



# 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, March 27, 2009. **The meeting will be held at the Iowa Insurance Division located at 330 E Maple St, Des Moines, Iowa.**

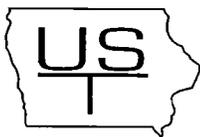
The tentative agenda for the meeting is as follows:

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. Sioux City Airport Agreement
  - C. DNR Update
5. Approval of Program Billings
6. Monthly Activity Report and Financials Reviewed
7. Attorney General's Report
8. Claim Payment Approval
9. Contracts Entered Into Since February 27, 2009 Board Meeting
10. Other Issues as Presented
11. Correspondence and Attachments

*Next mtg. April 24<sup>th</sup>*

## **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**

**February 27, 2009**

**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 10:01 A.M. A quorum was present. The following Board members were present:

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

Also present were:

David Steward, 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 January 23, 2009 Board meeting were reviewed. Mr. Holcomb moved to approve the minutes, and Ms. Lincoln seconded the motion, and by a vote of 5-0, the minutes were approved.

### **CLOSED SESSION**

Ms. Burke-Boston 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 was no public comment from anyone present.

## BOARD ISSUES

### A. Legislative Update

Mr. Scheidel presented the Board with a memo discussing bills of interest at the State Capitol. He stated that House File 414, which was the supplemental spending bill for fiscal year 2009, would divert \$5,655,818 from the Iowa UST Fund to the general fund of the State and was passed by the House. He also noted that the 2010 budget discussions thus far did not include further diversions from the UST Fund that had been shared with him. → Scott gets the \$? who would do this?

Other bills of interest included Senate Study Bill 1153 and House Study Bill 60, which were filed by the Department of Natural Resources to divert tank tag fees that the Board has received since 1990, to the DNR directly. Mr. Scheidel explained that the committees directed the Board and the DNR to work together on a funding agreement that would assist the DNR with long-term budget planning, as well as, allow for accountability to satisfy the Board and the regulated community. Included in the Board packet was a draft agreement for long-term funding of the DNR based upon performance milestones, based on extensive work between DNR and the Administrator.

Mr. Beech expressed concern about the lack of definitive deadlines for milestones in the agreement. Mr. Scheidel explained that if a milestone were not met within the fiscal year, a portion of the next year's funding would be held until the milestones from the previous term were met. In addition, Mr. Steward offered to include language that would forfeit that portion of funding if a milestone was not met within the immediate subsequent fiscal year. Mr. Beech agreed that clarification would be acceptable and addressed his concern.

Also, Mr. Scheidel noted that the DNR had requested the Board have joint responsibilities expressed in the agreement. To address that concern, language stating that the parties would meet regularly at least 8 times per year "to maintain a joint strategic discussion of DNR, EPA and UST Fund Board priorities" was added.

Mr. Scheidel explained that the DNR funding would involve an estimate and installment schedule in the addendum of the base agreement for the amount of the tank management fees collected and allocated to the UST Fund each fiscal year. If the Board would find the actual tank fees collected to vary from the DNR funding provided during any given fiscal year by 10% or more, the Board would adjust the final installment accordingly. He noted that the percentage could be adjusted to a 5% variance or to total actual collections, if the Board wanted to discuss it. Also specifically stated in the draft agreement, the Board and DNR could agree to additional funding and milestones beyond the amount collected for tank management fees.

After additional discussion, Mr. Beech submitted a motion to approve the draft agreement with the revision in Section IV. C., as suggested by Mr. Steward, and delegated flexibility within the noted actual to 10% range on the percentage of variation in Section V. B. Mr. Holcomb seconded the motion. Mr. Hall abstained from the vote. The motion was passed by a vote of 4-0.

## **B. Bonding Options**

Mr. Scheidel discussed with the Board a desire to change the funding authority for bonding from the Iowa Finance Authority (IFA) to the State Treasurer's Office, so that the bonding options to be discussed could be handled directly by the Treasurer. In order to effect the change, a change in legislation would be required to allow for a change in language for all references to "authority" to be changed to "treasurer." He noted IFA suggested the change, and Mr. Larson expected no problems with the procedure.

Next, Mr. Scheidel presented the Board with an analysis of current projected cash flows available for corrective action costs, as requested at the last Board meeting. The revenues included the projected environmental protection charge (EPC) collection allocations, tank fees, interest and cost recovery. The expenditures included projected claim payments and administrative costs. Mr. Scheidel provided the same analysis given proposed diversions of UST Funds, and then with diversions plus several bond options. Mr. Robinson pointed out that the ending fund balances in each bond option projection were lower than the ending fund balances if no bonds were purchased. He stated that if the only reason to purchase a bond is to prevent future legislative diversions, then the Legislature might not favor a bond option for the UST Fund. He suggested it might be easier to convince the Legislature not to take future diversions than to allow the UST Fund to bond for this reason, and the Board might be better off with a decrease in the EPC allocation to the UST Fund. Mr. Scheidel responded that a bond option would also allow the Board to consider loss portfolio transfers, due to the influx of cash, to close significant portions of its liabilities.

Mr. Hall inquired about potential remaining funds at the end of the Program. Mr. Scheidel explained that although the EPC allocations would end in 2016, the Board could still operate until all money was expended or all sites with Board liability were closed. Mr. Hall continued that it might be more effective to quantify what it would take to close out leaking underground storage tank (LUST) sites now and spend the money, rather than waiting and holding money until the end of the Program – showing the Legislature that the UST Fund needs all of its fund balances immediately for remedial work. Mr. Scheidel reminded that the Board's mission included spending the funds responsibly, and that fiduciary duty prevented the Board from spending money just to spend it. Mr. Hall asked if a common trend could be addressed to resolve such sites. Mr. Scheidel stated that each site generally had different factors for being stalled. Mr. Hall said the milestones in the funding agreements with DNR seemed to "maintain the status quo," in his opinion, with more of the same milestones each year. Mr. Beech disagreed, saying that the milestones emphasizing discussions on low risk sites and plastic water lines were some examples of forward thinking in funding agreements, addressing systemic reasons sites remained open for along time with little or no risk.

Mr. Larson backed up the conversation to discuss the EPC allocation, asking if the Governor or the Legislature could decrease the amount to the Board. Mr. Scheidel stated that the Board controlled the amount of the EPC collections (i.e. \$.01 per gallon), but a change in statute would be needed change the allocation from that collection to the Board, but doing so would not likely discourage future diversions.

