



IOWA UNDERGROUND STORAGE TANK FUND

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January 16, 2015

Mr. Glen Dickinson
Legislative Council
State Capitol Building
Des Moines, IA 50319

Dear Mr. Dickinson,

We are pleased to provide the attached report regarding the Iowa Comprehensive Underground Storage Tank Fund (UST Fund) progress for activities through the end of the 2nd quarter of FY2015. The report is submitted pursuant to Iowa Code Section 455G.4(6) titled "Reporting".

The code section calls for the report to include the following items:

- Total open claims, including identification of the number of new claims
- IDNR risk classification associated with open claims
- Total reserve figures
- Summary of budgets approved during the reporting period
- Breakdown of categories of claim payment expenditures during the reporting period

Some of the information in the attached report tables is obtained from the Department of Natural Resources (IDNR), but the report numbers deal with UST Fund claims and therefore do not include all IDNR reported releases since not all meet the eligibility criteria of Iowa Code Section 455G.

Included in this report are two tables; the first provides a summary of the program status areas, while the second provides a snapshot of the current claim activities.

This report will be submitted following the close of each quarter throughout the year to this council, the Chair and Ranking members of the House Environmental Protection Committee and the Senate committee on Natural Resources and the Environment consistent with Iowa Code Section 455G.4.

If you would like to discuss the enclosed report or other issues associated the UST Fund, please call the Fund Administrator, Mr. Dale Cira (cell phone (314) 443-4776) or you can call me at the UST Fund Administrator's office at 515/440-7016.

Sincerely,

James Gastineau
Deputy Administrator

Enclosures: Fund Status Report
December 2014 Activities Report

UST Fund Program Status Areas 2Q FY2015 (December 31, 2014)

1. Financial Balances

	12/31/2014	6/30/2014	6/30/2013	6/30/2012	6/30/2011
Revenue Fund	\$7,528,668	\$524,210	\$14,470,480	\$16,326,235	\$9,290,721
Unassigned Revenue	\$10,751,353	\$11,681,366	\$8,133,085	\$745,123	\$4,701,810
Remedial Fund	\$5,659,598	\$8,681,846	\$4,347,071	\$3,510,808	\$2,476,236
Marketability	\$768,978	\$755,308	\$742,024	\$730,433	\$717,264
Innocent Landowner	\$8,283,799	\$8,604,467	\$2,176,164	\$2,963,372	\$3,789,762
Loan Guarantee	\$ -0-	\$ -0-	\$ -0-	\$277,723	\$276,905
Capital Reserve Funds	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total	\$32,992,395	\$30,247,200	\$29,868,825	\$24,553,694	\$21,252,698

Previous and Pending Transfers

FY2005--\$5 million
 FY2007--\$3.5 million
 FY2008--\$6.5 million
 FY2009--\$4.9 million
 FY2011--\$26.4 million
 FY2012--\$3 million

Paid on Claims

\$ 7.0 million FY2010
 \$ 5.8 million FY2011
 \$ 6.6 million FY2012
 \$ 7.6 million FY 2013
 \$10.1 million FY 2014
 \$ 4.1 million FY 2015 (as of 12/31/14)

2. Operational

Changes

- Claim counts trending downward
- Seeking method to re-activate stalled claims
- Negotiating closure of commingled claims through transfer to counterparty
- Focus on remaining mission— to close state liabilities for old cleanups with finality
- Actuarial review of program in progress (1st quarter 2015) to verify liabilities

Expected Results

- Continued reduction of claim count
- Verification of program liabilities from actuarial review
- Progress toward closure within current funding sunset parameters (June 30, 2016)

3. Results -- LUST Sites and Classifications by IDNR in relation to Open UST Fund claims

	12/16/2014	%	Remedial	Retro-active	Innocent Landowner	Total
Total LUST Sites:	6,597					
Total Active LUST Sites:	857	13%	378	30	135	543
Not Classified LUST sites	121		0	2	8	10
Low Risk LUST Sites:	183		88	5	36	129
High Risk LUST Sites:	476		239	23	71	333
Total NFA LUST Sites:	5,623	85%	14	2	8	24

UST Fund Open Claim Files

	December 2014 with Liability	Jun 2014	Jun 2013	Jun 2012	Jun 2011	Jun 2010	Jun 2009
Retroactive Claims	30 claims --\$ 1.4 million	31	36	39	44	54	61
Remedial Claims	378 claims --\$ 20.3 million	414	481	532	609	712	767
Innocent LO Claims	135 claims --\$ 5.3 million	140	153	162	187	206	217
Totals	543 claims--\$ 27.1 million	585	733	840	972	1,045	1,148

