



MEMO

FROM: Kayla Lyon, Director, Dept. of Natural Resources

Cc: Ed Tormey, Division Administrator, Environmental Services Division
Alex Moon, Deputy Director, Dept. of Natural Resources
Tammie Krausman, Legislative Liaison, Dept. of Natural Resources
Amie Davidson, Bureau Chief, Land Quality Bureau

DATE: June 30, 2021

RE: Midwest Interstate Low-Level Radioactive Waste Compact Commission Annual Report

Pursuant to 457B.1, Article III, paragraph "i", subparagraph (1), the annual report of the activities of the Midwest Interstate Low-Level Radioactive Waste Compact Commission is submitted. The Compact is an agreement between the states of Indiana, Iowa, Minnesota, Missouri, Ohio and Wisconsin enacted into law by each member state legislature in the early 80s and received Congressional consent in 1985. The policy of the commission is to provide sufficient capacity for the safe and proper disposal of commercial low-level radioactive waste generated in the region while limiting the number of facilities required to accomplish this.

If there are any questions regarding this report please contact Amie Davidson, Chief, Land Quality Bureau, Department of Natural Resources at Amie.Davidson@dnr.iowa.gov or 515-330-8581.

Midwest Interstate Low-Level Radioactive Waste Compact Commission

Annual Report

for the period from July 1, 2019 to June 30, 2020

**A Report to the Citizens of the Midwest Compact
Region on the Activities of the Midwest Interstate
Low-Level Radioactive Waste Compact Commission**

January 2021



Midwest Interstate Low-Level Radioactive Waste Compact Commission

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c/o Minnesota Pollution Control Agency
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Annual Report

for the period from July 1, 2019 to June 30, 2020

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Introduction

An interstate compact is a formal agreement between two or more states. Under Article 1, Section 10 of the U.S. Constitution, states may form compacts with the consent of Congress to resolve conflicts or address common problems. More than 120 such compacts have focused on various subjects, including water, education, transportation, fisheries, health, and waste.

The Midwest Interstate Low-Level Radioactive Waste Compact is an agreement between the states of Indiana, Iowa, Minnesota, Missouri, Ohio, and Wisconsin that provides for the cooperative and safe disposal of commercial low-level radioactive waste. The Compact was enacted into law by each member state legislature during the period from 1982 through 1984, and received Congressional consent in 1985.

During the late 1970s, prior to formation of the Compact, all of the nation's low-level radioactive waste was shipped to three disposal facilities located in Nevada, South Carolina, and Washington. With the support of the National Governors' Association and the National Conference of State Legislatures, these three states demanded a more equitable distribution of waste disposal responsibility and development of new disposal facilities. Congress responded by enacting the Low-Level Radioactive Waste Policy Act of 1980. This Act was later replaced by the Low-Level Radioactive Waste Policy Amendments Act of 1985. The federal legislation made disposal of Class A, B, and C low-level radioactive waste a state responsibility.

To reduce the number of new disposal facilities, Congress encouraged states to form regional Compacts. Congress gave Compacts the unique authority to exclude waste from outside the boundaries of the compact region. States found this approach attractive because access to a regional disposal facility could be restricted solely to members of the compact. In addition, the approach allowed compact states to share the development costs for new disposal facilities.

Today, the Midwest Compact is one of eleven regional low-level radioactive waste compacts in the United States. Six states are not part of a compact.

This is the thirty-fifth report in the series of annual reports published by the Midwest Compact Commission, the Compact's administrative body. The report summarizes activities and actions during the preceding fiscal year (July 1, 2018 through June 30, 2019). As required by Article 111(k) of the Compact, the report also contains the Commission's FY 2019 audited financial statements and the report of its independent, certified public accountant.

In accordance with another provision of the Compact, Article III (i)(2), this annual report will be submitted to the member state governors and appropriate legislative officers.

The Commission

The Midwest Interstate Low- Level Radioactive Waste Compact Commission (the Commission) is the administrative body of the Compact. It consists of one voting Commissioner from each of the six-member states. Each state determines how it will appoint its Commissioner, and the state's Governor must provide written notification to the Commission of the Appointment of a Commissioner.

Advance notice is given for all meetings, which are open to the public, and actions are recorded in meeting minutes and posted on the website.

The Commission holds an annual meeting in June of each year to hear reports and adopt a general fund budget.