Mr. Scheidel continued saying that corrective action meetings had proved to help move stalled sites along into corrective action. Mr. Beech stated he favored bonding. Ms. Lincoln also favored bonding. Mr. Robinson inquired if it would be worth \$13 million in interest to stall the Legislature from exercising diversions of funds for a short time. Mr. Larson stated that the bond proceeds would be protected, but the Board would need a plan for the proceeds. He also stated he needed direction from the Board regarding a change in authority from the IFA to the Treasurer. The Board consensus was that the Treasurer should be allowed to broker the bond options. Mr. Hall expressed concern over the high cost to bond with reference to 2016 fund balances. Mr. Larson stated the Board could discuss and make a decision regarding whether or not to bond by the April meeting or possibly May, as the Treasurer could get the bonding done fairly quickly and before June 30th. Mr. Scheidel stated he would seek the changes to allow the Treasurer to be the bond issuing entity for the Board and to allow bonding beyond 2009.

### **C. Shared Liability Sites – Transfer Agreement Revision**

Mr. Scheidel presented the Board with a revised draft agreement between the Petroleum Marketers Management Insurance Company (PMMIC) and the Board to transfer liabilities of shared sites one at a time. He stated that dual administration on the shared liability sites was a redundant and slower process, and the use of the transfer agreement would remove sites from the Board's liabilities. He also explained that as site owners complete tank pulls at their sites, the shared liability between PMMIC and the Board could continue to grow site by site. The agreements in the Board packets included the agreement between PMMIC and the Board, as well as the claimant agreement, waiver, and general release. Mr. Scheidel asked if the Board approved of the language in the agreements as the framework for the transfers. He explained that each site proposed to be transferred may also be individually reviewed and approved by the Board for transfer, if that was the desire of the Board. Mr. Larson submitted a motion to approve the agreements as written, and Mr. Beech seconded the motion, which was approved by a vote of 5-0.

### **D. DNR Update**

Provided in the Board packets were several documents including the plastic water line summary, as mentioned at the January Board meeting. Elaine Douskey of the Department of Natural Resources also provided the Board with a report discussing low risk sites and how to move them toward closure by using more discretion and flexibility with regard to the rule for exit criteria for a monitor site. This initial report found that there was incomplete data from several sites reviewed, and many sites had not met site specific target levels in monitoring wells at the source. A few sites showed that SSTL's had been met at all wells sampled, and these sites were the most likely to be reviewed for reclassification, on a site-by-site basis. Ms. Douskey further discussed the DNR practices and the conditions and process for reviewing these sites, as DNR felt they would need to obtain a waiver or variance on a case-by-case basis, if they were going deviate from the rule. This formal process was advised by DNR's legal department. Her opinion was any changes to the rule would have to be carefully considered. Mr. Scheidel advised that one of the reasons agencies have waiver authority is to identify when a change in the rule would/is necessary, and that waiting for waivers we expect to come in would be overly time consuming.

An agreement from the regulated public interest groups to gain flexibility in closure of low risk sites would be possible to allow a less time consuming rule process. > ??

*Ms. Burke Boston exited the meeting at 11:20 A.M. Mr. Holcomb chaired the remainder of the meeting.*

Mr. Gastineau inquired about institutional controls, offering that a statewide prohibition of new water wells in areas where public water is available would go a long way toward closing sites that are monitored for potential for water wells. Ms. Douskey agreed, however she stated that the water supply department has made it clear that they think that would be very difficult as it might take on water rights issues.

Also included was a memo on the development of a risk based corrective action (RBCA) advisory group, which will be tasked to create a written plan to evaluate rules around specific RBCA factors including soil gas methodology, sewers as receptors, surface water restrictions, and capturing the temporal effect on historical releases. Ms. Douskey stated that the DNR was considering the use of an outside facilitator for these groups and subgroups.

Next, Ms. Douskey presented the Board with a memo evaluating corrective action conferences, which were implemented as a result of a Kaizen even held in July 2004. She noted the meetings had been very successful in moving stalled sites along, getting sites closed, or re-evaluating the plan at a site to make it more effective. She stated that a change in rule made the memorandum of agreement enforceable for DNR to hold a responsible party to complete work as agreed, if the work was not completed due to factors within the responsible party's control. She said that approximately 900 corrective action meetings had been held to date. And out of 750 high risk sites, 530 had corrective action meetings held, leaving 220 high risk sites left to be addressed through this process.

Mr. Beech asked if Ms. Douskey knew anything about the stimulus money available for LUST groups nationwide. Ms. Douskey replied that the Environmental Protection Agency (EPA) had revealed that \$2.7 million could go to the State of Iowa, however that amount might change. She said the money was to be used to create jobs, to assist clean up for hardship owners or owners of ineligible sites, and to clean up sites with unknown or unwilling responsible parties. She said the project would require quick action, as they would have two years to spend all of the money, although the time limit might be lifted in the future. She expected the DNR would issue a request for proposal for a groundwater professional firm to address these sites quickly.

Mr. Scheidel offered the full assistance of the Administrators' staff to leverage resources to meet the deadlines imposed by the monies. In past grants, the administration process had been taken on by the Board who had experience and the scope portion was DNR driven. That would be an option if DNR found the process was diverting too much effort from the ongoing mission. The other offer was to use the existing closure contracts and 28E to allow for quick spending of the money at the intended sites. Ms. Douskey was not sure but thought that might not comply with the EPA requirements. *quest . . .*

**PROGRAM BILLINGS**

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

- 1. Aon Risk Services .....\$127,219.00  
Consulting Services – March 2009 (\$70,639.00)  
Claims Processing Services – March 2009 (\$56,580.00)
  
- 2. Attorney General’s Office .....\$7,404.04  
Services provided for January 2009

On a motion by Mr. Holcomb and a second by Mr. Beech, all billings were approved by a vote of 5-0.

**MONTHLY ACTIVITY REPORT**

Mr. Scheidel noted that the January activity report and financials were provided for the Board members to review.

**ATTORNEY GENERAL’S REPORT**

Mr. Steward did not have any items for discussion.

**CLAIM AUTHORITY**

Mr. Gastineau presented the following claim authority requests:

- 1. **CRPCA 0312-35 Sexton & Wesley**

This project was awarded to Array Environmental in March 2004 to address contamination at two individual sites in Kossuth County communities of Sexton and Wesley. The sites were originally assessed under the tank closure contracts. The sites were each classified high risk due to plastic water lines, vapor receptors, and nearby private water wells. Corrective actions completed included excavation and replacement of the plastic water lines within the actual plumes. Plastic water lines remained in the simulated plume. Further evaluation would be needed to determine the risk to nearby water wells and vapor receptors.

The original agreement for this project had a 2-year duration with the option of four 1-year extensions. The 3<sup>rd</sup> contract extension was set to expire on April 20, 2009. Mr. Gastineau noted that both sites had eligible UST Fund claims, and therefore he recommended the Board terminate the project to allow continued work to be completed individually under the eligible claims. The Board agreed to let the project end, and therefore did not put forth a vote for an extension in the contract.

