addition, she explained the RBCA rule brought before the committee was modified so that all items that would have involved the owner/operator's responsibility to conduct a professional assessment of the public water supply were removed. Also, included was a paragraph that did provide for owner/operator action at sites that would not have public water supply receptors otherwise addressed by either the plume study agreement or the NFA agreement with the Iowa UST Fund Board. She noted the rule was approved by the EPC with a minor change in language, and a public hearing was scheduled for January 6, 2009 at the Wallace Building for comment on the rule.

Also, Ms. Douskey stated the DNR had been working on rule changes to Chapter 134 (IAC 567) regarding underground storage tank professionals, including UST testers, liners, installers and inspectors to update applications and education requirements. The DNR has planned to present its rule change to the EPC in January as an informational item. Next, she reported that the United States Environmental Protection Agency (USEPA) representatives had notified the DNR that inspectors would be in Iowa in the spring to perform an audit of Iowa's third party inspection program by reviewing inspections of approximately 40-50 UST sites.

Mr. Beech asked Ms. Douskey about the DNR's discussion of a legislative package to request a change in the allocation of tank tag fees. Ms. Douskey explained that she believed that plan would go forward, although she had no direct involvement in the decision-making.

PROGRAM BILLINGS

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

1. Aon Risk Services\$122,726.00
Consulting Services – December 2008 (\$57,513.00)
Claims Processing Services – December 2008 (\$55,213.00)
2. Attorney General's Office\$8,411.28
Services provided for October 2008
3. Attorney General's Office\$8,211.25
Services provided for November 2008

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

MONTHLY ACTIVITY REPORT

Mr. Scheidel noted that the October and November activity reports and financials were provided for the Board members to review. He reported that he had had recent discussions with representatives from USEPA, and he was made aware that federal authorities were keeping track of the UST Funds in all states to see if any would be raided by their respective legislatures. He

also stated that the Iowa UST Fund and the DNR had combined data to identify LUST sites that were stagnant to evaluate how to move them forward. He made note that there were 4,100 LUST sites with closed claims that were classified as no action required (NAR), 567 with open claims that were classified as high risk, and 307 with open claims that were classified as low risk. In regard to recent financials, Mr. Scheidel reminded the Board it must decide when to transfer revenue into the Innocent Landowner Fund to reimburse monies previously diverted for the defeasance of bonds in June of 2008.

ATTORNEY GENERAL'S REPORT

Mr. Benton stated there was nothing to report from the Attorney General's Office.

CLAIM AUTHORITY

Mr. Gastineau presented the following claim authority requests:

1. Site Registration 9117224 – Jo-Ro Enterprises, Ltd., St Marys

This was the second Board report for a site that was previously classified low risk; however in 2008 the contaminant levels increased with one monitoring well measuring just above site specific target levels (SSTL's) for groundwater ingestion and groundwater vapor. The increase might have been the result of a high water table or might indicate a subsequent release from this active station. Previous authority to \$200,000 had been granted, and \$177,515.93 was incurred to date. Additional authority to \$230,000 was requested for an additional site monitoring report (SMR), a possible corrective action design report (CADR), and implementation of the CADR.

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

2. Site Registration 8607868 – Marshalltown Community School, Marshalltown

This site was classified high risk for a non-residential basement and low risk for groundwater and soil vapor to the potential enclosed space pathways. Vapor sampling had failed to clear the site. The DNR accepted a high risk monitoring approach. Previous authority to \$75,000 had been granted, and \$84,787.73 was incurred to date. Additional authority to \$130,000 was requested for a SMR and monitoring well closure.

Susan Voss joined the meeting.

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

3. Site Registration 8604198 – K&K Phillips 66 Service, Anthon

This site was classified no action required (NAR) with free product. No free product had been observed in the last twelve months. High water levels might have masked the free product

levels. DNR required twelve more months of free product testing at minimum. Previous authority to \$75,000 had been granted, and \$86,338.91 was incurred to date. Additional authority to \$110,000 was requested for free product recovery (FPR).

Mr. Holcomb submitted a motion to approve the claim authority, and Mr. Beech seconded the motion. Approved 6-0.

CONTRACTS ENTERED INTO SINCE THE OCTOBER 23, 2008 BOARD MEETING

Mr. Scheidel noted that the Board had entered into one contract addendum with Seneca Environmental Services for the Conesville CRP for one more year. Also, he noted that even though it wasn't listed in the Board packets, the Board had executed the No Further Action (NFA) 28E agreement with the DNR within the past week.

OTHER ISSUES

Mr. Scheidel explained to the Board that even though the recent articles from the Des Moines Register had shone an inaccurate light on the relationship between the Board and the DNR, he said that he had been quick to discuss the shortcomings of the article with each Board member as soon as the article was published.

Also, Mr. Scheidel reported the next Board meeting was scheduled for Friday, January 23, 2009.

CORRESPONDENCE AND ATTACHMENTS

Ms. Voss asked if there was any further business, and there being none, Mr. Holcomb moved to adjourn, and Mr. Beech seconded the motion. By a vote of 6-0, the Board adjourned at 10:37 A.M.

Respectfully Submitted,



Scott M. Scheidel
Administrator

Closed Session

Discussion of Pending and Imminent Litigation

Public Comment

Board Issues

A. Legislative Update



IOWA UNDERGROUND STORAGE TANK

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MEMO

TO: Iowa UST Board

FROM: Scott Scheidel

DATE: January 15, 2009

RE: 2009 Legislative Session

Budget

The Governor has already recommended diverting money from the UST Fund to the General Fund for the current fiscal year. This is before the budget for the next fiscal year is discussed. This diversion is likely to happen and fairly quickly. The amount likely to be transferred for the current fiscal year is \$5-7 million. That is out of a balance of \$22 million.

One option for the Board is to seek an extension of the sunset date to allow for a new bond issue. An extension to 2019 or 2020 would allow for a 10 year bond issue that would provide proceeds likely in sufficient amounts to cover the Board's current long term liabilities. The proceeds from bonding have traditionally been untouched by the Legislature to avoid a downgrade in the State's credit rating and the issuing of bonds is in line with the Governor's plans for the budget issues.

Bills of Interest

The Department filed the attached bill to eliminate the statutory receipt of tank tag fees to the Board. While the bill has not been introduced it will at least become a Study Bill for discussion. The Board should take a position on the bill so that I may register when it is introduced. As you will recall, the Board has provided varying levels of funding for the Department since the level of Federal funding available to them diminished in 2004. The funding has generally been the subject of a 28E agreement in which the Board provides funding and the Department agrees to work on mutual goals. Last fiscal year there wasn't such an agreement in place and correspondingly there was little to no work on mutual goals. The Board provided funding to fill financial shortfall at the end of the fiscal year.

SENATE/HOUSE FILE _____
BY (PROPOSED DEPARTMENT OF
NATURAL RESOURCES BILL)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the collection and expenditure of storage tank
2 management fees.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

4 TLSB 1259DP 83

5 tm/nh/8

1 1 Section 1. Section 455B.479, Code 2009, is amended to read
1 2 as follows:

1 3 455B.479 STORAGE TANK MANAGEMENT FEE.