In alternate years, the Commission elects' officers to serve two-year terms. The Commission' Executive Director is the administrative officer of the Commission.

The following persons were serving as Commissioners and Alternate Commissioners as of November 2020:

MIDWEST COMPACT COMMISSIONERS

INDIANA

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ALTERNATE COMMISSIONERS

Vacant

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WISCONSIN

Paul Schmidt, Chair

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Vacant

The following were under contract with the Commission in FY 2020:

Commission Counsel Richard Ihrig, Lindquist & Vennum PLLP
Commission Auditor Keri Pickel, Boulay PLLP

Annual Meeting

Annual Meeting 2020

The Commission held its Annual Meeting via teleconference on June 11, 2020. Vice Chair Paul Schmidt presided and a quorum of commissioners and alternates attended. Due to the retirement of Chair Alex Moon, an election was held pursuant to the bylaws and nominations as received a month prior. Paul Schmidt was elected as Chair, and Michael Snee as Vice Chair. Executive Director Chiles reported on the meetings and activities of the Low-Level Radioactive Waste Forum, Inc.,

(“LLW Forum”) in which the Commission is a longstanding member. The Commission received the FY 2019 audit from Boulay, reviewed Commission expenses as budgeted for FY 2020, and adopted an administrative budget for FY 2021. Chiles reported that travel costs are down due to changes in LLW Forum meetings, driven by the COVID-19 pandemic: cancellation of the Spring meeting in Denver, followed by an online meeting format until further notice. The Commission reviewed the availability of disposal sites nationally. Draft minutes for the annual meeting can be found on the Commission website.

Public Involvement

The Commission has developed a website, www.midwestcompact.org, which has all of the information about the Commission and its activities. This technology will keep interested persons better informed than an occasional mailing would. The Commission encourages interested parties to use the website as a place of communication.

The Commission encourages public attendance at all of its meetings. Commission meetings are open to the public and noticed at least twenty days before the meeting. Public comment on agenda items is invited at the meetings.

Member states also distribute material on the subject within their jurisdiction.

Figure 1

What is Commercial Low-Level Radioactive Waste?

Commercial low-level radioactive waste is material that is contaminated with radioactivity. In 1995, there were 187 potential generators of such waste in the Midwest Compact region (including nuclear power plants, hospitals, universities, research institutions, government agencies, and industries) of which 49 actually shipped waste that was received at commercial disposal.

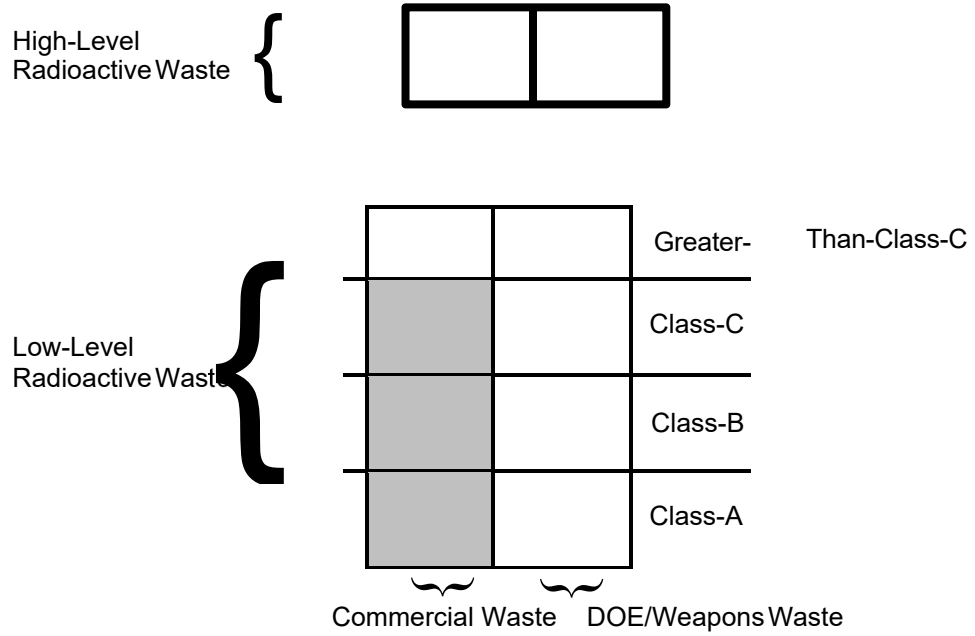
The number of generators shipping waste for disposal during any given year is subject to variation. The reasons for this variation can include the following: changes in product line or services offered substitution of different radioactive or nonradioactive materials, periodic maintenance, equipment replacement, decontamination and dismantlement activities, and temporary storage of waste pending collection of amounts sufficient for economical shipment.