## **2. CRPCA 0312-36 College Springs and Coin**

This project was awarded to Array Environmental in March 2004 to address contamination at two individual sites in Page County communities of College Springs and Coin. The sites were originally assessed under the tank closure contracts. The sites were each classified high risk due to plastic water lines, vapor receptors, and nearby water wells. Free product had also been observed at each site. Corrective actions completed included replacement of plastic water lines within the actual plumes and an excavation at the College Springs site. Plastic water lines remained in the simulated plume near each site. Future work would include free product recovery and monitoring to assess the nearby water wells and vapor receptors.

The original agreement for this project had a 2-year duration with the option of four 1-year extensions. The 3<sup>rd</sup> contract extension was set to expire on April 20, 2009. Mr. Gastineau noted that neither site had an eligible UST Fund claim, and therefore he recommended the Board authorize the 4<sup>th</sup> and final extension to the community remediation project contract for one more year. He stated that the Board had paid \$278,197 on the project to date, and the current budget authority was \$300,000. Additional budget authority would not be necessary.

Mr. Larson submitted a motion to approve the 1-year contract extension without additional budget authority, and Mr. Beech seconded the motion. Approved 4-0.

## **3. Site Registration 7910583 – Amana Society, Inc., West Amana**

This site was classified high risk for the groundwater ingestion pathway for a drinking water well and for groundwater vapor to enclosed space pathway for residential basements and sewers. There was also significant free product at the site. It was agreed that an excavation should be completed, and if free product persisted a small soil vapor extraction (SVE) system would be installed. Previous authority to \$75,000 had been granted, and \$36,363.77 was incurred to date. Additional authority to \$200,000 was requested for monitoring, excavation, and free product recovery (FPR).

Mr. Hall submitted a motion to approve the claim authority, and Ms. Lincoln seconded the motion. Approved 4-0.

## **4. Site Registration 8601898 – Ports Petroleum Co., Inc., Malcom**

This site was classified high risk for the soil leaching to protected groundwater source pathway, and low risk for groundwater to protected groundwater source pathway, and potential vapor to enclosed space pathway. An eligible tank pull was to be completed, and preliminary reports indicated that heavy contamination was present beneath the tanks. If contamination was determined to be old through a third party review, additional assessment and corrective action most likely would be required. Previous authority to \$75,000 had been granted, and \$56,889.87 was incurred to date. Additional authority to \$220,000 was requested for monitoring and implementation of the tank pull.

Mr. Beech submitted a motion to approve the claim authority, and Ms. Lincoln seconded the motion. Approved 4-0.

**5. Site Registration 8600035 – Northeast Hamilton Community Schools, Blairsburg**

This site was classified high risk for two municipal drinking water wells both fairly close to the site. A Tier III investigation was conducted to determine if the wells were protected from the contaminated superficial aquifer. The site was also low risk for the groundwater vapor to potential enclosed space pathways and vapor sampling at the groundwater source had failed. Previous authority to \$75,000 had been granted, and \$75,556.07 was incurred to date. Additional authority to \$213,000 was requested for monitoring and implementation of the Tier III investigation.

Ms. Lincoln submitted a motion to approve the claim authority, and Mr. Hall seconded the motion. Approved 4-0.

**CONTRACTS ENTERED INTO SINCE THE JANUARY 23, 2009 BOARD MEETING**

Mr. Scheidel noted that the Board had not entered into any new agreements or contracts since the January 23, 2009 Board meeting.

**OTHER ISSUES**

Mr. Scheidel reported the next Board meeting was scheduled for Friday, March 27, 2009.

**CORRESPONDENCE AND ATTACHMENTS**

Ms. Burke-Boston asked if there was any further business, and there being none, Mr. Hall moved to adjourn, and Ms. Lincoln seconded the motion. By a vote of 4-0, the Board adjourned at 11:45 A.M.

Respectfully Submitted,



Scott M. Scheidel  
Administrator

**Closed Session**

**Discussion of Pending and Imminent Litigation**

## **Public Comment**

## **Board Issues**

## **A. Legislative Update**

# LSB 2682 XC Not Yet Filed

Last Updated in System 3-18-2009 4:17 P.M. CST

SENATE FILE

BY (PROPOSED COMMITTEE ON  
APPROPRIATIONS BILL BY  
CHAIRPERSON DVORSKY)

Passed Senate, Date \_\_\_\_\_

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Approved

Passed House, Date \_\_\_\_\_

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

## A BILL FOR

1 An Act relating to bonding authority for the Iowa comprehensive  
2 petroleum underground storage tank fund and providing an  
3 effective date.

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

5 TLSB 2682XC 83

6 tm/nh/8

1 1 Section 1. Section 455G.2, subsection 1, Code 2009, is  
1 2 amended by striking the subsection.

1 3 Sec. 2. Section 455G.2, subsection 3, Code 2009, is  
1 4 amended to read as follows:

1 5 3. "Bond" means a bond, note, or other obligation issued  
1 6 by the authority treasurer of state for the fund and the  
1 7 purposes of this chapter.

1 8 Sec. 3. Section 455G.3, subsection 2, Code 2009, is  
1 9 amended to read as follows:

1 10 2. The board shall assist Iowa's owners and operators of  
1 11 petroleum underground storage tanks in complying with federal  
1 12 environmental protection agency technical and financial  
1 13 responsibility regulations by establishment of the Iowa  
1 14 comprehensive petroleum underground storage tank fund. The  
1 15 authority treasurer of state may issue its bonds, or series of  
1 16 bonds, to assist the board, as provided in this chapter.

1 17 Sec. 4. Section 455G.6, subsections 7 through 9, Code  
1 18 2009, are amended to read as follows:

1 19 7. The board may contract with the authority treasurer of  
1 20 state for the authority treasurer of state to issue bonds and  
1 21 do all things necessary with respect to the purposes of the  
1 22 fund, as set out in the contract between the board and the  
1 23 authority treasurer of state. The board may delegate to the  
1 24 authority treasurer of state and the authority treasurer of  
1 25 state shall then have all of the powers of the board which are  
1 26 necessary to issue and secure bonds and carry out the purposes  
1 27 of the fund, to the extent provided in the contract between  
1 28 the board and the authority treasurer of state. The authority  
1 29 treasurer of state may issue the authority's treasurer of  
1 30 state's bonds in principal amounts which, in the opinion of  
1 31 the board, are necessary to provide sufficient funds for the  
1 32 fund, the payment of interest on the bonds, the establishment  
1 33 of reserves to secure the bonds, the costs of issuance of the  
1 34 bonds, other expenditures of the authority treasurer of state  
1 35 incident to and necessary or convenient to carry out the bond  
2 1 issue for the fund, and all other expenditures of the board  
2 2 necessary or convenient to administer the fund. The bonds are  
2 3 investment securities and negotiable instruments within the  
2 4 meaning of and for purposes of the uniform commercial code,  
2 5 chapter 554.