1 4 An owner or operator of an underground storage tank shall
1 5 pay an annual storage tank management fee of sixty-five
1 6 dollars per tank of over one thousand one hundred gallons
1 7 capacity. ~~Twenty-three percent of the~~ The fees collected
1 8 shall be deposited in the storage tank management account of
1 9 the groundwater protection fund. ~~Seventy-seven percent of the~~
1 10 ~~fees collected shall be deposited in the Iowa comprehensive~~
1 11 ~~petroleum underground storage tank fund created in chapter~~
1 12 ~~455G.~~

1 13 Sec. 2. Section 455E.11, subsection 2, paragraph d, Code
1 14 2009, is amended to read as follows:

1 15 d. A storage tank management account. All fees collected
1 16 pursuant to section 455B.473, subsection 5, and section
1 17 455B.479, shall be deposited in the storage tank management
1 18 account, ~~except those moneys deposited into the Iowa~~
1 19 ~~comprehensive petroleum underground storage tank fund pursuant~~
1 20 ~~to section 455B.479. Funds.~~ Moneys deposited in the account
1 21 shall be expended for the following purposes:

1 22 (1) One thousand dollars is appropriated annually to the
1 23 Iowa department of public health to carry out departmental
1 24 duties under section 135.11, subsections 20 and 21, and

1 25 section 139A.21.

1 26 ~~(2) Twenty-three percent of the proceeds of the fees~~
27 ~~imposed pursuant to section 455B.473, subsection 5, and~~
1 28 ~~section 455B.479 shall be deposited in the account annually,~~
1 29 ~~up to a maximum of three hundred fifty thousand dollars. If~~
1 30 ~~twenty-three percent of the proceeds exceeds three hundred~~
1 31 ~~fifty thousand dollars, the excess shall be deposited into the~~
1 32 ~~fund created in section 455G.3. Three hundred fifty thousand~~
1 33 ~~dollars is~~ **The moneys remaining in the account after the**
1 34 **appropriation in subparagraph (1) are** appropriated from the
1 35 storage tank management account to the department of natural
2 1 resources for the administration of a state storage tank
2 2 program pursuant to chapter 455B, division IV, part 8, and for
2 3 programs which reduce the potential for harm to the
2 4 environment and the public health from storage tanks.

2 5 ~~(3) The remaining funds in the account are appropriated~~
2 6 ~~annually to the Iowa comprehensive petroleum underground~~
2 7 ~~storage tank fund.~~

2 8 Sec. 3. Section 455G.8, subsection 3, Code 2009, is
9 amended by striking the subsection.

2 10 EXPLANATION

2 11 This bill relates to the collection and expenditure of
2 12 storage tank management fees.

2 13 Currently, owners or operators of underground storage tanks
2 14 pay an annual storage tank management fee. Twenty-three
2 15 percent of each fee collected is deposited in the storage tank
2 16 management account of the groundwater protection fund and 77
2 17 percent is deposited in the Iowa comprehensive petroleum
2 18 underground storage tank fund.

2 19 The bill provides that 100 percent of each fee collected is
2 20 deposited in the storage tank management account of the
2 21 groundwater protection fund. The bill provides that, after an
2 22 annual standing appropriation of \$1,000 to the department of
2 23 public health to carry out departmental duties, the remaining
2 24 moneys in the account are appropriated from the account to the
2 25 department of natural resources for the administration of a
2 26 state storage tank program and for programs which reduce the
2 27 potential for harm to the environment and the public health

2 28 from storage tanks. The bill eliminates the deposit of a
2 29 portion of the storage tank management fee in the Iowa
30 comprehensive petroleum underground storage tank fund.
2 31 LSB 1259DP 83
2 32 tm/nh/8

B. Tier 2 Software Update



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Φ Φ Φ **MEMO** Φ Φ Φ

TO: Iowa UST Board

FROM: Scott Scheidel

DATE: January 16, 2009

RE: Tier 2 Software Update

Background

With the recent model calibrations and modifications to the Iowa DNR Risk Based Corrective Action program, the software for the Tier 2 model needs to be updated. The model was created by Dr. LaDon Jones, who also provided consulting throughout the calibration evaluation process.

Issue

The Department has requested assistance from the Board to pay for the software update to reflect the model changes. The attached memo from Elaine Douskey contains the two options suggested by Dr. Jones.

Recommendation

Elaine and I are in agreement that having both options completed in the best approach. The cost of this update would be \$6,000. My recommendation is to enter into an agreement with Dr. Jones for the updates as well as possible additional work that may be required after the updated software is released for use by groundwater professionals. History has shown us that there are inevitable bugs or tweaks that are required that are only discovered when the software is put into wide use. I would recommend a two year agreement with Dr. Jones at the quoted hourly rate, not to exceed \$10,000.



STATE OF IOWA

HESTER J. CULVER, GOVERNOR
PATTY JUDGE, LT. GOVERNOR

DEPARTMENT OF NATURAL RESOURCES
RICHARD A. LEOPOLD, DIRECTOR

MEMO

Date: January 16, 2009
From: Elaine Douskey, UST Section Supervisor
To: Iowa Comprehensive UST Fund Board
Re: Funding for RBCA Model Upgrades

The UST Section respectfully requests funding assistance for Dr. LaDon Jones to make final changes to the RBCA software. As you are aware, rule changes have been adopted to allow use of the new modified groundwater transport model. While most of the re-programming of the model has been completed (and funded by PMMIC), the software is not ready for release to the general public. Total cost for completion of the work is **\$6,000**.

LaDon has recommended the following changes, and the Department concurs that these changes are needed before the model can be released:

1. Covert the Beta version into Tier 2 - SMR Version 3.x for release to the public.

This would involve a) double checking the computer code and equations for the new modeling, b) removing the Beta label on print-outs and replacing with the new version number, c) removing code and forms used to generate output for the SIC committee (these forms are hidden on the beta version, but they do make the program larger), d) creating an install package so people can install the program on their computer without having the previous version, or install the new version separately (they could have both the current version and new version installed separately), and e) adding a type of monitoring called Remediation on the cover page.

Cost estimate for this portion: 20 hours @ \$100.00/hour = \$2000.00

2. Program the model to adjust output (SSTLs and plume extent) in cases where the model is under predicting the actual measured extent of the plume.

In Per 135.10(2)k, if the actual plume exceeds the modeled plume, areas within a distance of 10% beyond the edge of the defined plume must be evaluated for actual and potential receptors. This programming would automate the plume definition process with this adjustment and provide corresponding receptor id plumes consistent with what the rule requires. This adjustment also affects the site specific target levels for the monitoring wells between the source and the receptor.

Cost Estimate: 40 hours @ \$100.00/hr = \$4,000.

C. Shared Liability Sites – Transfer Agreement



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Φ Φ Φ **MEMO** Φ Φ Φ

TO: Iowa UST Board

FROM: Scott Scheidel

DATE: January 16, 2009

RE: Shared Liability Transfers

Background

The Board and PMMIC have operated under a process of liability allocation for sites with both an old release covered by the Board and a new release insured by PMMIC. We use a third party groundwater professional to review the data and make a determination on the allocation between the parties as well as a confidence level of that allocation. The process has worked well, however once that allocation is determined, having two funding project managers results in duplicative administration costs and often delays in obtaining multiple approvals.

Issue

The Board previously entered an agreement with PMMIC to transfer a group of these sites for an agreed present value of the projected expenditure by the Board. In this transfer the Board obtained release from their claimants and was able to close the associated claims. A second group of these sites has accumulated. Rather than wait for groups to accumulate and then negotiate bulk transfers (Loss Portfolio Transfers), the Board and its claimants can benefit from the opportunity to transfer them as they occur.

Recommendation

The attached agreement represents the basics of an agreement that would allow for the transfer of the shared liabilities as they are discovered. One potential liability that I recommend the Board retain rather than transfer is the potential future tank pull costs. Unlike the previous portfolio transfer that occurred before the Board had the statutory tank pull provision, the Board today offers the reimbursement of such costs. The difficulty in valuing that potential future liability on one claim at a time is near impossible, and attempting to do so and include it in the transfer calculations would likely result in the Board overpaying.