The waste can consist of clothing, wipe rags, lab equipment and glassware, luminous dials, hand tools, sealed radiation sources (e.g., measurement devices), filters and filter resins, consumer products (e.g., smoke detectors), internal reactor parts, and demolition debris. Most of this waste (Class A) has low concentrations of radionuclides, although a very small amount of the waste (Class B and Class C) has higher concentrations and different management requirements.

Low level radioactive waste shipped to commercial disposal facilities does not include spent fuel from nuclear reactors, atomic weapons production waste, or uranium mine and mill residues. Nor does it include liquid waste that is explosive, pyrophoric, or chemically hazardous.

Figure 2

Radioactive Waste Disposal Responsibility (chart not proportional)



Waste that is the disposal responsibility of the Midwest Compact
Waste that is a federal disposal responsibility

Figure 3

MCC Proposed Budgets for FY 13, 14, 15, 16, 17, 18, 19, 20 and 21

Activity	FY 2013 Budget	FY 2014 Budget	FY 2015 Budget	FY 2016 Budget	FY 2017 Budget	FY 2018 Budget	FY 2019 Budget	FY 2020 Budget	FY 2021 Budget
Reimbursement for Executive Director	\$8,000	\$12,000	\$8,000	\$8,000	\$5,000	\$5,000	\$4,500	\$0	\$0
Reimbursement for clerical	300	300	300	300	300	300	0	0	0
Travel to LLW Forum meetings	2,300	2,000	2,000	2,000	2,200	2,200	2,600	2,700	2,700
MCC Annual Report - editing	1,500	1,500	1,500	1,600	1,600	1,600	500	500	500
Teleconference cost	40	40	50	50	10	10	0	0	0
Accounting – Boulay audit	10,200	10,600	8,000	8,000	8,000	9,000	9,460	9,740	10,200
Legal counsel	3,000	3,000	3,000	3,000	3,000	3,000	2,000	2,000	2,000
Website, Final Report, RBC fee	350	350	400	400	2,500	2,700	2,700	2,700	2,700
Record storage	550	550	400	400	0	0	0	0	0
LLW Forum - dues	9,500	8,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500
LLW Forum meeting sponsorship	0	5,000	5,000	0	7,500	0	0	0	0
Forum other	200	200	0	0	0	0	0	0	0
MCC other	0	0	0	0	0	0	0	0	0
Total	\$40,940	\$44,040	\$38,150	\$29,250	\$39,610	\$33,310	\$31,260	\$27,140	\$27,600

Rebate fund balance 4/30/2020	\$1,858,553
Rebate fund balance 4/30/2019	\$1,757,022
Net gain (after paid expenses)	\$101,531

Interregional Cooperation

The Midwest Compact Commission regularly interacts with other compacts and states. Among the notable activities and actions involving other compacts and states were the following:

Low-Level Radioactive Waste Forum

The Commission continues to participate actively in the Low-Level Radioactive Waste Forum, Inc. (LLW Forum). The LLW Forum is a national association of representatives of compacts, host states, unaffiliated states, and states with currently operating disposal facilities, as well as companies, operating sites, generators, processors and distributors. The Forum was established to facilitate the LLW Forum provides a Low-Level Radioactive Waste

implementation of the 1985 Policy Amendments Act. The LLW Forum provides an opportunity for compacts and states to share information and exchange views with officials of federal agencies and other interested parties. LLW Forum participants also serve as liaisons to other entities, including the Conference of State Radiation Control Program Directors, the Conference of State Legislatures, and the Federal Facility Compliance Act Task Force. The Commission is represented on the LLW Forum by its Chair, and the Executive Director attends the semi-annual meetings.

Export and Disposal of Midwest Compact Waste

By action of the Atlantic Compact, Midwest Compact region generators no longer

have access to the EnergySolutions disposal facility in Barnwell, South Carolina. Midwest Compact generators have access to the EnergySolutions disposal facility in Clive, Utah. The EnergySolutions facility generally accepts high volume, low activity Class A waste that does not exceed license limitations on radionuclide concentrations.