2 6 8. Bonds issued under this section are payable solely and  
2 7 only out of the moneys, assets, or revenues of the fund, all  
2 8 of which may be deposited with trustees or depositories in  
2 9 accordance with bond or security documents and pledged by the  
2 10 board to the payment thereof, and are not an indebtedness of  
2 11 this state ~~or the authority~~, or a charge against the general  
2 12 credit or general fund of the state ~~or the authority~~, and the  
2 13 state shall not be liable for any financial undertakings with

2 14 respect to the fund. Bonds issued under this chapter shall  
2 15 contain on their face a statement that the bonds do not  
2 16 constitute an indebtedness of the state ~~or the authority~~.

2 17 9. The proceeds of bonds issued by the authority treasurer  
2 18 of state and not required for immediate disbursement may be  
2 19 deposited with a trustee or depository as provided in the bond  
2 20 documents and invested in any investment approved by the  
2 21 authority treasurer of state and specified in the trust  
2 22 indenture, resolution, or other instrument pursuant to which  
2 23 the bonds are issued without regard to any limitation  
2 24 otherwise provided by law.

2 25 Sec. 5. Section 455G.6, subsection 10, paragraph b, Code  
2 26 2009, is amended to read as follows:

2 27 b. Negotiable instruments under the laws of the state and  
2 28 may be sold at prices, at public or private sale, and in a  
2 29 manner, as prescribed by the authority treasurer of state.  
2 30 Chapters 73A, 74, 74A and 75 do not apply to their sale or  
2 31 issuance of the bonds.

2 32 Sec. 6. Section 455G.6, subsection 12, Code 2009, is  
2 33 amended to read as follows:

2 34 12. Bonds must be authorized by a trust indenture,  
2 35 resolution, or other instrument of the authority treasurer of  
3 1 state, approved by the board. However, a trust indenture,  
3 2 resolution, or other instrument authorizing the issuance of  
3 3 bonds may delegate to an officer of the issuer the power to  
3 4 negotiate and fix the details of an issue of bonds.

3 5 Sec. 7. Section 455G.7, Code 2009, is amended to read as  
3 6 follows:

3 7 455G.7 SECURITY FOR BONDS == CAPITAL RESERVE FUND ==  
3 8 IRREVOCABLE CONTRACTS.

3 9 1. a. For the purpose of securing one or more issues of  
3 10 bonds for the fund, the authority treasurer of state, with the  
3 11 approval of the board, may authorize the establishment of one  
3 12 or more special funds, called "capital reserve funds". The  
3 13 authority treasurer of state may pay into the capital reserve  
3 14 funds the proceeds of the sale of its bonds and other money  
3 15 which may be made available to the authority treasurer of  
3 16 state from other sources for the purposes of the capital  
3 17 reserve funds. Except as provided in this section, money in a  
3 18 capital reserve fund shall be used only as required for any of  
3 19 the following:

3 20 a. (1) The payment of the principal of and interest on  
3 21 bonds or of the sinking fund payments with respect to those  
3 22 bonds.

3 23 b. (2) The purchase or redemption of the bonds.

3 24 e. (3) The payment of a redemption premium required to be  
3 25 paid when the bonds are redeemed before maturity.

3 26 b. However, money in a capital reserve fund shall not be

3 27 withdrawn if the withdrawal would reduce the amount in the  
3 28 capital reserve fund to less than the capital reserve fund  
3 29 requirement, except for the purpose of making payment, when  
3 30 due, of principal, interest, redemption premiums on the bonds,  
3 31 and making sinking fund payments when other money pledged to  
3 32 the payment of the bonds is not available for the payments.  
3 33 Income or interest earned by, or increment to, a capital  
3 34 reserve fund from the investment of all or part of the capital  
3 35 reserve fund may be transferred by the authority treasurer of  
4 1 state to other accounts of the fund if the transfer does not  
4 2 reduce the amount of the capital reserve fund below the  
4 3 capital reserve fund requirement.

4 4 2. If the authority treasurer of state decides to issue  
4 5 bonds secured by a capital reserve fund, the bonds shall not  
4 6 be issued if the amount in the capital reserve fund is less  
4 7 than the capital reserve fund requirement, unless at the time  
4 8 of issuance of the bonds the authority treasurer of state  
4 9 deposits in the capital reserve fund from the proceeds of the  
4 10 bonds to be issued or from other sources, an amount which,  
4 11 together with the amount then in the capital reserve fund, is  
4 12 not less than the capital reserve fund requirement.

4 13 3. In computing the amount of a capital reserve fund for  
4 14 the purpose of this section, securities in which all or a  
4 15 portion of the capital reserve fund is invested shall be  
4 16 valued by a reasonable method established by the authority  
4 17 treasurer of state. Valuation shall include the amount of  
4 18 interest earned or accrued as of the date of valuation.

4 19 4. In this section, "capital reserve fund requirement"  
4 20 means the amount required to be on deposit in the capital  
4 21 reserve fund as of the date of computation.

4 22 5. To assure maintenance of the capital reserve funds, the  
4 23 authority treasurer of state shall, on or before July 1 of  
4 24 each calendar year, make and deliver to the governor the  
4 25 authority's treasurer of state's certificate stating the sum,  
4 26 if any, required to restore each capital reserve fund to the  
4 27 capital reserve fund requirement for that fund. Within thirty  
4 28 days after the beginning of the session of the general  
4 29 assembly next following the delivery of the certificate, the  
4 30 governor may submit to both houses printed copies of a budget  
4 31 including the sum, if any, required to restore each capital  
4 32 reserve fund to the capital reserve fund requirement for that  
4 33 fund. Any sums appropriated by the general assembly and paid  
4 34 to the authority treasurer of state pursuant to this section  
4 35 shall be deposited in the applicable capital reserve fund.

5 1 6. All amounts paid by the state pursuant to this section  
5 2 shall be considered advances by the state and, subject to the  
5 3 rights of the holders of any bonds of the authority treasurer  
5 4 of state that have previously been issued or will be issued,

5 5 shall be repaid to the state without interest from all  
5 6 available revenues of the fund in excess of amounts required  
5 7 for the payment of bonds of the authority treasurer of state,  
5 8 the capital reserve fund, and operating expenses.

5 9 7. If any amount deposited in a capital reserve fund is  
5 10 withdrawn for payment of principal, premium, or interest on  
5 11 the bonds or sinking fund payments with respect to bonds thus  
5 12 reducing the amount of that fund to less than the capital  
5 13 reserve fund requirement, the authority treasurer of state  
5 14 shall immediately notify the governor and the general assembly  
5 15 of this event and shall take steps to restore the capital  
5 16 reserve fund to the capital reserve fund requirement for that  
5 17 fund from any amounts designated as being available for such  
5 18 purpose.

5 19 Sec. 8. Section 455G.8, subsection 2, Code 2009, is  
5 20 amended to read as follows:

5 21 2. STATUTORY ALLOCATIONS FUND. The moneys credited from  
5 22 the statutory allocations fund under section 321.145,  
5 23 subsection 2, paragraph "a", shall be allocated, consistent  
5 24 with this chapter, among the fund's accounts, for debt service  
5 25 and other fund expenses, according to the fund budget,  
5 26 resolution, trust agreement, or other instrument prepared or  
5 27 entered into by the board or authority treasurer of state  
5 28 under direction of the board.