Dec-14

Claims	Open Claims November Ending	Monthly Net Changes	Open Claims December Ending	Open & Closed Totals since inception
RETROACTIVE				
number	30	0	30	447
reserve	\$1,477,392.26	(\$32,051.26)	\$1,445,341.00	\$1,445,341.00
paid	\$6,336,130.02	\$32,051.26	\$6,368,181.28	\$17,662,477.61
	\$7,813,522.28	\$0.00	\$7,813,522.28	\$19,107,818.61
REMEDIAL				
number	386	(8)	378	4,459
reserve	\$19,979,810.32	\$254,884.86	\$20,234,695.18	\$20,234,695.18
paid	\$72,632,915.01	(\$1,352,713.70)	\$71,280,201.31	\$212,355,892.71
total	\$92,612,725.33	(\$1,097,828.64)	\$91,514,896.49	\$232,590,587.89
INNOCENT LANDOWNER				
number	137	(2)	135	1,129
reserve	\$4,808,306.30	\$153,805.11	\$4,962,111.41	\$4,962,111.41
paid	\$11,244,295.24	(\$190,919.08)	\$11,053,376.16	\$30,086,335.03
total	\$16,052,601.54	(\$37,113.97)	\$16,015,487.57	\$35,048,446.44
GLOBAL OPT-IN				
number	90	(3)	87	1,301
reserve	\$426,264.61	(\$24,383.11)	\$401,881.50	\$401,881.50
paid	\$735,507.03	(\$17,616.89)	\$717,890.14	\$9,696,682.95
total	\$1,161,771.64	(\$42,000.00)	\$1,119,771.64	\$10,098,564.45
UNASSIGNED REVENUE FUND PROJECTS				
number	53	0	53	259
reserve	\$1,324,514.44	\$86,624.00	\$1,411,138.44	\$1,411,138.44
paid	\$371,485.56	(\$26,624.00)	\$344,861.56	\$2,808,641.70
total	\$1,696,000.00	\$60,000.00	\$1,756,000.00	\$4,219,780.14
NFA RE-EVALUATIONS				
number	18	(1)	17	53
reserve	\$376,971.31	(\$30,300.86)	\$346,670.45	\$346,670.45
paid	\$403,028.69	\$90,300.86	\$493,329.55	\$1,073,814.84
total	\$780,000.00	\$60,000.00	\$840,000.00	\$1,420,485.29
TANK PULLS				
number	47	4	51	374
reserve	\$628,407.00	\$45,001.00	\$673,408.00	\$673,408.00
paid	\$11,474.26	(\$11,474.26)	\$	\$3,841,071.93
total	\$639,881.26	\$33,526.74	\$673,408.00	\$4,514,479.93

Corrective Action Meetings (12/18/2014)	
Scheduled:	7
Completed:	1,231
MOA's	487

UST Operator Training	
UST Operators (A / B)	2,937
UST Operators (C)	349
A/B/C (FY2011-15)	\$347,050.00

RT Claims	#
New	0
Reopened	0
Closed	0

RM Claims	#
New	0
Reopened	1
Closed	8

ILO Claims	#
New	2
Reopened	0
Closed	4

GS Claims	#
New	0
Reopened	0
Closed	3

USTCA	#
New	4
Reopened	0
Closed	4

NFA Re-Eval	#
New	1
Reopened	0
Closed	2

Tank Pull	#
New	11
Reopened	0
Closed	7

DNR @ 12-2014	
Total LUST	6501
High Risk	476
Low Risk	183
NAR-FP	77
Not Class.	121
NAR, RNV	5644

Invoice Type Totals	DEC	FYTD	Program to Date
Aon - Admin	\$ 65,560.00	\$ 394,439.57	
Aon - Claims	\$ 39,000.00	\$ 234,000.00	
Government	\$ 23,156.23	\$ 217,866.78	
2004 Tank Pull	\$ -	\$ -	\$ 1,761,013.44
2010 Tank Pull	\$ 87,450.00	\$ 396,238.60	\$ 3,905,098.57
American Soils	\$ -	\$ -	\$ 5,678,422.58
AST Removal	\$ -	\$ -	\$ 3,306,435.24
AST Upgrade	\$ -	\$ -	\$ 7,911,496.87
CADR Charges	\$ -	\$ 54,726.11	\$ 4,572,278.95
Corrective Action	\$ 983.11	\$ 59,100.98	\$ 52,390,180.36
Expenses / OT	\$ 3,600.00	\$ 16,700.00	\$ 283,460.00
Free Prod Recover	\$ 38,754.05	\$ 300,265.77	\$ 10,844,679.92
Monitoring	\$ 159,025.00	\$ 805,390.07	\$ 30,060,886.30
Operations/Maint	\$ 12,050.81	\$ 136,949.42	\$ 10,030,763.82
Over-excavation	\$ 177,962.66	\$ 1,269,240.47	\$ 31,646,735.39
Water Lines	\$ 59,840.85	\$ 202,437.73	\$ 2,416,742.63
Post RBCA Evals	\$ 818.55	\$ 6,189.55	\$ 222,462.86
RBCA	\$ 43,466.55	\$ 188,137.70	\$ 26,324,454.72
Remed Imp/Const.	\$ 62,309.31	\$ 442,235.50	\$ 28,589,119.11
SCR Charges	\$ -	\$ -	\$ 54,217,410.26
Site Check	\$ 2,433.73	\$ 2,433.73	\$ 142,486.32
Soil Disposal	\$ -	\$ -	\$ 738,386.66
Tank (UST) Pull	\$ -	\$ 18,350.00	\$ 3,979,734.25
Tank (UST) Upgrade	\$ -	\$ -	\$ 3,440,849.83
Tier III	\$ 10,550.00	\$ 27,610.58	\$ 1,351,773.02
Utilities	\$ 7,768.63	\$ 65,862.29	\$ 2,033,959.62
Well Closure	\$ 28,538.02	\$ 154,131.59	\$ 3,767,085.69
Total Invoice Types	\$ 695,551.27	\$ 4,146,000.09	\$ 288,665,620

Remediation Budgets Approved to Date		
last month (Dec '14)	1	\$15,960
Trailing 12 mos	38	\$2,528,826
Prev Trail 12 mos	59	\$3,499,266
Total Since Jan 2003	1,152	\$47,823,775

Project Contracts	Open	Closed	Pending
CRP's	8	37	0
Tank Closure	2	5	0
Plastic Water Line	0	2	0