AGREEMENT

This Agreement is entered into by and between the Iowa Comprehensive Petroleum Underground Storage Tank Fund Board ("Board"), an Iowa governmental agency created pursuant to Iowa Code chapter 455G, and Petroleum Marketers Management Insurance Company ("PMMIC"), a licensed, for-profit insurance company. This Agreement is effective as of the date it is fully executed by all parties.

WHEREAS, Iowa Code section 455G.6(17) authorizes the Board to adopt rules providing for the transfer of all or a portion of the liabilities of the Board, and the Board has adopted rules contained in 591 Iowa Admin. Code 9 providing for the transfer of the Board's liabilities to third parties; and

WHEREAS, PMMIC and the Board desire to enter into this Agreement allowing for the transfer of liabilities for UST sites containing contamination from petroleum underground storage tanks for which the following two conditions exist: (1) a party is currently receiving Board benefits (the "Claimant"), and (2) an eligible insurance claim exists with PMMIC; and

WHEREAS, the Board evaluated the transfer of such liabilities pursuant to the criteria contained in 591 Iowa Admin. Code 9.3, and deems the transfer to be in the best interest of the program, and

WHEREAS, the Board has considered the practicability of seeking competitive public bids pursuant to 591 Iowa Admin. Code 9.5, and determines public bidding is not practical because the Claimant already has an eligible insurance claim with PMMIC, PMMIC is already involved in funding a portion of the corrective actions at the site, a transfer of liabilities to PMMIC will provide a single source of funding and management to the claim, and it is unlikely another party can provide as efficient and cost-effective services under the circumstances,

THEREFORE, in consideration of the commitments made herein, the Board and PMMIC agree as follows:

1. **Term.** The term of this Agreement shall begin upon its execution by both parties hereto and shall run for one calendar year from the date of execution.
2. **Third Party Review.** For UST sites covered by this Agreement, the Board and PMMIC will contract with a mutually selected third party to evaluate the nature and scope of the contamination.
 - a. Upon completion of the review, the third party will recommend an allocation of liability for reimbursement of corrective action costs between the Board and PMMIC. If the proposed allocation is acceptable to both the Board and PMMIC, they shall adopt the recommendation of the third party pursuant to the terms of this Agreement.
 - b. Notwithstanding the provisions of paragraph 2(a) of this Agreement, if the adopted allocation shows either the Board or PIMMIC is 5% or less liable for

reimbursement of corrective action costs at the site, and the total estimated corrective action costs are less than \$100,000, that party shall not be responsible for any costs associated with the review or future corrective action costs, and the entirety of those costs shall be the responsibility of the party found to be 95% or more responsible by the reviewer.

3. **Claimant Release.** If the Board and PMMIC agree to the transfer of the liabilities of the Board to PMMIC pursuant to Iowa Code section 455G.6(17), the Claimant shall be made fully aware of the findings of the third-party review, the terms and conditions of this Agreement, and the impact such a transfer will have on their benefits from the Board as follows:

a. The Board shall inform the Claimant of the findings of the third-party review and the proposed transfer of liabilities to PMMIC. The Board shall then obtain the Claimant's agreement to such transfer by execution of the Claimant Waiver and Release attached hereto as Exhibit [].

b. PMMIC shall provide a complete copy of this fully executed Agreement to the Claimant, and enter into a separate agreement (attached hereto as Exhibit []) with the Claimant establishing his or her right to receive reimbursement for corrective action costs in accordance with the liabilities assumed by PMMIC in this Agreement. The terms of the agreement shall contain a clear disclosure regarding the applicability of Iowa Code chapter 515B in the event PMMIC becomes insolvent; and

c. PMMIC shall provide the Board with a fully executed copy of the agreement entered into pursuant to subsection "b" of this paragraph.

4. **Transfer of Liabilities.** Each site, for which the provisions of paragraphs 2 and 3 of this Agreement have been satisfied, shall be added to a schedule attached hereto and marked as Exhibit []. For each site contained in the schedule, PMMIC shall assume any and all known and unknown liabilities of the Board under Iowa Code chapter 455G to pay benefits for the Site. PMMIC shall assume no less liability to reimburse the Claimant for corrective action costs at the Site than the Board's liability as outlined in Iowa Code 455G.9 and 591 Iowa Administrative Code 11. By assuming the Board's liabilities in this paragraph, PMMIC hereby agrees to assume any and all related responsibilities and activities of the Board for the Site, including but not limited to, project funding and management, claim adjustment, and consultation with Claimant, contractors and the Iowa Department of Natural Resources. PMMIC's liabilities and responsibilities, however, are not subject to future amendments to Iowa Code chapter 455G or Board rules, and PMMIC is not restricted from offering benefits in excess of the statutory and regulatory authority granted to the Board. The Board shall continue to allow PMMIC and the Claimant access to, and copies of, information contained in Board documents and files related to the Site. The Board, however, shall cease to maintain any other ongoing duty whatsoever to PMMIC or the Claimant in relation to the Site.

5. **Transfer of Funds.** For each site added to the schedule identified in Paragraph 4 of this Agreement, the Fund shall pay PMMIC a one-time payment for the transfer of liabilities in an amount to be determined according to a mutually agreeable estimate of required actions to reach

No Action Required classification. The initial estimate shall be provided by the consultant(s) providing service to the claimant(s) at the site. The parties may seek additional estimates if one or both parties think it would be advantageous to an equitable transfer. The estimate shall include future activities, timing of activities and costs of activities. The projected schedule of activities and costs will be present valued, using the most recently published CAFR investment rate. The parties may mutually agree upon inflation rate, if the estimate does not address the presence or lack of potential inflation. Additionally, the parties may also agree upon a risk factor to be included in calculations when there is consensus that risk significant risk exists that may result in the estimate being exceeded or falling well short based on potential early closure or additional work being required.

a. If the payment offered for a site is accepted by PMMIC, PMMIC agrees to accept that payment as the full and final payment it will receive from the Board for its assumption of the Board's liabilities.

b. PMMIC hereby waives any and all rights it may have, or may ever have, to seek additional funds from the Board in relation to the site.

6. **Annual Reporting.** PMMIC agrees to provide the Board with ongoing information and data for each site listed in the attached schedule that will allow the Board to accurately determine the amounts paid by PMMIC for liabilities transferred to PMMIC under this Agreement. Such information and data shall be provided for each site on at least an annual basis from the date of this Agreement until the site achieves a No Further Action designation. Upon mutual agreement between PMMIC and the Board, such information and data may be shared on a more frequent or ongoing basis.

7. **General Release.** In consideration for receipt of the funds described in paragraph 5 of this Agreement, PMMIC hereby releases, acquits, and forever discharges the Board and its officers, employees, assigns, agents, and successors in interest from any and all claims, rights, demands, actions, obligations, liabilities, and causes of action of any and every kind, nature, and character whatsoever, known or unknown, whether based on federal, state, or local law, or for claims based on tort, contract (implied, oral, or written), or any other theory of recovery, and whether for compensatory or punitive damages, for any matter related to or concerning the sites covered by this Agreement.

8. **Indemnification.** PMMIC agrees to indemnify and hold harmless the Board against any and all loss, liability, expenses and costs (including attorneys' fees, judgments, fines and amounts paid in settlement) actually and reasonably incurred by the Board in connection with any threatened, pending, completed or future action, suit, or proceeding to which the Board is, or is threatened to be, made a party arising from or related to the liabilities transferred in this Agreement.

9. **Dispute Resolution.** Notwithstanding any language in this Agreement to the contrary, PMMIC does not waive any claims or actions that specifically arise from or concern the terms of this Agreement. The Party agree that the proper venue for any lawsuit is only Polk County District Court.