5 29 Sec. 9. Section 16.151, Code 2009, is repealed.

5 30 Sec. 10. 1989 Iowa Acts, chapter 131, section 63, is  
5 31 repealed.

5 32 Sec. 11. EFFECTIVE DATE. This Act, being deemed of  
5 33 immediate importance, takes effect upon enactment.

5 34 EXPLANATION

5 35 This bill relates to bonding authority for the Iowa  
6 1 comprehensive petroleum underground storage tank fund.

6 2 Currently, the Iowa comprehensive petroleum underground  
6 3 storage tank fund board may contract with the Iowa finance  
6 4 authority for purposes of the authority issuing bonds for the  
6 5 Iowa comprehensive petroleum underground storage tank fund.  
6 6 The bill transfers this authority to issue bonds from the Iowa  
6 7 finance authority to the treasurer of state and makes  
6 8 conforming amendments.

6 9 The bill eliminates a July 1, 2009, repeal of Code sections  
6 10 455G.6 and 455G.7, relating to bonding authority for the Iowa  
6 11 comprehensive petroleum underground storage tank fund.

6 12 The bill takes effect upon enactment.

6 13 LSB 2682XC 83

6 14 tm/nh/8

## B. Sioux City Airport Agreement

Steve Larson

Doug Beech concern about languishing issues

Scott suggests approve - passed

**B. Sioux City Airport Agreement**



# 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: Sioux City Airport (DNR UST Registration # 8608787)**

**DATE: March 25, 2009**

The Iowa UST Fund established a single benefit claim for the Sioux City Airport in March 1990. During the next few years, all expenses incurred at the airport sites were allocated to that claim. As of July 1993, the Board had approved expenses of \$610,580.22 for tank removal, soil disposal and a remedial system for free product recovery. More than 30,000 gallons of product had already been recovered at that time and conservative estimates suggested that more than 100,000 gallons of product remained.

In the mid-1990's, discussions began regarding the allocation of the funding at the airport site. DNR has recognized multiple LUST sites at the airport and accordingly, the City of Sioux City requested funding be allocated in a similar manner. After numerous discussions, this was agreed upon however, reallocation of prior costs proved difficult. Unable to resolve all differences, in October 1998 the then Fund Administrator presented an offer to the City of Sioux City based on the following accounts:

Board approved expenses (1989 – 1998)	\$938,712.03
Reimbursed expenses (as of October 1998)	\$630,762.82
City co-pay (old formula- 35% over \$80,000 in CA costs)	\$307,949.21
City co-pay (new formula – 18% of first \$80,000 in CA costs)	\$14,400.00
Co-pay reimbursement to City	\$293,549.21
Board approved expenses	\$938,712.03
Less reallocated investigation costs	\$51,739.50
Board approved expenses specific to Bldg. 941	\$886,972.53
Board approved expenses	\$938,712.03
Less current co-pay amount	\$14,400.00
Less reallocated investigation costs	\$51,739.50
Adjusted expenses	\$872,572.53
<b>Remaining (as of July 1998)</b>	<b>\$127,427.47</b>

The offer would provide the following:

1. Reallocate \$51,739.50 of assessment costs to five (5) separate LUST sites at the airport
2. Provide that each of the 5 LUST sites associated with the City's operations will remain eligible for funding, up to the statutory cap of \$1 million each subject to co-payment and other eligibility criteria
3. Costs previously allocated to the original claim (for the LUST site at Bldg. 941) would be reallocated so that \$127,427.47 of funding would remain available for future activities up to the statutory cap.
4. The City would be provided a refund of the adjusted co-payment already incurred for \$293,549.21, less \$13,400 which would be reimbursed to Jetsun Aviation for prior tank pull activities.

In December 1999 the City of Sioux City formally accepted the offer, however an agreement was never completed. It is therefore recommended the Administrator be granted authorization to finalize such an agreement for the Sioux City Airport sites.

Current status

DNR has established 15 LUST sites at the airport facility; 12 of which are classified NAR and the remaining 3 are classified NAR with free product.

Since the mid-1990's, the DNR and the City of Sioux City have attempted to negotiate a cost-share agreement with the US Army Corps of Engineers (USACOE) to undertake free product assessment and recovery activities at the three remaining LUST sites at the airport facility. The City of Sioux City and the USACOE did have an agreement in place for a few years to jointly share costs for assessment however that agreement has ended. In a letter dated February 10, 2009, the DNR noted that despite numerous discussions with the USACOE an agreement is not forthcoming and at this time the Department is not prepared to initiate litigation with the Federal government.

Since the City of Sioux City did own or operate USTs at the airport facility, the DNR is currently looking to the City of Sioux City to perform work at the 3 remaining sites with free product. Of these, two are eligible for funding. Accordingly, it is requested funding authority be granted for future free product assessment and recovery in the following amounts:

- 1) Bldg. 941 site (LUST # 7LTG36): authority to \$1 million.

Comments: Based on the 1998 offer / agreement, funding for Bldg. 941 activities is limited by the \$1M statutory cap, with \$127,427.47 remaining. Costs incurred since 1999 have included a RBCA assessment, paid at 50% due to an outside agreement between the City and the US Army Corps of Engineers. That agreement has expired and currently no further involvement by the USACOE is expected. Thus, remaining funds are \$112,634.02.

- 2) Bldg. 611/612 (LUST # 8LTI77): authority to \$250,000.00

Comments: Based on the 1998 offer / agreement, funding for the Bldg. 611/612 complex is limited to the \$1 million cap, subject to the normal co-payment obligation of \$14,400. A global opt-in claim is possible for this site with proper documentation.

## **C. DNR Update**

## Approval of Program Billings

Approved



IOWA UNDERGROUND STORAGE TANK  
*Financial Responsibility Program*

5

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: March 26, 2009  
SUBJECT: Carry-In Board Expenses

---

**\*NOTICE\***

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

1. Nancy Lincoln .....\$112.32  
Travel to the February 27, 2009 Board meeting in Des Moines

Attach supporting documentation to the back of this form

# STATE OF IOWA

## GAX (NON-EMP)

RESIDENTIAL DOMICILE 	<h3>NON-EMPLOYEE EXPENSES</h3>	DOCUMENT NUMBER
--------------------------	--------------------------------	-----------------

PURPOSE OF TRAVEL <input checked="" type="checkbox"/> NORMAL JOB DUTIES <input type="checkbox"/> MEETING <input type="checkbox"/> TRAINING	<input type="checkbox"/> CONFERENCE/SEMINAR <input type="checkbox"/> STAFF DEVELOPMENT <input type="checkbox"/> REQUIRED BY FEDERAL GOVERNMENT	<input checked="" type="checkbox"/> OTHER (SPECIFY) Iowa UST Board Meeting
---	--	---