EnergySolutions, Inc. of Utah has over 200 million cubic feet of unused capacity.

The state of Texas has established a commercial disposal site. It is now available to Midwest Compact generators for the disposal of Classes A, B, and C waste. The high cost of transport and disposal has kept the amount of disposal low.

Looking Ahead

Exploration of Disposal Alternatives

The Commission intends to continue its exploration of opportunities that may arise for consolidation, contractual disposal arrangements, or other means of assuring generator access to existing disposal facilities. This includes review of the situation of currently operating facilities, as well as possibilities related to propose new, privately-developed disposal facilities.

Continued Support for New Disposal Capacity in Other Compacts

Although no longer developing a site of its own, the Commission will continue to actively support development activities in other compacts. Development efforts in other compacts are followed closely.

Commission Staffing

The Commission vests administrative functions in the Executive Director, a post filled by Stanley York of Wisconsin until his retirement from that post on June 9, 2017. On that date the Commission appointed James Chiles, alternate commissioner from Minnesota, as Executive Director.

The Commission's office address and phone are now located in the Environment and Energy Section of the Resource Management Assistance Division of the Minnesota Pollution Control Agency in St. Paul, Minnesota.

Figure 4a

Commercial LLRW Disposed at Andrews, Barnwell, Beatty, Clive, and Richland: 1986-2019

VOLUME (ft3)	1986	1987	1988	1989	1990	1991	1992
Indiana	295.51	2,257.06	1,891.97	2,150.31	1,956.01	5,723.62	2,715.14
Iowa	9,975.20	18,795.26	7,206.61	6,055.37	5,557.86	12,815.37	5,447.79
Minnesota	28,655.60	20,250.67	15,477.16	21,954.29	26,985.22	43,520.53	40,197.42
Missouri	27,307.48	28,782.69	11,911.77	18,802.64	19,609.59	19,055.46	11,271.86
Ohio	16,541.70	20,882.17	22,585.21	58,866.18	24,146.85	24,335.89	22,339.31
Wisconsin	6,252.10	9,792.73	10,599.36	6,880.93	9,217.32	7,228.19	6,884.60
TOTALS	89,027.59	100,760.58	69,672.08	114,709.72	87,472.85	112,679.06	88,856.12

	1993	1994	1995	1996	1997	1998	1999
Indiana	967.15	1,622.81	100.78	341.01	380.93	84.69	707.21
Iowa	1,979.32	3,179.02	2,058.00	3,644.73	1,419.18	1,039.89	1,531.76
Minnesota	5,056.68	1,932.46	2,466.63	4,071.20	1,873.55	1,389.38	1,838.92
Missouri	3,178.02	5,896.82	6,998.54	14,680.10	8,691.32	17,133.50	8,703.04
Ohio	6,637.84	20,833.52	49,464.57	158,622.35	155,730.83	127,866.59	75,511.73
Wisconsin	2,225.38	5,892.17	1,050.86	2,404.15	1,282.43	1,556.47	2,689.17
TOTALS	20,044.39	39,356.80	62,139.38	183,763.54	169,378.24	149,070.52	90,981.83

	2000	2001	2002	2003	2004	2005	2006
Indiana	431.00	6,136.40	201.53	137.01	313.28	83.90	462.96
Iowa	943.95	8,485.82	3,532.21	448.92	250.89	20,034.79	1,654.87
Minnesota	3,268.80	1,616.01	3,698.92	10,850.85	31,742.88	22,165.87	8,288.81
Missouri	7,844.02	412,278.44	26,875.32	8,813.37	93,973.58	82,705.78	4,517.65
Ohio	64,371.49	31,230.10	15,055.19	32,210.60	216,828.48	107,030.60	39,091.27
Wisconsin	1,270.50	4,702.41	12,588.36	3,202.55	7,485.49	12,908.23	4,603.60
TOTALS	78,129.76	464,449.18	61,951.53	55,663.29	350,594.60	244,929.17	58,619.17

	2007	2008	2009	2010	2011	2012	2013
Indiana	451.17	1,157.37	257.98	361.32	97.01	628.91	87.95
Iowa	10,791.12	4,435.46	5,462.29	1,699.19	7,179.63	10,681.73	11,235.15
Minnesota	8,525.20	5,443.38	9,387.49	2,698.68	19,147.35	5,076.97	13,103.89
Missouri	14,437.36	110,164.29	82,527.22	28,959.94	7,403.97	160,595.62	44,171.80
Ohio	21,332.23	71,870.83	66,186.37	182,884.32	68,342.24	53,299.55	38,359.23
Wisconsin	17,302.73	5,766.94	6,571.40	15,201.74	10,371.46	8,923.77	7,788.16
TOTALS	72,839.80	198,838.26	170,392.76	231,805.18	112,541.66	239,206.55	114,746.18