10. **Addresses.** The Party' address and fax numbers for official communications and notices are:

PMMIC
ADDRESS
(Tel.)
(Fax.)

Iowa Underground Storage
Tank Fund Board
2700 Westown Parkway, Suite 320
West Des Moines, IA 50266
(Tel.) 515-225-9263
(Fax) 515-225-9361

Either party may change their address or fax number by notifying the other party, in writing, of any change.

11. **Public Record.** The parties acknowledge this Agreement is a public record under Iowa Code chapter 22, and is available for public inspection and copying.

12. **Titles.** Paragraph titles are provided for the parties convenience and do not limit the scope or meaning of any paragraph.

13. **Joint Drafting.** This Agreement was drafted jointly by the parties and shall not be construed in favor of, or against, either party because of which party was responsible for drafting a particular portion of the Agreement.

14. **Complete Agreement.** This Agreement reflects the parties entire agreement on this matter and may not be altered or amended except by a subsequent written document signed by all parties to the Agreement.

15. **Authority to Sign.** The parties, and their representatives, by signing below, acknowledge that they have complied with all the legal requirements for approval of this Agreement and that their representatives are authorized to bind their respective agencies or bodies by their signatures to this contract.

16. **Applicable Law.** This Agreement shall be governed by, and construed in accordance with, Iowa law.

17. **Execution.** All parties are executing this Agreement solely in reliance upon their own knowledge, belief and judgment and not upon any representations made by any of the other party hereto or others on their behalf.

IOWA UNDERGROUND STORAGE
TANK FUND BOARD

PMMIC

By: _____
Scott Scheidel, Fund Administrator

By: _____
Patrick J. Rounds, President

Date: _____

Date: _____

D. DNR Update

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: January 16, 2009
SUBJECT: Summary of Bills for Payment

NOTICE

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

1. Aon Risk Services\$127,219.00
Consulting Services January 2009 -- \$70,639.00
Claims Processing Services January 2009 -- \$56,580.00
2. Aon Risk Services\$127,219.00
Consulting Services February 2009 -- \$70,639.00
Claims Processing Services February 2009 -- \$56,580.00
3. Attorney General's Office\$12,715.50
Services provided for Underground Storage Tank Program
December 2008 Billing
4. Iowa Department of Revenue\$1,541.55
Environmental Protection Charge collections
October – December 2008 (2nd Quarter of FY2009)

Iowa Comprehensive Petroleum

Invoice No. 9500000071209

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 Jan-15-2009	Currency US DOLLAR	Account Executive Scott Scheidel
---------------------------------------	------------------------------------	------------------------------	--

Named Insured	Service Term	Trans. Eff. Date	Description	Amount
Iowa Comprehensive Petroleum	Jan-01-2009 - Jan-01-2010	Jan-01-2009	Renewal - Service Fee	70,639.00
Comments Installment 1 of 12			Service Fee	
			TOTAL INVOICE AMOUNT DUE	70,639.00

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.

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	9500000071209	Jan-15-2009	US DOLLAR	70,639.00

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

Iowa Comprehensive Petroleum

Invoice No. 9500000071210

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 Jan-15-2009 Currency US DOLLAR Account Executive Scott Scheidel

Named Insured	Service Term	Trans. Eff. Date	Description	Amount
Iowa Comprehensive Petroleum	Jan-01-2009 - Jan-01-2010	Jan-01-2009	Renewal - Service Fee	
Comments Installment 1 of 12 GAB Robins Monthly Claims Service Payment due within 10 days of transaction effective date			Service Fee	0.00
			Consulting Expense	56,580.00
TOTAL INVOICE AMOUNT DUE				56,580.00

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	9500000071210	Jan-15-2009	US DOLLAR	56,580.00

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

025

Iowa Comprehensive Petroleum

Invoice No. 9500000071213

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 Jan-15-2009	Currency US DOLLAR	Account Executive Scott Scheidel
---------------------------------------	------------------------------------	------------------------------	--

Named Insured	Service Term	Trans. Eff. Date	Description	Amount
Iowa Comprehensive Petroleum	Jan-01-2009 - Jan-01-2010	Feb-01-2009	Renewal - Service Fee	
Comments Installment 2 of 12			Service Fee	70,639.00
TOTAL INVOICE AMOUNT DUE				70,639.00

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.

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	9500000071213	Jan-15-2009	US DOLLAR	70,639.00

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

Iowa Comprehensive Petroleum

Invoice No. 9500000071214

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 Jan-15-2009 Currency US DOLLAR Account Executive Scott Scheidel

Named Insured	Service Term	Trans. Eff. Date	Description	Amount
Iowa Comprehensive Petroleum	Jan-01-2009 - Jan-01-2010	Feb-01-2009	Renewal - Service Fee	
Comments Installment 2 of 12			Service Fee	0.00
			Consulting Expense	56,580.00
TOTAL INVOICE AMOUNT DUE				56,580.00

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	9500000071214	Jan-15-2009	US DOLLAR	56,580.00

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

027

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



Invoice Date: 01/09/09

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: December

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

Document Number	Account Coding				Description	Amount
	Fund	Agency	Org	Sub Org		
112AG010909027	0001	112	2301	0285		\$ 12,715.50

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

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

Billing Period:	December
Billing Total:	\$12,715.50
DSS @ 33%	\$1,860.38
TDB @ 25%	\$1,345.02
RCH @15%	\$563.44
CLJ @25%	\$775.60
Payroll: 11/27/08	\$4,544.44
DSS @ 33%	\$1,515.63
TDB @ 25%	\$1,136.33
RCH @15%	\$419.44
CLJ @25%	\$534.94
Payroll: 12/11/08	\$3,606.34
DSS @ 33%	\$1,850.71
TDB @ 25%	\$1,364.54
RCH @15%	\$569.23
CLJ @25%	\$780.24
Payroll: 12/25/08	\$4,564.72
Total Misc:	
	\$12,715.50

DSS = David Steward

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

TDB = Timothy Benton

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. **25%**

RCH = Richard Heathcote

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. **15%**

CLJ = Cindy Jacobe

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. **25%**



Iowa Department of Revenue

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

January 13, 2009

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



Dear Mr. Scheidel:

I am enclosing our 4th quarter EPC billing. Please direct the billing to the appropriate person for approval and payment.

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

Your assistance is fully appreciated.

Sincerely,

Roxane Foster

Roxane Foster
Accountant 2
Iowa Department of Revenue
(515) 281-5228

Enclosures

cc: Stefanie Devin, Treasurer's Office

Please use the following accounting codes for the Environmental Protection Charges for the 4th quarter FY 09.

09-0001-625- EX04 - 0285	\$	352.19
indirect costs		7.00
		<u>359.19</u>
FO04 -		703.00
indirect costs		7.00
		<u>710.00</u>
CA01 -		0.00
indirect costs		0.00
		<u>0.00</u>
PR01 -		90.76
indirect costs		6.00
		<u>96.76</u>
TM03 -		357.60
indirect costs		18.00
		<u>375.60</u>
<i>Total for Revenue</i>	\$	1,541.55

G:\AD\BUDGET\EPC2.xls]Oct-Dec

ENVIRONMENTAL PROTECTION CHARGE
 COSTS INCURRED BY THE DEPARTMENT OF REVENUE
 OCTOBER - DECEMBER FY 2009

Compliance Division

Examination Section:

Personnel	\$352.19
Indirect Costs	\$7.00
	\$359.19

Field Audit Section:

Personnel	\$703.00
Indirect Costs	\$7.00
	\$710.00

Total Compliance Division	\$1,069.19
---------------------------	------------

Revenue Operations Division

Customer Accounts Section:

Personnel	\$0.00
Postage	\$0.00
	\$0.00

Processing Section:

Personnel	\$90.76
Indirect Costs	\$6.00
	\$96.76

Total Revenue Operations Division	\$96.76
-----------------------------------	---------

Technology & Information Management Division

Personnel	\$357.60
Postage	
Printing	
Indirect Costs	\$18.00
	\$375.60

Total Technology & Information Management Div.