NAME AND HOME ADDRESS Nancy Lincoln	ALTERNATE ADDRESS (send warrant to)	ACCOUNTING USE ONLY-REFERENCE ALL OTHER RELATED DOCUMENTS			
		DOC #	DATE PAID	DOC #	DATE PAID

YEAR	TIME		TRAVEL		STATE VEHICLE			MEALS				LOGGING		TRANSPORTATION AND OTHER EXPENSES	
	LEFT	RETURNED	FROM	TO	MILES	RATE	CHARGE	BREAKFAST	LUNCH	DINNER	TOTAL	REIMB TOTAL	ACTUAL	REIMB TOTAL	AMOUNT
2008															
	2/27	7:30am	4:00pm	Glenwood Iowa	Des Moines, Iowa	288	.39	112.32							
<b>TOTALS</b>					288		112.32								

TRANS/OTHER EXPENSE A-AIR B-BUS/CAB D-LD PHONE F-LOCAL PHONE L-LAUNDRY P-PARKING R-REGISTRATION S-SUPPLIES T-TOLLS O-OTHER SPECIFY HERE	DOCUMENT TOTAL  LESS ADVANCES  REIMBURSEMENT REQUESTED	112.32   112.32
---	--	--------------------------

<b>CLAIMANT'S CERTIFICATION</b> I CERTIFY THAT THE ITEMS FOR WHICH PAYMENT/REIMBURSEMENT IS CLAIMED WERE FURNISHED FOR STATE BUSINESS UNDER THE AUTHORITY OF THE LAW AND THAT THE CHARGES ARE REASONABLE, PROPER, AND CORRECT, AND NO PART OF THIS CLAIM HAS BEEN REIMBURSED OR PAID BY THE STATE, EXCEPT ADVANCES SHOWN, AND I UNDERSTAND THE ROUTINE USES OF THIS FORM.	<b>DEPARTMENT CERTIFICATION</b> I CERTIFY THAT THE ABOVE EXPENSES WERE INCURRED AND THE AMOUNTS ARE CORRECT AND SHOULD BE PAID FROM THE FUNDS APPROPRIATED BY: <b>CODE OR CHAPTER SECTIONS(S)</b>
COMMUTING MILES EXCLUDED? <input type="checkbox"/> Y <input type="checkbox"/> N TRAVEL INCLUDES VICINITY MILES? <input checked="" type="checkbox"/> Y <input type="checkbox"/> N DIRECT DEPOSIT? <input type="checkbox"/> Y <input checked="" type="checkbox"/> N WARRANT TO ALT ADDR? <input type="checkbox"/> Y <input checked="" type="checkbox"/> N	TRAVEL AUTHORITY # / BLANKET TRAVEL #
TITLE: Board Member DEPARTMENT TO BE CHARGED: Iowa UST Fund (Agency 656) Fund 0450	TRAVEL APPROVAL (SUPERVISOR'S SIGNATURE)
CLAIMANT'S SIGNATURE: _____ DATE: _____	

<b>DOCUMENT TOTAL</b>	<b>112.32</b>
-----------------------	---------------

GAX (NON-EMP)
WARRANT #
PAID DATE



# 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: March 20, 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 April 2009 -- \$70,639.00  
Claims Processing Services April 2009 -- \$56,580.00
  
2. Attorney General's Office .....\$8,306.20  
Services provided for Underground Storage Tank Program  
February 2009 Billing

## Iowa Comprehensive Petroleum

Invoice No. 9500000072242

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. 16975  
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	Feb-16-2009	US DOLLAR	Scott Scheidel

Named Insured	Service Term	Trans. Eff. Date	Description	Amount
Iowa Comprehensive Petroleum	Jan-01-2009 - Jan-01-2010	Apr-01-2009	Renewal - Service Fee	
<b>Comments</b> Installment 4 of 12			Service Fee	70,639.00
<b>TOTAL INVOICE AMOUNT DUE</b>				<b>70,639.00</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	9500000072242	Feb-16-2009	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. 9500000072243

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	Feb-16-2009	US DOLLAR	Scott Scheidel

Named Insured	Service Term	Trans. Eff. Date	Description	Amount
Iowa Comprehensive Petroleum	Jan-01-2009 - Jan-01-2010	Apr-01-2009	Renewal - Service Fee	
<b>Comments</b> Installment 4 of 12			Service Fee	0.00
			Consulting Expense	56,580.00
<b>TOTAL INVOICE AMOUNT DUE</b>				<b>56,580.00</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	9500000072243	Feb-16-2009	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

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



Invoice Date: 03/05/09

**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:** February

---

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

Document Number	Account Coding				Rev Source	Description	Amount
	Fund	Agency	Org	Sub Org			
112AG030509027	0001	112	2301		0285		\$ 8,306.20

---

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

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

Billing Period:	<b>February</b>
Billing Total:	<b>\$8,306.20</b>
DSS @ 33%	\$1,876.95
TDB @ 25%	\$1,368.69
RCH @15%	\$572.90
CLJ @25%	\$783.61
Payroll: 2/5/09	\$4,602.15
DSS @ 33%	\$1,563.92
TDB @ 25%	\$1,175.42
RCH @15%	\$424.11
CLJ @25%	\$540.60
Payroll: 2/19/09	\$3,704.05
Total Misc:	
	\$8,306.20

**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** **15%**

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

**CLJ = Cindy Jacobs** **25%**

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.

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

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND  
STATEMENT OF FUND BALANCES  
FOR THE MONTH ENDING FEBRUARY 28, 2009**

(6B)

**UST REVENUE FUND (Bonding)**

**Balance of Fund, February 1, 2009** \$8,885,000.00

**Receipts:**

Tank Management Fees	\$0.00	
Motor Vehicle Use Tax (IDOT - vehicle registration)	\$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, February 28, 2009** \$8,885,000.00

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

**Balance of Fund, February 1, 2009** \$3,799,588.28

**Receipts:**

Request for Proposal Fees	\$0.00	
Copying/Filing Fees	\$0.00	
Fines & Penalties	\$2,812.50	
Refund/Overpayment	\$8,250.00	
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	\$13,895.70	
	\$13,895.70	\$24,958.20

**Disbursements:**

UST Administrator's Fees	\$0.00	
Attorney General's Fees	\$0.00	
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	\$0.00	
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 FEBRUARY 28, 2009**

Iowa Finance Authority Expenses	\$0.00	
Legal and Professional Fees	\$0.00	
Postage / Printing / Miscellaneous	\$0.00	
Professional Administrative Services (Investments, etc.)	\$0.00	
Rebate	\$0.00	
Tank Closure Claims & Plastic Waterline Claims	\$2,794.00	
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	\$0.00	
	\$2,794.00	
<b>Balance of Fund, February 28, 2009</b>		<b>\$3,821,752.48</b>