	2014	2015	2016	2017	2018	2019
Indiana	352.51	64.81	51.45	239.34	128.56	16,257.93
Iowa	6,339.04	70,064.00	66,429.04	35,154.07	8,851.99	44,008.34
Minnesota	4,840.89	7,685.04	4,990.43	3,965.25	1,054.57	2,047.83
Missouri	13,827.98	20,119.58	6,909.53	2,875.06	521,649.89	1,455.01
Ohio	42,553.12	31,105.65	27,743.34	18,699.06	13,096.66	13,170.97
Wisconsin	32,699.11	4,857.24	22,277.33	445,998.24	606,894.88	42,505.83
TOTALS	100,612.65	133,862.32	128,401.12	506,931.02	1,151,676.55	119,445.91

GRAND TOTAL 1986 THROUGH 2019: 5,973,583.38 ft3

Source: The DOE MIMS System

Figure 4b

Commercial LLRW Disposed at Andrews, Barnwell, Beatty, Clive, and Richland: 1986-2019

ACTIVITY

(curies)	1986	1987	1988	1989	1990	1991	1992
Indiana	0	34.78	58.75	63.13	43.67	370.39	26.89
Iowa	21,664.13	1,067.71	400.98	16,953.42	37,807.79	528.67	42,085.40
Minnesota	28,332.33	1,042.42	2,327.71	60,952.08	1,657.09	4,030.69	59,979.20
Missouri	30.54	310.46	1,166.45	793.03	919.62	3,046.88	1,127.67
Ohio	339.00	309.46	836.96	1,211.40	4,315.70	3,839.66	3,440.21
Wisconsin	1,564.88	1,885.48	1,215.25	1,074.88	569.68	1,011.62	570.65
TOTALS	51,930.88	4,650.31	6,006.10	81,047.94	45,313.55	12,827.91	107,230.02

	1993	1994	1995	1996	1997	1998	1999
Indiana	6.75	128.92	35.61	9.63	0.89	45.32	65.07
Iowa	51,341.86	1,632.89	209.38	552.05	114.34	266.71	1,721.81
Minnesota	1,449.65	1,738.82	365.12	1,406.08	82.75	313.95	128.05
Missouri	444.13	1,200.21	183.47	150.58	1,670.81	811.81	3,924.16
Ohio	2,370.27	582.69	552.77	50,021.87	1,077.37	99.75	402.46
Wisconsin	345.09	879.26	347.92	153.07	1,343.55	8.05	441.60
TOTALS	55,957.75	6,162.79	1,694.27	52,293.28	4,289.71	1,545.59	6,683.15

	2000	2001	2002	2003	2004	2005	2006
Indiana	0.76	16.61	7.01	2.38	0.62	0.64	5.21
Iowa	150.27	88.01	108.39	1.17	1.37	0.82	16,049.79
Minnesota	127.09	113.59	30.49	45,932.72	13,453.55	250.06	121.72
Missouri	174.23	511.57	358.30	80.34	310.18	42.38	923.47
Ohio	291.90	140.80	1,218.94	362.21	11,002.21	1,154.81	2,510.02
Wisconsin	185.42	133.67	205.46	258.05	87.49	387.83	5,959.10
TOTALS	929.67	1,004.25	1,928.59	46,636.87	24,855.42	1,836.54	25,569.31

	2007	2008	2009	2010	2011	2012	2013
Indiana	0.55	1.32	0.05	0.05	0.09	0.21	0.14
Iowa	110.00	137.35	58.19	23.05	334.81	56.87	47.82
Minnesota	264.47	28,729.45	118.86	26.51	66.76	40.60	537.09
Missouri	166.52	616.20	6.71	36.41	38.79	22.16	30.57
Ohio	39,997.46	6,082.42	11.86	76.98	61.87	13.12	25.49
Wisconsin	9,958.02	158.15	0.65	23.98	17.43	4.51	42.97
TOTALS	50,497.02	35,724.89	196.32	186.98	519.75	137.47	684.08