DEPARTMENT TOTAL

\$1,541.55

Monthly Activity Report and Financials Reviewed

A. December Activity Report

Iowa UST Fund
Monthly Activities Report

December 2008

Claims	Open Claims November Ending	Open & Closed Monthly Net Changes	Open Claims December Ending	Open & Closed Totals since Inception
RETROACTIVE				
number	69	0	69	444
reserve	\$3,098,538.27	\$138,263.95	\$3,236,802.22	\$3,236,802.22
paid	\$8,240,461.73	\$31,736.05	\$8,272,197.78	\$14,748,739.88
total	\$11,339,000.00	\$170,000.00	\$11,509,000.00	\$17,985,542.10
REMEDIAL				
number	806	(8)	798	4,437
reserve	\$41,512,917.23	(\$577,159.04)	\$40,935,758.19	\$40,935,758.19
paid	\$89,672,936.84	\$6,928.98	\$89,679,865.82	\$183,509,427.86
total	\$131,185,854.07	(\$570,230.06)	\$130,615,624.01	\$224,445,186.05
INNOCENT LANDOWNER				
number	221	2	223	1,056
reserve	\$8,690,943.37	(\$305,678.16)	\$8,385,265.21	\$8,385,265.21
paid	\$11,408,411.95	\$135,678.16	\$11,544,090.11	\$23,020,634.13
total	\$20,099,355.32	(\$170,000.00)	\$19,929,355.32	\$31,405,899.34
GLOBAL OPT-IN				
number	230	1	231	1,268
reserve	\$1,392,191.95	\$1,213.45	\$1,393,405.40	\$1,393,405.40
paid	\$1,790,500.87	\$12,786.55	\$1,803,287.42	\$8,987,221.51
total	\$3,182,692.82	\$14,000.00	\$3,196,692.82	\$10,380,626.91
UNASSIGNED PROJECTS				
number	19	(1)	18	182
reserve	\$186,237.45	(\$15,590.45)	\$170,647.00	\$210,647.00
paid	\$324,054.65	(\$24,409.55)	\$299,645.10	\$2,629,928.63
total	\$510,292.10	(\$40,000.00)	\$470,292.10	\$2,840,575.63

54880871
54121877

Corrective Action Meetings	
Scheduled:	90
Completed:	872
MOA's	439

Invoice Type Totals	December	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	5,650.71	45,568.73	\$4,129,055
Corrective Action	21,887.50	119,022.47	\$50,096,577
Free Prod Recover	45,457.19	304,563.21	\$7,537,347
Monitoring	224,764.24	856,491.37	\$19,979,658
New UST Pull 2004	113,443.48	285,165.66	\$1,243,184
Operations/Maint	62,007.98	375,330.80	\$7,062,073
Over-excavation	257,042.92	536,445.01	\$22,258,016
Plastic Water Lines	22,910.22	101,350.72	\$1,615,718
Post RBCA Evals	2,350.00	5,716.25	\$129,410
RBCA	21,031.54	101,159.90	\$24,713,747
Remed Imp/Const.	48,218.49	298,432.86	\$22,540,507
SCR Charges	0.00	0.00	\$54,163,338
Site Check	0.00	656.00	\$125,396
Soil Disposal	0.00	479.53	\$607,812
Tank (UST) Pull	0.00	20,686.49	\$4,980,538
Tank (UST) Upgrade	0.00	0.00	\$5,880,860
Tier III	0.00	615.00	\$1,122,139
Utilities	13,419.96	98,591.76	\$919,318
Well Closure	15,308.53	110,695.46	\$2,490,903
Total Invoice Types	853,582.76	3,260,971.22	\$244,855,987

Budgets Approved to Date	
December	0
Trailing 12 mos	29
Prev Trail 12 mos	51
Total Since Jan 2003	911

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

B. December Financial Report

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

- UST REVENUE FUND (Bonding)

Balance of Fund, December 1, 2008		\$4,635,000.00
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	\$0.00
Disbursements:		
Bond Interest Payment	\$0.00	
Bond Principal Payment	\$0.00	
Transfer to Innocent Landowner Fund	\$0.00	
Transfer to Unassigned Revenue Fund	\$0.00	
	\$0.00	\$0.00
Balance of Fund, December 31, 2008		\$4,635,000.00

0450 - UST UNASSIGNED REVENUE FUND (Non-Bonding)

Balance of Fund, December 1, 2008		\$4,328,536.12
Receipts:		
Request for Proposal Fees	\$0.00	
Copying/Filing Fees	\$0.00	
Fines & Penalties	\$0.00	
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	\$0.00	
Buys/ Sells	\$0.00	
Interest Income	\$8,647.35	
	\$8,647.35	\$8,647.35
Disbursements:		
UST Administrator's Fees	\$122,726.00	
Attorney General's Fees	\$16,622.53	
Attorney's Fees: Cost-Recovery Administration	\$0.00	
Cost Recovery Expense (i.e. Lien Filing, Overpayment Refund)	\$0.00	
Actuarial Fees	\$0.00	
Auditor of the State Fees	\$0.00	
Bond Trustee Fees - Bankers Trust	\$0.00	
Claim Settlement	\$0.00	
Custodial Fees - BONY	\$411.23	
Department of Revenue EPC Collection Fees	\$0.00	
Innovative Technology	\$0.00	
Inspection & Appeals Service Fees	\$0.00	

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

Iowa Finance Authority Expenses	\$0.00	
Legal and Professional Fees	\$0.00	
Postage / Printing / Miscellaneous	\$0.00	
Professional Administrative Services (Investments, etc.)	\$3,824.31	
Rebate	\$0.00	
Tank Closure Claims & Plastic Waterline Claims	(\$24,409.55)	
Travel Expenses-UST Board Members	\$0.00	
Warrant Float Expense	\$0.00	
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 - FY08	\$0.00	
28E Agreement - DNR UST Section Funding - FY09	\$0.00	
Statutory Transfer to DNR - FY09	\$0.00	
Statutory Transfer to General Fund - FY08	\$0.00	
Statutory Transfer to DNR - FY09 for Snowmobile & ATV Funds	\$200,000.00	
		\$319,174.52

Balance of Fund, December 31, 2008		\$4,018,008.95
---	--	-----------------------

0208 - UST REMEDIAL NON-BONDING FUND

Balance of Fund, December 1, 2008		\$3,743,638.86
--	--	----------------

Receipts:

Remedial Refunds	\$0.00	
Misc. Income (i.e. eligibility settlements)	\$0.00	
Interest Income	\$0.00	
Transfer Received from Unassigned Revenue Fund	\$0.00	
		\$0.00

Disbursements:

Retroactive Claims	\$31,736.05	
Remedial Claims	\$700,002.39	
Balance of Outdated Warrants	\$0.00	
		\$731,738.44

Balance of Fund, December 31, 2008		\$3,011,900.42
---	--	-----------------------

0478 - UST MARKETABILITY FUND

Balance of Fund, December 1, 2008		\$394,241.53
--	--	--------------

Receipts:

Interest	\$17,689.92	
Use Tax	\$0.00	
		\$17,689.92

Disbursements:

Intra State Fund Transfer	\$0.00	
		\$0.00

Balance of Fund, December 31, 2008		\$411,931.45
---	--	---------------------

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

6 - UST INNOCENT LANDOWNERS FUND

Balance of Fund, December 1, 2008		\$9,804,122.72
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:		
Transfer to Unassigned Revenue Fund	\$0.00	
Other Contractual Services	\$0.00	
Global Settlement Claims	\$19,780.68	
Innocent Landowner Claims	\$126,823.16	
Balance of Outdated Warrants	\$0.00	
		\$146,603.84
Balance of Fund, December 31, 2008		\$9,657,518.88

0238 - UST LOAN GUARANTEE FUND (Non-Bonding)

Balance of Fund, December 1, 2008		\$269,321.45
Receipts:		
Interest Income	\$452.21	
		\$452.21
Disbursements:		
Intra State Fund Transfer	\$0.00	
Payments on Loan Losses	\$0.00	
		\$0.00
Balance of Fund, December 31, 2008		\$269,773.66

0614 - UST CAPITAL RESERVE FUNDS (Bonding)

Balance of Fund, December 31, 2008		\$0.00
Combined UST Capital Reserve Fund Balances, December 31, 2008		\$0.00
TOTAL FUND BALANCES, December 31, 2008		\$22,004,133.36

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. All bond funds are \$0.00 8/31/08
Funds labeled "Non-Bonding" are funds not restricted as to use by the Revenue Bond indenture.

**C. Year to Date Financial Report as of
December 31, 2008**

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

		FISCAL 2009 BUDGET
0471 - UST REVENUE FUND (Bonding)		
Balance of Fund, July 1, 2008		\$0.00
Receipts:		
Tank Management Fees	\$385,000.00	\$800,000.00
Motor Vehicle Use Tax	\$4,250,000.00	\$17,000,000.00
Intra State Fund Transfers Received	\$0.00	
Interest Income	\$0.00	
Interest Income - Capital Reserve Fund	\$0.00	
	\$4,635,000.00	\$17,800,000.00
Disbursements:		
Bond Interest Payment	\$0.00	
Bond Principal Payment	\$0.00	
Transfer to Innocent Landowner Fund	\$0.00	\$4,250,000.00
Transfer to Unassigned Revenue Fund	\$0.00	\$13,550,000.00
	\$0.00	\$17,800,000.00
Balance of Fund, December 31, 2008		\$4,635,000.00
0450 - UST UNASSIGNED REVENUE FUND (Non-Bonding)		
Balance of Fund, July 1, 2008		\$10,303,265.43
Receipts:		
Request for Proposal Fees	\$0.00	
Copying/Filing Fees	\$0.00	
Fines & Penalties	\$5,190.00	\$10,000.00
Refund/Overpayment	\$12,471.54	
Transfer From UST Revenue Fund	\$0.00	\$13,550,000.00
Intra State Fund Transfers Received	\$0.00	
Compensation for Pooled Money Investments	\$0.00	
Amort / Accretion	(\$143.60)	\$30,000.00
Buys/ Sells	\$81,805.78	(\$20,000.00)
Interest Income	\$654,474.94	\$1,800,000.00
	\$753,798.66	\$15,370,000.00
Disbursements:		
UST Administrator's Fees	\$736,841.09	\$1,412,712.00
Attorney General's Fees	\$46,761.34	\$105,000.00
Attorney's Fees: Cost-Recovery Administration	\$0.00	
Cost Recovery Expense (i.e. Lien Filing, Overpayment Refund)	\$7.00	\$30.00
Actuarial Fees	\$0.00	
Auditor of the State Fees	\$4,876.00	\$4,876.00
Bond Trustee's Fees - Bankers Trust	\$3,000.00	\$36,000.00
Claim Settlement	\$1,050,000.00	\$1,050,000.00
Custodial Fees - BONY	\$804.10	
Department of Revenue EPC Collection Fees	\$3,760.93	\$6,000.00
Environmental Protection Charge Refunds	\$0.00	
Innovative Technology	\$0.00	
Inspection & Appeals Service Fees	\$0.00	\$3,500.00

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

		FISCAL 2009 BUDGET
Legal and Professional Fees	\$24,515.25	
Postage / Printing / Miscellaneous	\$0.00	\$100.00
Professional Admin Services (Investments)	\$12,453.61	\$30,000.00
Rebate	\$0.00	
Tank Closure Claims and Plastic Waterline Claims	(\$1,990.45)	\$50,000.00
Travel Expenses-UST Board Members	\$382.98	\$700.00
Warrant Float Expense	\$2,846.29	
Transfer to Remedial Non-Bonding Fund	\$0.00	\$4,250,000.00
Transfer to Innocent Landowner Fund	\$0.00	
28E Agreement - RBCA (DNR Staff Training & Development)	\$0.00	
28E Agreement - DNR UST Section Funding - FY08	\$229,797.00	\$400,000.00
28E Agreement - DNR UST Section Funding - FY09	\$0.00	\$400,000.00
Statutory Transfer to DNR (incl Snowmobile & ATV Funds) - FY09	\$1,925,000.00	\$1,925,000.00
Statutory Transfer to General Fund - FY08	\$3,000,000.00	\$3,000,000.00
	\$7,039,055.14	\$12,673,918.00
Balance of Fund, December 31, 2008	\$4,018,008.95	\$12,999,347.43
0208 - UST REMEDIAL NON-BONDING FUND		
Balance of Fund, July 1, 2008		\$5,734,239.12
Receipts:		
Remedial Refunds	\$400.00	\$3,000.00
Misc. Income (i.e. eligibility settlements)	\$0.00	
Interest Income	\$0.00	
Transfer Received from Unassigned Revenue	\$0.00	\$4,250,000.00
		\$400.00
Disbursements:		
Retroactive Claims	\$193,210.00	\$600,000.00
Remedial Claims	\$2,529,423.63	\$7,000,000.00
Balance of Outdated Warrants	\$105.07	
	\$2,722,738.70	\$7,600,000.00
Balance of Fund, December 31, 2008	\$3,011,900.42	\$2,387,239.12
0478 - UST MARKETABILITY FUND		
Balance of Fund, July 1, 2008		\$101,715.84
Receipts:		
Interest	\$310,215.61	\$200,000.00
Use Tax	\$0.00	
		\$310,215.61
Disbursements:		
Intra State Fund Transfer	\$0.00	\$0.00
		\$0.00
Balance of Fund, December 31, 2008	\$411,931.45	\$301,715.84

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

		FISCAL 2009 BUDGET
0485 - UST INNOCENT LANDOWNERS FUND		
Balance of Fund, July 1, 2008	\$10,192,565.89	\$10,192,565.89
Receipts:		
Cost Recovery (i.e. lien settlements)	\$8,500.00	\$10,000.00
ILO Refunds	\$0.00	
Intra State Fund Transfers Received	\$0.00	\$4,250,000.00
Miscellaneous Income	\$0.00	
	\$8,500.00	\$4,260,000.00
Disbursements:		
Transfer to Unassigned Revenue Fund	\$0.00	
Other Contractual Services	\$0.00	
Global Settlement Claims	\$110,971.48	\$300,000.00
Innocent Landowner Claims	\$432,575.53	\$2,000,000.00
Balance of Outdated Warrants	\$0.00	
	\$543,547.01	\$2,300,000.00
Balance of Fund, December 31, 2008	\$9,657,518.88	\$12,152,565.89
0238 - UST LOAN GUARANTEE FUND (Non-Bonding)		
Balance of Fund, July 1, 2008	\$255,595.82	\$255,595.82
Receipts:		
Interest Income	\$14,177.84	\$10,000.00
	\$14,177.84	\$10,000.00
Disbursements:		
Payments on Loan Losses	\$0.00	
Transfer to Unassigned Revenue Fund	\$0.00	\$0.00
	\$0.00	\$0.00
Balance of Fund, December 31, 2008	\$269,773.66	\$265,595.82
0614 - UST CAPITAL RESERVE FUNDS (Bonding)		
Combined UST Capital Reserve Fund Balances, December 31, 2008	\$0.00	\$0.00
TOTAL FUND BALANCES, December 31, 2008	\$22,004,133.36	\$28,106,464.10

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. All bond funds are \$0.00 8/31/08
Funds labeled "Non-Bonding" are funds not restricted as to use by the Revenue Bond indenture.