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

<b>Balance of Fund, February 1, 2009</b>		<b>\$2,601,181.28</b>
<b>Receipts:</b>		
Remedial Refunds	\$2,043.81	
Misc. Income (i.e. eligibility settlements)	\$0.00	
Interest Income	\$0.00	
Transfer Received from Unassigned Revenue Fund	\$0.00	
		\$2,043.81
<b>Disbursements:</b>		
Retroactive Claims	\$190,364.75	
Remedial Claims	\$273,034.49	
Balance of Outdated Warrants	(\$2,006.54)	
	\$461,392.70	
<b>Balance of Fund, February 28, 2009</b>		<b>\$2,141,832.39</b>

**0478 - UST MARKETABILITY FUND**

<b>Balance of Fund, February 1, 2009</b>		<b>\$437,538.32</b>
<b>Receipts:</b>		
Interest	\$33,034.39	
Use Tax	\$0.00	
	\$33,034.39	
<b>Disbursements:</b>		
Intra State Fund Transfer	\$0.00	
	\$0.00	
<b>Balance of Fund, February 28, 2009</b>		<b>\$470,572.71</b>

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND  
STATEMENT OF FUND BALANCES  
FOR THE MONTH ENDING FEBRUARY 28, 2009**

**0405 - UST INNOCENT LANDOWNERS FUND**

<b>Balance of Fund, February 1, 2009</b>		\$9,590,750.89
<b>Receipts:</b>		
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
<b>Disbursements:</b>		
Transfer to Unassigned Revenue Fund	\$0.00	
Other Contractual Services	\$0.00	
Global Settlement Claims	\$22,587.97	
Innocent Landowner Claims	\$67,597.69	
Balance of Outdated Warrants	(\$440.46)	
		\$89,745.20
<b>Balance of Fund, February 28, 2009</b>		<b>\$9,501,005.69</b>

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

<b>Balance of Fund, February 1, 2009</b>		\$270,435.58
<b>Receipts:</b>		
Interest Income	\$860.65	
		\$860.65
<b>Disbursements:</b>		
Intra State Fund Transfer	\$0.00	
Payments on Loan Losses	\$0.00	
		\$0.00
<b>Balance of Fund, February 28, 2009</b>		<b>\$271,296.23</b>

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

<b>Balance of Fund, February 28, 2009</b>		\$0.00
<b>Combined UST Capital Reserve Fund Balances, February 28, 2009</b>		<b>\$0.00</b>
<b>TOTAL FUND BALANCES, February 28, 2009</b>		<b>\$25,091,459.50</b>

**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.

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND**  
**STATEMENT OF FUND BALANCES**  
**FISCAL YEAR TO DATE ENDING FEBRUARY 28, 2009**

6C

		FISCAL 2009 BUDGET
<b>0471 - UST REVENUE FUND (Bonding)</b>		
<b>Balance of Fund, July 1, 2008</b>		\$0.00
<b>Receipts:</b>		
Tank Management Fees	\$385,000.00	\$800,000.00
Motor Vehicle Use Tax	\$8,500,000.00	\$17,000,000.00
Intra State Fund Transfers Received	\$0.00	
Interest Income	\$0.00	
Interest Income - Capital Reserve Fund	\$0.00	
	\$8,885,000.00	\$17,800,000.00
<b>Disbursements:</b>		
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
<b>Balance of Fund, February 28, 2009</b>	<b>\$8,885,000.00</b>	<b>\$0.00</b>
<b>0450 - UST UNASSIGNED REVENUE FUND (Non-Bonding)</b>		
<b>Balance of Fund, July 1, 2008</b>		\$10,303,265.43
<b>Receipts:</b>		
Request for Proposal Fees	\$0.00	
Copying/Filing Fees	\$0.00	
Fines & Penalties	\$8,002.50	\$10,000.00
Refund/Overpayment	\$20,721.54	
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	\$680,160.42	\$1,800,000.00
	\$790,546.64	\$15,370,000.00
<b>Disbursements:</b>		
UST Administrator's Fees	\$991,279.09	\$1,412,712.00
Attorney General's Fees	\$59,476.84	\$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	\$5,302.48	\$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 FEBRUARY 28, 2009**

		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	(\$37,681.05)	\$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
	<b>\$7,272,059.59</b>	<b>\$12,673,918.00</b>
<b>Balance of Fund, February 28, 2009</b>	<b>\$3,821,752.48</b>	<b>\$12,999,347.43</b>
<b>0208 - UST REMEDIAL NON-BONDING FUND</b>		
<b>Balance of Fund, July 1, 2008</b>	<b>\$5,734,239.12</b>	<b>\$5,734,239.12</b>
<b>Receipts:</b>		
Remedial Refunds	\$6,016.27	\$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
	<b>\$6,016.27</b>	<b>\$4,253,000.00</b>
<b>Disbursements:</b>		
Retroactive Claims	\$412,876.10	\$600,000.00
Remedial Claims	\$3,188,358.94	\$7,000,000.00
Balance of Outdated Warrants	(\$2,812.04)	
	<b>\$3,598,423.00</b>	<b>\$7,600,000.00</b>
<b>Balance of Fund, February 28, 2009</b>	<b>\$2,141,832.39</b>	<b>\$2,387,239.12</b>
<b>0478 - UST MARKETABILITY FUND</b>		
<b>Balance of Fund, July 1, 2008</b>	<b>\$101,715.84</b>	<b>\$101,715.84</b>
<b>Receipts:</b>		
Interest	\$368,856.87	\$200,000.00
Use Tax	\$0.00	
	<b>\$368,856.87</b>	<b>\$200,000.00</b>
<b>Disbursements:</b>		
Intra State Fund Transfer	\$0.00	
	<b>\$0.00</b>	<b>\$0.00</b>
<b>Balance of Fund, February 28, 2009</b>	<b>\$470,572.71</b>	<b>\$301,715.84</b>

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND  
STATEMENT OF FUND BALANCES  
FISCAL YEAR TO DATE ENDING FEBRUARY 28, 2009**

		FISCAL 2009 BUDGET
<b>0485 - UST INNOCENT LANDOWNERS FUND</b>		
<b>Balance of Fund, July 1, 2008</b>		\$10,192,565.89
<b>Receipts:</b>		
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	
	<u>\$8,500.00</u>	<u>\$4,260,000.00</u>
<b>Disbursements:</b>		
Transfer to Unassigned Revenue Fund	\$0.00	
Other Contractual Services	\$0.00	
Global Settlement Claims	\$149,513.84	\$300,000.00
Innocent Landowner Claims	\$550,986.82	\$2,000,000.00
Balance of Outdated Warrants	(\$440.46)	
	<u>\$700,060.20</u>	<u>\$2,300,000.00</u>
<b>Balance of Fund, February 28, 2009</b>		<u>\$9,501,005.69</u>
<b>0238 - UST LOAN GUARANTEE FUND (Non-Bonding)</b>		
<b>Balance of Fund, July 1, 2008</b>		\$255,595.82
<b>Receipts:</b>		
Interest Income	\$15,700.41	\$10,000.00
	<u>\$15,700.41</u>	<u>\$10,000.00</u>
<b>Disbursements:</b>		
Payments on Loan Losses	\$0.00	
Transfer to Unassigned Revenue Fund	\$0.00	\$0.00
	<u>\$0.00</u>	<u>\$0.00</u>
<b>Balance of Fund, February 28, 2009</b>		<u>\$271,296.23</u>
<b>0614 - UST CAPITAL RESERVE FUNDS (Bonding)</b>		
<b>Combined UST Capital Reserve Fund Balances, February 28, 2009</b>		<u>\$0.00</u>
<b>TOTAL FUND BALANCES, February 28, 2009</b>		<u>\$25,091,459.50</u>
		<u>\$28,106,464.10</u>

**FOOTNOTES:**

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

## **A. February Activity Report**

Iowa UST Fund  
Monthly Activities Report

February 2009

	Open Claims	Open & Closed	Open Claims	Open & Closed
Claims	January Ending	Monthly Net Changes	February Ending	Totals since Inception
<b>RETROACTIVE</b>				
number	69	(1)	68	444
reserve	\$3,191,150.87	(\$85,504.49)	\$3,105,646.38	\$3,105,646.38
paid	\$8,300,849.13	\$158,573.67	\$8,459,422.80	\$14,966,755.98
total	\$11,492,000.00	\$73,069.18	\$11,565,069.18	\$18,072,402.36
<b>REMEDIAL</b>				
number	795	(1)	794	4,438
reserve	\$39,838,398.75	\$183,307.57	\$40,021,706.32	\$40,021,706.32
paid	\$89,202,656.00	(\$89,737.48)	\$89,112,918.52	\$184,165,808.19
total	\$129,041,054.75	\$93,570.09	\$129,134,624.84	\$224,187,514.51
<b>INNOCENT LANDOWNER</b>				
number	224	2	226	1,056
reserve	\$8,300,452.61	(\$110,661.87)	\$8,189,790.74	\$8,189,790.74
paid	\$11,600,288.95	\$98,067.39	\$11,698,356.34	\$23,139,045.42
total	\$19,900,741.56	(\$12,594.48)	\$19,888,147.08	\$31,328,836.16
<b>GLOBAL OPT-IN</b>				
number	228	1	229	1,274
reserve	\$1,379,951.01	(\$7,587.97)	\$1,372,363.04	\$1,372,363.04
paid	\$1,774,741.81	(\$1,412.03)	\$1,773,329.78	\$9,025,763.87
total	\$3,154,692.82	(\$9,000.00)	\$3,145,692.82	\$10,398,126.91
<b>UNASSIGNED PROJECTS</b>				
number	16	0	16	183
reserve	\$160,736.00	(\$8,684.50)	\$152,051.50	\$152,051.50
paid	\$284,264.00	\$2,794.00	\$287,058.00	\$2,594,238.03
total	\$445,000.00	(\$5,890.50)	\$439,109.50	\$2,746,289.53

Corrective Action Meetings	
Scheduled:	97
Completed:	888
MOA's	446

<b>RT Claims</b>	<b>#</b>
New	0
Reopened	0
Closed	1
<b>RM Claims</b>	<b>#</b>
New	1
Reopened	1
Closed	3
<b>ILO Claims</b>	<b>#</b>
New	0
Reopened	2
Closed	0
<b>GS Claims</b>	<b>#</b>
New	5
Reopened	0
Closed	5
<b>PROJ Clms</b>	<b>#</b>
New	1
Reopened	0
Closed	1

Invoice Type Totals	February	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	639.60	52,383.33	\$4,135,870
Corrective Action	22,587.97	158,780.33	\$50,123,868
Free Prod Recover	40,515.37	419,622.16	\$7,652,821
Monitoring	171,176.70	1,242,826.48	\$20,365,993
New UST Pull 2004	34,275.14	319,440.80	\$1,277,459
Operations/Maint	39,267.89	475,610.23	\$7,162,352
Over-excavation	147,773.80	585,136.34	\$22,406,707
Plastic Water Lines	0.00	101,350.72	\$1,615,718
Post RBCA Evals	250.00	8,966.25	\$132,660
RBCA	4,250.00	107,760.61	\$24,720,348
Remed Imp/Const.	39,641.05	367,336.72	\$22,609,411
SCR Charges	0.00	0.00	\$54,174,422
Site Check	0.00	656.00	\$125,396
Soil Disposal	0.00	479.53	\$607,812
Tank (UST) Pull	0.00	19,507.96	\$4,980,329
Tank (UST) Upgrade	0.00	0.00	\$5,880,860
Tier III	10,773.19	16,142.59	\$1,137,667
Utilities	36,325.98	158,512.20	\$979,239
Well Closure	7,902.21	122,118.43	\$2,502,326
<b>Total Invoice Types</b>	<b>555,378.90</b>	<b>4,156,630.68</b>	<b>\$245,851,646</b>

Budgets Approved to Date		
February	1	\$137,018
Trailing 12 mos	29	\$1,345,853
Prev Trail 12 mos	41	\$2,112,000
Total Since Jan 2003	916	\$34,073,507

Project Contracts	Open	Closed	Pending
CRP's	21	33	0
Tank Closure	2	3	0
Plastic Water Line	2	0	0

## **B. February Financial Report**

**C. Year to Date Financial Report as of  
February 28, 2009**

\$ 5.6M diverted in March

## **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	8601909	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 2nd 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	\$110,000		
18	8610182	Winston Service Center	01/23/09				\$83,117	\$130,000	\$130,000		PGS
19	8606249	Country Stores of Carroll	08/21/01	01/23/09			\$97,568	\$300,000	\$300,000	\$44,560	private dww
20	7910583	Amana Society, Inc.	02/27/09				\$36,364	\$200,000	\$200,000		dww
21	8601898	Ports Petroleum Co, Inc.	02/27/09				\$56,890	\$220,000	\$220,000		PGS
22	8600035	Northeast Hamilton Comm Schoo	02/27/09				\$75,556	\$213,000	\$213,000		2 municipal dww
23	8603357	Kwik Trip #709, New Hartford	08/02/94	03/27/09			\$198,593	\$434,000		\$24,838	





**Contracts Entered Into  
Since February 27, 2009 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:**        Marcy 20, 2009

**RE:**            Contracts Entered Into Since February 27, 2009

---

The Board has entered into one contract extension with Array Environmental for a community remediation project at sites in both College Springs and Coin, Iowa for another year.

## Other Issues as Presented

Steve - asked Scott for update on Legist.  
and impact on UST Board, and budget  
- asked DNR on budget impacts

## **Correspondence and Attachments**