	2014	2015	2016	2017	2018	2019
Indiana	0.02	0.02	0.04	0.29	1.44	440.82
Iowa	37.35	50.45	32.50	165.79	111.35	172.16
Minnesota	160.56	57.00	434.65	57.03	42.32	58.63
Missouri	2.68	58.20	13.03	82.50	39.67	5.14
Ohio	128.95	109.97	76.09	1,236.57	136.97	62.29
Wisconsin	519.70	167.05	98.63	1,282.86	411.25	213.04
TOTALS	849.26	442.69	654.94	2,825.04	743.00	952.08

GRAND TOTAL 1986 THROUGH 2019: 634,807.42 curies

Source: The DOE MIMS System

**MIDWEST INTERSTATE LOW-LEVEL
RADIOACTIVE WASTE COMPACT COMMISSION**

Financial Statements

Year Ended June 30, 2020

**MIDWEST INTERSTATE LOW-LEVEL
RADIOACTIVE WASTE COMPACT COMMISSION**

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REPORT OF INDEPENDENT AUDITORS

Commissioners
Midwest Interstate Low-Level Radioactive Waste Compact Commission
Saint Paul, Minnesota

We have audited the accompanying financial statements of Midwest Interstate Low-Level Radioactive Waste Compact Commission (the "Commission"), a non-profit organization, which comprise the statement of financial position as of June 30, 2020 and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Commission as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Boulay PLLP

Minneapolis, Minnesota
October 30, 2020

**MIDWEST INTERSTATE LOW-LEVEL
RADIOACTIVE WASTE COMPACT COMMISSION**

Statement of Financial Position

	June 30, 2020		
	General Fund	Rebate Fund	Total
<u>ASSETS</u>			
Investments	\$ -	\$ 1,874,467	\$ 1,874,467
Interest receivable	-	8,050	8,050
Total assets	\$ -	\$ 1,882,517	\$ 1,882,517
<u>LIABILITIES AND NET ASSETS</u>			
Liabilities			
Deferred rebate	\$ -	\$ 1,882,517	\$ 1,882,517
Total liabilities	-	1,882,517	1,882,517
Net assets, without donor restrictions	-	-	-
Total liabilities and net assets	\$ -	\$ 1,882,517	\$ 1,882,517

Notes to Financial Statements are an integral part of this Statement.

**MIDWEST INTERSTATE LOW-LEVEL
RADIOACTIVE WASTE COMPACT COMMISSION**

Statement of Activities

Year Ended June 30, 2020

Revenue

Rebate fund revenue transfers \$ 22,240

General and Administrative Expenses

Accounting 9,740

Dues 9,500

Web site 2,500

Annual report 500

Total expenses 22,240

Change in Net Assets

-

Net Assets - Beginning of Year

-

Net Assets - End of Year

\$ -

Notes to Financial Statements are an integral part of this Statement.

**MIDWEST INTERSTATE LOW-LEVEL
RADIOACTIVE WASTE COMPACT COMMISSION**

Statement of Cash Flows

Year Ended June 30, 2020

Cash Flows From Operating Activities

Change in net assets	\$	-
Realized and unrealized gain in investments		(118,224)
Changes in assets and liabilities:		
Rebate fund revenue transfers		22,240
Interest receivable		410
Deferred rebate		95,574
Net cash from operating activities		<u>-</u>

Cash Flows From Investing Activities

Purchases of investments		(1,015,000)
Proceeds from sale and maturities of investments		1,015,000
Net cash used for investing activities		<u>-</u>

Net Change in Cash

-

Cash - Beginning of Year

-

Cash - End of Year

\$ -

Supplemental Disclosure of Non-cash Investing Activities

Proceeds of investments re-invested	\$	<u>91,011</u>
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Notes to Financial Statements are an integral part of this Statement.