D. December Opt-In Report

OPT-IN PROGRAM SUMMARY REPORT
January 23, 2009
For the Period December 1 to December 31, 2008

GENERAL PROGRAM SUMMARY:

Notices to potential claimants:	2
Eligible claims referred to GAB this period:	2
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:	1
Number of claimants receiving warrants or co-payment credit this period:	26
Number of 1st Party Affidavits received in lieu of supporting docs (# this month/# Total to date):	3/94

WARRANTS MAILED THIS PERIOD SUMMARY:

	Number	Total
First Warrant	4	\$ 19,964.65
Additional Warrants	24	\$ 7,604.75
Co-Payment Credit	0	\$ -
TOTALS:	28	\$ 27,569.40

PROGRAM PAYMENT DISBURSEMENT TO DATE:

Oil Company	Total Claims to Date	New Claims this Period	Payments Made to Date	Payments Made this Period
ARCO	58	1	\$ 442,733.21	\$ 2,935.79
PHILLIPS	264	0	\$ 1,791,615.64	\$ 1,806.92
AMOCO	311	0	\$ 2,314,714.95	\$ 3,103.66
CONOCO	111	1	\$ 698,597.62	\$ 5,188.55
SOUTHLAND	18	0	\$ 90,596.93	\$ -
FINA	14	0	\$ 111,099.79	\$ 219.63
SUN/SUNOCO	182	0	\$ 1,262,988.88	\$ 307.80
TEXACO	159	1	\$ 1,090,871.53	\$ 7,857.05
CHAMPLIN	24	1	\$ 131,508.92	\$ 5,000.00
KERR-McGEE	78	0	\$ 530,293.49	\$ 302.38
CHEVRON	24	0	\$ 167,193.76	\$ 366.12
OXY	0	0	\$ -	\$ -
T.P.I. INC.	16	0	\$ 135,889.45	\$ 481.50
TOTAL:	1259	4	\$ 8,768,104.17	\$ 27,569.40

ADDITIONAL WARRANT SUMMARY:

Arco	\$ 435.79	Sunoco	\$ 307.80
Phillips	\$ 1,806.92	Texaco	\$ 392.40
Amoco	\$ 3,103.66	Champlin	\$ -
Conoco	\$ 188.55	Chevron	\$ 366.12
Southland	\$ -	Kerr-McGee	\$ 302.38
na	\$ 219.63	TPI, Inc.	\$ 481.50

Attorney General's Report

Claim Payment Approval

Claim Payment Authority

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	WW Comments
1	8710480 Colby Management Co	08/27/08				\$65,909	\$125,000	\$125,000		
2	8600154 Rock C Store	05/17/04	08/27/08			\$116,620	\$403,000	\$403,000		
3	8601200 Casey's Marketing Co, Merrill	08/27/08				\$84,831	\$110,000	\$110,000		dww & PGS
4	8606922 MRP properties Co. LLC/Total Pe	08/27/08				\$86,165	\$120,000	\$120,000		
5	8606922 Olson Brothers Service Inc.	08/27/08				\$75,501	\$115,000	\$115,000		
6	8607200 The Short Stop, LLC	11/10/03	08/27/08			\$267,387	\$353,000	\$353,000		dww's
7	8811086 City of George	06/17/03	06/30/08			\$424,693	\$750,000		\$351,890	No second to motion
8	8606248 Country Stores of Carroll	09/25/08				\$104,577	\$140,000	\$140,000		
9	8600372 Tyson Foods	09/25/08				\$76,630	\$125,000	\$125,000		
10	8607266 South Federal Properties LLC	10/23/08				\$80,729	\$115,000	\$115,000		
11	8607575 Valley Restaurant Inc.	01/14/02	10/23/08			\$365,374	\$583,000	\$583,000	\$311,891	3 city dww
12	8608197 Krause Gentle Corp	04/06/00	10/23/08			\$351,697	\$552,500	\$552,500	\$268,444	2 city dww
13	8608502 Wow Service Inc	10/21/04	10/23/08			\$262,116	\$375,000	\$375,000	\$189,517	
14	8608670 McGuire's Service Station	10/23/08				\$16,431	\$180,000	\$180,000		
15	9117224 Jo-Ro Enterprises, LTD	04/18/02	12/11/08			\$177,516	\$230,000	\$230,000	\$122,485	
16	8607868 Marshalltown Community School	12/11/08				\$84,788	\$130,000	\$130,000		
17	8609409 Nelson Oil Co Inc.	01/23/09				\$81,162	\$110,000			
18	8610182 Winston Service Center	01/23/09				\$83,117	\$130,000			PGS
19										
20										

IOWA UNDERGROUND STORAGE TANK PROGRAM

FIRST BOARD REPORT

JANUARY 9, 2009

WINSTON SERVICE CENTER

605 W 7TH

ATLANTIC

SITE REGISTRATION NUMBER: 8610182

LUST NUMBER: 8LTI16

RISK CLASSIFICATION:

HIGH

LOW

UNDETERMINED

PRESENT CLAIM RESERVE:

\$ 125,000.00

ELIGIBILITY: The contamination was discovered on October 11, 1990, and reported to the IDNR on October 16, 1990. A timely claim was filed. This is an eligible remedial claim.

COST INCURRED TO DATE:

1. Site check and Site clean-up report	\$ 20,769.96
2. RBCA Tier II report	16,003.80
3. Tank-pull and upgrade	13,259.10
4. Free product recovery	8,470.00
5. Site monitoring reports	<u>24,614.38</u>
TOTAL COSTS INCURRED TO DATE:	\$ 83,117.24

PROJECTED COSTS:

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

TOTAL PROJECTED COSTS:

\$ 44,500.00 to 65,000.00

TOTAL AUTHORITY RECOMMENDED:

COMMENTS: Low levels of free product persist in one well. This site is high risk for the soil leaching to protected groundwater source pathway, and low risk for groundwater for the protected groundwater source pathway and the potential enclosed space pathways. Corrective action is not required at this site, but groundwater monitoring will be required into the foreseeable future. .

**IOWA UNDERGROUND STORAGE TANK PROGRAM
 FIRST BOARD REPORT
 JANUARY 2, 2008
 NELSON OIL CO INC
 1200 E WASHINGTON
 CLARINDA**

SITE REGISTRATION NUMBER: 8609409

LUST NUMBER: 7LTH88

RISK CLASSIFICATION:

HIGH

LOW

UNDETERMINED

PRESENT CLAIM RESERVE:

\$ 95,000.00

ELIGIBILITY: The contamination was discovered and reported to the IDNR on December 1, 1989. The IUST claim was filed prior to October 26, 1990. This is an eligible remedial claim.

COST INCURRED TO DATE:

1. Tank-pull	\$ 3,220.00
2. Site clean-up report	22,736.73
3. Free product recovery	34,169.24
4. RBCA Tier II report	8,405.00
5. Site monitoring reports	<u>12,630.68</u>

TOTAL COSTS INCURRED TO DATE: \$ 81,161.65

PROJECTED COSTS:

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

TOTAL PROJECTED COSTS: \$ 10,000 to 35,000.00 +

TOTAL AUTHORITY RECOMMENDED:

\$ 110,000.00

COMMENTS: This site has a history of minimal free product in one well. Contaminant levels are far below no further action SSTLs, but steady and declining criteria have not yet been met.



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 CRPCA9808-19 – BEVINGTON, IOWA
CHANGE ORDER REQUEST**

DATE: January 8, 2009

This state lead project was awarded to Apex Environmental in August 1998 to address a contamination at one site in Bevington, IA. The project has evolved through the RBCA program and now includes free product recovery and operation of a remedial system. The system, installed in 2002, has reduced contaminant and free product levels. Due to the vast array of receptors, continued remedial action will be necessary as efforts proceed to remediate the site.

The site owner recently expressed an interest to remove the existing UST system. The owner is eligible for partial tank removal benefits due to the date the tanks were installed. Due to the location of the remedial equipment, removal activities may be complicated. A limited excavation may also be completed during the UST removal in an effort to enhance removal of contaminants.

The contractor has submitted a budget requesting authorization to continue the system operation and monitoring at a cost of \$36,740 per year. Negotiations are underway regarding costs to remove the tank system and complete an excavation. Continued costs for proposed activities are in the range of \$100,000 to \$150,000 for the next two years.

We request Board authority be granted to the Administrator for expenses on this project to up to \$725,000, increase of \$150,000 in such authority. Due to the length of the current contract and the significant changes in personnel involved, we also recommend an RFP be issued to examine alternate proposals to operate the system at this site with the option if no other bids are obtained, to continue work with Apex Companies, LLC at the established rates.

Original Contract (10/31/02)	\$52,277.75
Current Contract (as of 1/8/09)	\$573,759.75
Last Board Authority (10/27/2005)	\$575,000.00
Requesting Authority To:	\$725,000.00

SMS:jrg

c: Sandi Porter, GAB

051

**Contracts Entered Into
Since December 11, 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: January 16, 2009

RE: Contracts Entered Into Since December 11, 2008

Since the December 11, 2008 Board meeting, the Board has entered into the following contracts or agreements:

- 1) 28E agreement with Iowa DNR for no further action claims
- 2) 28E agreement with Iowa DNR for fiscal year 2009 funding for UST Section
- 3) 28E agreement with Iowa DNR for a plume study for select sites with high-volume pumping well receptors

053

Other Issues as Presented

Correspondence and Attachments



Former C-Mart property, zoning change lead Waukon City Council discussion

by Dwight Jones

The Waukon City Council met in regular session the evening of Monday, December 15 with a full council in attendance. Twelve Regular Business agenda items were slated, but prior to that, Jan Sweeney with Village Farm and Home spoke under Public Comments to ask for assistance with a \$2,000+ water bill the business had received due to a major leak in the water main leading to their building. Sweeney explained that the problem had been repaired, and was looking for some relief in the bill and late charges that would become due while the bill was adjusted. The Council gave assurance that the late charges would be waived, and the issue will be on the agenda at the next regularly scheduled meeting. The City has a plan in place for these types of situations and has offered similar relief to others in the past few years.

Moving on to Regular Business, Dennis DeBuhr with Waukon Economic Development Corporation (WEDC) was back to discuss his group's proposed plans to purchase the former C-Mart property on West Main Street in Waukon. This issue was discussed at the last meeting, but the Council had asked for additional details. City Attorney Jim Garrett explained that he had spoke with an individual with the State of Iowa, but they were unable to give exact details as to what assistance would be available to help either the City or WEDC with funding should the ground tests show a need for clean-up.

DeBuhr explained that he has found that there are roughly 5,000-10,000 gallons of fuel in the fuel tanks that are still buried at the property, though there is not a known problem with leaks at the site. DeBuhr mentioned many possibilities, including that Allamakee County could possibly be asked to be involved and could get the site cleaned up at no cost, with the same situation likely holding true for the City.

Either way, WEDC would likely have to pay the back taxes due, totaling in the neighborhood of \$7,400. The property has changed hands at least twice in tax sales, and the current "owner" has offered to work with WEDC, including donating the property, if the back taxes were paid by WEDC.

Councilman Joe Cunningham expressed appreciation to DeBuhr and local businessman Pat Bresnahan for their research toward what it would take to "abate the nuisance" of the site, stating that the City should be more concerned with getting the site cleaned rather than what it takes to make a profit down the road. Garrett stated he will explore the City's options and report back.

Next on the agenda was the second reading of the ordinance to change the zoning on a property located north of the C. Tire property on Allamakee Street/Highway 9. Adjoining property owner Pat Otting was again in attendance, questioning what the City had done in regards to investigating what the proposed water retention pond would do for the

area's other property values, and if there was a plan in place for the maintenance of the water retention pond. Pat Bresnahan then got even more to the point, asking Councilman Steve Wiedner if he "would want to live next to one (a retention basin)?" Wiedner explained that these basins are designed to drain and not permanently hold water, and he would not have a problem living next to one.

Cunningham then explained to Otting that "a properly designed system will protect your property" against water issues that may now be existing or may in the future. Cunningham tried to answer the question regarding maintenance, stating that "whoever owns the retention basin will have the liability of keeping it functioning as it was designed. Your comments are well taken and appreciated and keep us on our toes. We don't want to design a bad project, and I have full confidence that your property will be worth more after this project than it is before." Following the discussion, the Council approved and adopted the ordinance.

The Council then took action on another issue from the previous meeting - a request from the Waukon Wellness Center to establish a trust fund for charter money/donations for capital improvements. Mayor Keith Schroeder stated that he thought that more information was needed in writing from the Wellness Center Board stating that the funds would be used for capital improvements, but Cunningham disagreed, stating that Schroeder was "making a mountain out of molehills", and the Council followed by approving the resolution. City Clerk Diane Sweeney will check with the State of Iowa to see if any additional paperwork would be needed to avoid problems down the road with auditors, etc.

Discussions then turned to the ongoing parking lot project at the former Wild Willy's property which the City has recently developed into a municipal parking lot. City Engineer Lyle TeKippe explained that roughly 85 feet of the property could use a safety fence on the retaining wall. Cunningham explained that an adjacent property owner had contacted him with fears that the area was unsafe without such a structure.

The height of the fence was discussed, with Cunningham suggesting a four-foot fence, but others questioning if something higher, up to possibly six or eight feet, may be more appropriate. Cunningham made the motion to approve the construction of a four-foot fence unless the City's insurance carrier required something higher, which the rest of the Council agreed with and approved.

Next the Council discussed the hiring of a "utility" person, who will be doing work for both the Water/Sewer and Street Departments as needed, with roughly 50% of time being spent working for each. Cunningham made the motion to approve the first choice of the relative department heads, Patrick Egan, at the starting wage of \$10 per hour, with a start date of January 5, 2009. The Council approved the hire.

A lease termination agreement between the City and Advanced Engineering Technology was then discussed, though Garrett stated that he did not have notification from AET that they had yet approved the agreement. The Council approved the agreement on its behalf with the understanding that both parties ultimately agree to the language provided.

The Council then discussed the lease of land for agricultural use for property near the City Airport. There are 12.8 acres of tillable land that the City has been leasing for \$100 per acre, an amount that is now considered to be below industry averages. In order to accept bids for next year, the City voted to terminate the current lease, and will accept sealed bids from all interested parties through December 31, 2008. Bids should be delivered to City Clerk Diane Sweeney prior to that time, either in person or via mail.

In the final minutes, several "house keeping" type issues were then approved, including the re-appointment of Gordon Vongroven to the City Board of Adjustment, a water leak bill reduction request for Lowell Drenth, and a property tax exemption application for Straate/Goltz LLC.