MIDWEST INTERSTATE LOW-LEVEL RADIOACTIVE WASTE COMPACT COMMISSION

Notes to Financial Statements

June 30, 2020

1. NATURE OF ORGANIZATION

The Midwest Interstate Low-Level Radioactive Waste Compact (the "Midwest Compact") was formally established in October 1983 to meet state responsibilities under the Federal Low-Level Radioactive Waste Policy Act of 1980 (PL 96-573) and the Low-Level Radioactive Waste Policy Amendments Act of 1985 (PL 99-240). The Midwest Compact consists of six member states: Indiana, Iowa, Minnesota, Missouri, Ohio, and Wisconsin. The Midwest Compact established the Midwest Interstate Low-Level Radioactive Waste Compact Commission (the "Commission"), composed of one voting representative from each member state.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

The Commission reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions, based upon the existence or absence of donor-imposed restrictions, as follows:

- Net assets without donor restrictions – net assets that are not subject to donor-imposed stipulations.
- Net assets with donor restrictions – net assets subject to donor-imposed stipulations that can be fulfilled by actions of the Commission pursuant to those stipulations or that expire by the passage of time or have donor-imposed stipulations that may be maintained permanently by the Commission. Generally, the donors of such assets permit the Commission to use all or part of the income earned on the assets. The Commission currently does not have net assets with donor restrictions.

As permitted, the Commission has also presented its statement of financial position by fund. The Commission classifies its funds as follows:

General Fund – The General Fund is the operational fund of the Commission. From inception through June 30, 1989, the Midwest Compact's member states contributed to the General Fund based on an approved projected annual budget. When the future operational funding became available from Rebate Funds received by the Commission, the member states suspended contributions to the General Fund.

Rebate Fund – Rebate funds are derived from disposal surcharges that were levied on generators of low-level radioactive waste from January 1986 through December 1992. The surcharges were mandated by the 1985 Low-Level Radioactive Waste Policy Amendments Act, and 25% of the surcharges were placed in an escrow account administered by the Department of Energy. Rebates of the escrowed amounts served as an incentive to regions and states to meet federal milestones for the development of their own disposal facilities. Use of these funds is restricted to purposes specified in the Midwest Compact. However, consistent with the Amendments Act, Rebate Fund monies may be withdrawn and used by the Commission to the extent needed for general operations. Because the Commission holds the existing investments as an agent for member states, all investment amounts, including investment earnings and unrealized gains and losses, are classified as a deferred item in the accompanying financial statements.

Accounting Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

MIDWEST INTERSTATE LOW-LEVEL RADIOACTIVE WASTE COMPACT COMMISSION

Notes to Financial Statements

June 30, 2020

Revenue Recognition

The Commission recognizes revenues from the Rebate Fund based on the accrual basis and transfers revenues for general operations. All revenue is considered to be available for general use unless specifically restricted by law.

Cash Equivalents

Investments in cash equivalents within the Rebate Fund are included in investments in the accompanying statement of financial position due to the nature and the terms of the fund. Cash equivalents include money market funds, which are not insured.

Investments

The Commission's investments are recorded at fair value based on quoted market prices or other observable inputs.

Fair Value of Financial Instruments

The Commission's accounting for fair value measurements of assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring or nonrecurring basis adheres to the Financial Accounting Standards Board (FASB) fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 Inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the Commission at the measurement date.
- Level 2 Inputs: Other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 Inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at measurement date.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

Basis of Allocating Functional Expenses

All expenses are allocated in a manner considered practicable. Currently, the Commission does not have any expenses that are for program services.

Income Tax Status

The Commission has been declared tax exempt under the Internal Revenue Code, and accordingly, there is no provision for income taxes in the accompanying financial statements. Due to its exempt status, the Commission does not have any significant tax uncertainties that would require recognition or disclosure.

**MIDWEST INTERSTATE LOW-LEVEL
RADIOACTIVE WASTE COMPACT COMMISSION**

Notes to Financial Statements

June 30, 2020

Recently Adopted Accounting Pronouncement

In November 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-18, *Restricted Cash*, which amended *Statement of Cash Flows (Topic 230)* of the Accounting Standards Codification. The new guidance will require amounts generally described as restricted cash to be included with cash when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The Commission has adopted this standard as of July 1, 2019. This standard did not have an impact on the Commission's financial statements.

Recently Issued Accounting Pronouncements

In May 2014, and subsequently amended, the FASB issued ASU No. 2014-09, which amended *Revenue from Contracts with Customers (Topic 606)* of the Accounting Standards Codification. The core principle of the new guidance is that an entity should recognize revenue to reflect the transfer of goods and services to customers in an amount equal to the consideration the entity receives or expects to receive. The guidance will be effective for the Commission for annual periods beginning after December 15, 2019. The Commission is currently evaluating the impact that the adoption of this guidance will have on its financial statements.

In June 2018, the FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The new guidance was issued to clarify and improve current guidance about whether a transfer of asset (or the reduction, settlement, or cancellation of liabilities) is a contribution or an exchange transaction. The amendments clarify how an entity determines whether a resource provider is participating in an exchange transaction by evaluating whether the resource provider is receiving commensurate value in return for the resources transferred. The new standard is to be applied on a modified prospective basis, although retrospective application is permitted. For transactions of non-public entities in which the entity serves as the resource recipient, the amendments are effective for annual periods beginning after December 15, 2018 and interim periods within annual periods beginning after December 15, 2019. For transactions of non-public entities in which the entity serves as the resource provider, the amendments are effective for annual periods beginning after December 15, 2019 and interim periods within annual periods beginning after December 15, 2020. Early adoption of the amendment is permitted. The Commission is currently evaluating the impact that the adoption of this guidance will have on its financial statements.

In August 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurement (Topic 820)*. This ASU improves the effectiveness of the notes to financial statements through changes in disclosure requirements for fair value measurement. The ASU is effective for annual periods beginning after December 15, 2019. The Commission is currently evaluating the impact that the adoption of this guidance will have on its financial statements.

Subsequent Events

The Commission has evaluated subsequent events through October 30, 2020, the date which the financial statements were issued.

**MIDWEST INTERSTATE LOW-LEVEL
RADIOACTIVE WASTE COMPACT COMMISSION**

Notes to Financial Statements

June 30, 2020

3. FAIR VALUE

The following table provides information on those assets that are measured at fair value on a recurring basis.

Assets (included in investments)	June 30, 2020			
	Fair Value Carrying Amount in the Statement of Financial Position	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Money market funds	\$ 187,726	\$ 187,726	\$ -	\$ -
Certificates of deposit	1,686,741	-	1,686,741	-
Total	<u>\$ 1,874,467</u>	<u>\$ 187,726</u>	<u>\$ 1,686,741</u>	<u>\$ -</u>

The fair value of certificates of deposits is determined as the present value of future cash flows discounted at a market interest rate that reflects the credit risk inherent in those cash flows. The approximate market rate is observed for replacement transactions with comparable credit risk. The Commission records investment earnings and unrealized gains and losses as an agency fund, and thus, they are accumulated within the “deferred rebate” account of the Fund until used for general operations or other purposes of the Midwest Compact. At that time, earnings are recognized as revenue within the statement of activities.

The individual certificates of deposit range in value from \$25,116 to \$227,251, none of which individually exceed insurance limits as set forth by the FDIC. The certificates range in maturity from within one to seventeen years and accrue interest at rates ranging from 1.00% to 3.15%.

A reconciliation of investment accounts including earnings (losses) is as follows:

	Rebate Fund
Beginning Balance, July 1, 2019	\$ 1,778,483
Unrealized gain, net	73,518
Interest and dividend earnings	44,706
Purchases of investments	(1,015,000)
Sales of investments	1,015,000
Transfers	(22,240)
Ending Balance, June 30, 2020	<u>\$ 1,874,467</u>

4. FUTURE OPERATIONS

The Commission intends to monitor national and regional developments regarding management of low-level radioactive waste and will continue to review office and staffing requirements during the fiscal year 2021.

5. LIQUIDITY AND AVAILABILITY

All of the investments are restricted to purposes specified in the Midwest Compact. The only funds available within one year of the financial position date are those needed for general operations, which approximate \$25,000 to \$30,000 per fiscal year.

**MIDWEST INTERSTATE LOW-LEVEL
RADIOACTIVE WASTE COMPACT COMMISSION**

Notes to Financial Statements

June 30, 2020

6. FUNCTIONAL ALLOCATION OF EXPENSES

Expenses by functional allocation were as follows for the year ending June 30:

	<u>2020</u>
Program services	<u>\$ -</u>
Total program services	<u>-</u>
Supporting services:	
Management and general	<u>22,240</u>
Total supporting services	<u>22,240</u>
Total expenses	<u>\$ 22,240</u>

7. RISKS AND UNCERTAINTIES

The Commission invests in various investment securities. The Commission's investments are exposed to various risks, such as interest rate, market, and credit risk. In addition, on January 30, 2020, the World Health Organization declared the coronavirus (COVID-19) outbreak a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. The pandemic in the United States and throughout the world has resulted in substantial volatility in financial markets. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will continue to occur in the near term and that such changes could materially affect the rebate fund investments and deferred rebate liability amounts reported in the statement of financial position.

NOTES:



