

June 20, 2024

Board of Directors

**Iowa Comprehensive Petroleum
UST Fund Board**



IOWA UNDERGROUND STORAGE TANK FUND

Douglas M. Beech, *Chairperson*

James R. Gastineau, *Administrator*

Board Members:

Roby Smith

Joseph D. Barry

Austin Brinks

Kayla Lyon

Timothy L. Gartin

Lisa Coffelt

John Maynes

NOTICE OF PUBLIC MEETING

The Iowa Comprehensive Petroleum Underground Storage Tank Fund Board will hold a meeting at 10:00 a.m., on Thursday, June 20, 2024. The meeting will be held in the Lake Darling Conference Room at the Iowa Department of Natural Resources' office, 6200 Park Avenue, 2nd floor, Des Moines, IA and may be attended electronically. To call in, participants must dial 417-533-9366 prior to the meeting. When prompted, enter conference code PIN 569 820 821, followed by the # key. Participants may also join electronically with Google Meet at: meet.google.com/xje-qdfc-ykz

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 am)
3. Public Comment Period
4. Board Issues
 - A. UST Fund Program, Legislative Update & A Brief History
 - B. 3rd Qtr FY 2024, Legislative Report
 - 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 March 2024 Board Meeting
10. Other Issues as Presented
11. Correspondence and Attachments

The Iowa Department of Natural Resources (DNR) does not discriminate on the basis of race, color, religion, sex, sexual orientation, gender identity, national origin, English-language proficiency, disability, or age in the administration of its programs or activities in accordance with applicable laws and regulations. DNR will not tolerate discrimination, intimidation, threats, coercion, or retaliation against any individual or group because they have exercised their rights protected by federal or state law.

Any person with special requirements such as those related to mobility or hearing impairments who wishes to participate in the public meeting should promptly contact the DNR or ADA Coordinator at 515-725-8200, Relay Iowa TTY Service 800-735-7942, or Webmaster@dnr.iowa.gov to advise of specific needs.

6200 Park Avenue, STE 200, Des Moines IA 50321

Phone: 515-829-2770

Fax: 515-725-8201

Approval of Prior Board Minutes



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MINUTES

IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND PROGRAM

March 22, 2024

Mr. Doug Beech called the Iowa UST Fund Board meeting to order at 10:00 am. A quorum was present, with the following Board members present:

Joseph Barry
Patricia Beck
Austin Brinks
Lisa Coffelt
John Maynes
Dustin McNulty (for Roby Smith)

Also present were:

David Steward, Attorney General's Office
James Gastineau, Administrator
Angie Clark, Iowa DNR
Amie Davidson, Iowa DNR

APPROVAL OF PRIOR BOARD MINUTES

Motion was made by Ms. Beck to approve the December 14, 2023 minutes as presented. Seconded by Mr. McNulty. Motion carries unanimously.

CLOSED SESSION DISCUSSION OF PENDING AND IMMINENT LITIGATION

No closed session items were presented.

GENERAL PUBLIC COMMENT

There were no public comments.

BOARD ISSUES

A. Legislation Update

Mr. Gastineau reported the 2024 legislative session began earlier this year and will meet the 100 day schedule on April 16, 2024. Prior to commencement and following the December Board meeting, a letter (attached) was written to provide information to the legislature on the status of the UST Fund Board. The letter combined with the latest report to the legislature made note of the decreasing balance in the Fund accounts and the recognition that the program will end when funds are depleted.

Since the session commencement, a number of bills have emerged which could have a direct impact on the Board. Aside from the Boards & Commission bill which follows the recommendations presented in the September 2023 Report of the Boards & Commissions review committee, two other bills emerged. The bills, House file 2588 and Senate file 2327 are presumed have been influenced from the Board letter to the legislature. Both bills were passed in subcommittee with a recommendation of an amendment, however only one bill, [House File 2646](#) has emerged.

As drafted, House File 2646 would require all monies in the UST Fund, except for encumbered and obligated funds, to transfer to the storage tank management account of the groundwater protection fund identified in Iowa Code 455E on the effective date of the bill. On that same date, all Board claims would be effectively terminated due to the lack of funds.

Following the transfer, the HF2646 requires the Board remain in place until legislation is proposed to repeal the Board by December 31, 2025. In the interim, the Board will need to continue some operations, which may include working with the DNR to develop rules and policies for the intended replacement programs and managing Board liens. Simultaneously, DNR will need to develop new rules, policies and procedures to implement the new programs funded by the UST fund monies. It is anticipated, new programs would be in place within a few months of the funds transfer.

As the session continues, we will continue to monitor legislative actions and will report any material issues that may affect the Board. If needed, additional Board meetings may be considered. The next Board meeting is scheduled for June 20, 2024.

B. Board Lien: Dumont (0404009)

The Board, in conjunction with the Department of Natural Resources (DNR), retained an environmental contractor to perform activities at the referenced UST site due to non-compliance with a prior administrative order for completion of a site assessment.

Contamination was discovered at the site in 1991 and an eligible UST Fund claim site was established. In 1993 the owner's tank insurance lapsed causing the Fund claim to be closed. Regulations allow an owner to pay a reinstatement fee to reestablish the claim, however no fees were paid.

In 1995, DNR issued an administrative order requiring a Site Cleanup Report (SCR) be completed and following several attempts to force compliance, the site was added to the State Lead project. The assessment was completed and the site assigned a high risk classification due to proximity of the site's water well to the area of contamination. Corrective actions were considered, however none were taken.

Following completion of the assessment, attempts were made to recover the costs incurred. With no response, a lien was filed in 2004 for \$13,650 and renewed in 2014. In accordance with State regulations, UST fund liens expire after for 10 years unless extended. In this case, the lien will expire on 3/27/2024.

Mr. Gastineau requested the Board’s direction on whether the lien should be renewed or allowed to expire.

Motion was made by Ms. Beck to allow the lien to expire. Seconded by Mr. Barry. Motion carries unanimously.

C. LPT Update, 4th Quarter 2023

The 2017 Large Loss Portfolio Transfer with Petroleum Marketers Management Insurance Company (PMMIC) was completed for the transfer of 199 remedial claims. Like many of the claim retained by the Board, PMMIC continues to work with owners to resolve the claims.

The terms of the transfer requires PMMIC provide quarterly reports for each assumed claim and a summary of the corrective action costs and remaining liabilities. In the 6 year period, PMMIC has made payments or incurred expenses of \$8,806,764 while closing 135 of the original 199 claims. The reserve balance for the 64 claims remaining is \$4,254,733.

D. DNR Update

Ms. Davidson reported that DNR Headquarters will officially be moving on April 1 to 6200 Park Avenue in Des Moines. Everyone will be moved by May 1.

APPROVAL OF PROGRAM BILLINGS

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

1. Iowa Attorney General’s Office \$3,452.99
December 2023 (FY 2024)

2. Iowa Attorney General’s Office \$3,894.37
January 2024 (FY 2024)

3. Iowa Department of Natural Resources \$14,273.00
2nd Quarter FY 2024

4. Office of Auditor of State \$4,571.00
2nd Quarter FY 2024

5. Iowa Attorney General’s Office \$3,894.40
February 2024 (FY 2024)

Motion was made by Mr. McNulty to approve the program billings as presented. Seconded by Ms. Beck. Motion carries unanimously.

MONTHLY ACTIVITY REPORT AND FINANCIALS REVIEWED

Mr. Gastineau noted the December 2023, January and February 2024 activity and financial reports were presented in the Board packet.

Mr. Gastineau noted the overall fund balance is currently at \$5.9 million. Expenses are in line with what has been projected for this year. He reported that there are 47 open claims and 32 were closed. He estimated the balance would be \$5.5 million by the end of the fiscal year.

ATTORNEY GENERAL'S REPORT

Mr. Steward noted nothing new to report.

CLAIM PAYMENT APPROVAL

1. Registration # 7910197, Monona Dining Company, Monona

Mr. Gastineau presented information regarding Monona Dining Company. Two underground storage tanks were removed in 1985; contamination was discovered 10 years later during a site check. The former station was removed and the site is now beneath City sidewalks and part of the adjoining bank property. Contamination has been in place for an estimated 40 years.

The site is categorized as a non-granular bedrock and is high risk for multiple receptors. Free product is also present. State rules for bedrock sites require soil contamination be removed by excavation or other active remediation technologies.

Freedom Bank, the current property owner, has opted not to assume the role of the claimant. However, they have allowed work to be completed under the State Lead Closure Contract. Costs incurred to date are \$260,850.25. Future costs are expected to be the range of \$10,000 to \$150,000. Mr. Gastineau requested the Board authority be increased to \$400,000.00.

Motion by Ms. Beck to approve the requested authority limit. Seconded by Mr. McNulty. Motion carries unanimously.

2. Registration # 201600027, Park Motel Inc, Denison

Mr. Gastineau presented information regarding Park Motel Inc. Petroleum contamination was discovered at this site during a 2014 investigation for another LUST site. The site was determined to be a former gas station last used in the 1960's. The claimant owns the site and the adjacent property which is used for a local hotel. This is an eligible innocent landowner claim.

Contamination from this site was commingled with possibly two other petroleum storage tank sites. Corrective actions have been completed to address the vapor and water line pathways, allowing the site to be classified No Action Required. Free product remains; a solar-powered remediation system has been installed to continue recovery actions.

Costs incurred to date are \$217,721.45. Future costs are expected to be in the range of \$40,000 to \$150,000. Mr. Gastineau requested authority be increased to \$350,000.00.

Motion by Mr. Maynes to approve the requested authority limit. Seconded by Ms. Beck. Motion carries unanimously.

3. Registration # 202100015, Sparkling Image Car Wash, Cedar Rapids

Mr. Gastineau presented information regarding the Sparkling Image Car Wash LUST site. Contamination was identified in a 2021 Phase II report. Documentation provided indicates USTs

were removed by July 1, 1985, therefore allowing an innocent landowner claim to be created. The claimant identified herself as the last owner of the tank system therefore a responsible party and causes claim to be subject to the statutory copayment.

The site is classified high risk due to proximity of a vapor receptor (site sewer line) and a water line to the area of contamination. Soil gas testing in 2023 cleared neighboring receptors. Corrective actions may include replacement of the site water line and re-routing the site sewer. Annual monitoring will also be required.

Costs incurred to date are \$35,161.72. Future projected costs are expected to be the range of \$180,000 to \$300,000. Mr. Gastineau requested the Board authority be increased to \$300,000.00.

Motion by Ms. Beck to approve the requested authority limit. Seconded by Mr. McNulty. Motion carries unanimously.

CONTRACTS ENTERED INTO SINCE NOVEMBER 9, 2023 BOARD MEETING

The Board entered into the following agreements since the December 2023 meeting:

- 1) Contract with Seneca Companies for the Environmental Support Service (NFA Re-opener) Project (RFP2310-01) for work to January 14, 2026 (2-year term).
- 2) Reimbursement agreement with the following for UST Operator Training Services through December 31, 2024:
 - a. R&A Risk Professionals
 - b. UST Training, Inc.
 - c. Iowa State University, Department of Environmental Health & Safety
 - d. Antea Group

OTHER ISSUES AS PRESENTED

Mr. Gastineau stated that the June 20 meeting will be at 6200 Park Ave, Des Moines.

CORRESPONDENCE AND ATTACHMENTS

There were no correspondence and attachments.

Meeting adjourned at 10:22 am

Respectfully Submitted by



James R. Gastineau
Administrator

Closed Session

Discussion of Pending and Imminent Litigation

Public Comment

Board Issues

A. Legislative Update & A Brief History

Memo

Subject: UST Fund Program, Legislative Update & A Brief History
Date: June 13, 2024
To: Iowa Underground Storage Tank Fund Board
From: James Gastineau, Iowa DNR

The 2024 legislative session ended in April 2024 with the future of the Iowa Comprehensive Petroleum UST Fund Board being mentioned in two separate bills; [Senate File 2385](#), the bill regarding boards and commissions, and [Senate File 2414](#). Senate File 2414, as signed, eliminates the Board effective June 30, 2024 thus ending the Board and UST Fund program.

Since 1989, the Board has assisted underground storage tank (UST) owners and operators in meeting many of the regulatory goals established by federal regulations and legislative action. Of the programs originally created, the Board successfully completed transitioning the insurance program to a private enterprise and completing the loan guarantee program. While the remedial program remains, most of the work has been completed as more than 6,000 claims associated with historic petroleum releases have already closed.

Over the 34 year history, the Board has been supported financially by State funding totaling more than \$410M, and has received almost \$180M from bonding, \$40M from cost recovery actions, and more than \$90M in earned interest.

Disbursements from the Program include more than \$296M for corrective action costs on the nearly 6,000 claims set up for the historic petroleum releases, settlements and various activities governed by 28E agreements with other State entities.

Some of the agreements provided funding to the Department of Natural Resources (DNR) for registration of groundwater professionals, site mapping with Iowa State University, technical review assistance, automation of the ability to pay system, flood impact study, staffing assistance for technical reviews, funding of the UST Section, database integration, assistance in administering the RBCA process, funding of legal staff, and funding of the RBCA software revision. Funding has also been provided for the assistance of the Attorney General's Office for legal matters, Department of Revenue for collection of the environmental protection charge, and to the Auditor of State for audit their services.

Board expenditures have also included costs associated with repayment of the bonds, settlements for contested cases and settlements through which the Board transferred a portion of its liabilities to a third-party to eliminate the long-term uncertainties.

In addition to the planned expenditures, more than \$80M of the program funding was redirected for other uses. Some of the transfers include:

- \$11.1M from the No Further Action Fund to the State's pooled technology fund
- \$11.1M to the Salary Adjustment Fund; \$8.9M to the Department of Education; and \$10M to the General Fund (FY 2000)
- \$5M for the Watershed Improvement Fund
- \$3M to the General Fund; \$1.9M to DNR for Snowmobile & ATV trails, and
- \$9M to the State Regent's; \$7M to the Department of Health & Human Services, and \$5.1M for the school aid foundation (FY 2010)

Legislative changes also established new initiatives to further support the petroleum industry including \$11.1M for upgrading and removing above ground petroleum storage tanks and to date, more than \$11.8M for assisting with the costs to permanently close UST systems.

Other initiatives added to support industry in 2010, included:

- Providing \$200K annually to DNR to help with technical reviews of LUST reports;
- Providing \$250K annually to IDALS for fuel quality inspections;
- Providing owners/operators up to \$15K per site for tank closures
- Eliminated the copayment for most innocent landowner claims;
- Allowed corrective action on certain low risk monitoring sites, and
- Added the provision allowing NFA sites to be reopened due to increases in contaminant levels, rather than solely when a high risk condition is identified.

Direct funding for the Program ended on December 31, 2016. Since then, the balance of the Fund has decreased as program expenses and claim payments have been made.

As of May 31, 2024, the balance of the Iowa UST Fund was approximately \$5.4M.

THE IOWA COMPREHENSIVE PETROLEUM UST FUND PROGRAM PROGRAM OVERVIEW AND STATUS

I. BACKGROUND

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

The legislative intent identified in the preamble of HF 447 was to assist owners and operators, and especially small businesses, to comply with the federal technical and financial responsibility standards and to protect and improve the quality of Iowa's environment by correcting existing petroleum underground storage tank releases and by prevention and early detection of future releases to minimize damages and costs to society. The legislature noted that implementation and interpretation of HF 447 shall recognize the following topics: to provide adequate and reliable financial assurance for the costs of corrective action for preexisting petroleum UST releases; and to create a financial responsibility assurance mechanism (insurance) that provides certainty, sufficiency, and availability of funds to cover the costs of corrective action and third-party liability for prospective releases.

The fund created was intended as an interim measure to address the short-term unavailability of financial assurance mechanisms in the private market. The fund was designed to promote the expansion of existing assurance mechanism and allow for the creation of new mechanisms, so that the insurance accounts may be phased out and discontinued when market mechanisms are generally available. It was recognized that, as an interim measure, time is of the essence in responding to a release and taking corrective action.

The Remedial Program

The remedial program was established to provide funding for corrective action to address past petroleum UST releases. To qualify for remedial benefits, releases had to be reported to DNR between January 1, 1985, and October 26, 1990 and to the Board by February 26, 1994. In addition, sites with active tanks had to demonstrate financial responsibility to maintain eligibility. The remedial program reimbursed eligible claimants with up to \$20,000 for a Site Cleanup Report (SCR) or Risk Based

Corrective Action (RBCA) report, 82% of corrective action costs up to \$80,000, and 100% of remaining corrective action costs up to \$1 million.

As of June 6, 2024, there were 20 open eligible claims for reimbursement under the remedial program. To date, \$224,394,259.60 has been paid under the remedial program. In addition, \$18,468,893.59 has been paid on claims under the retroactive provisions, \$37,358,950.83 has been paid on claims under the innocent landowner program. These figures are for all open or closed claims over the entire life of the program to date.

Loan Guarantee Program

The loan guarantee program provided up to a 90% guarantee to lenders to assist operators to pay for remedial expenditures and to assist them in upgrading their UST systems. This guarantee mechanism allowed operators to obtain necessary financing, even though their property (collateral) may have been contaminated. The loan guarantee program was not a direct loan program; rather it was a guarantee to the lender, which allowed lending institutions to provide the financing. The loan program ended on 12/31/99 and the existing portfolio closed when the last loan was paid in full in fiscal year 2011.

Insurance Program

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

On November 8, 2000 the balance of the Insurance Fund with accrued interest, \$36,013,379.29, was transferred to Petroleum Marketers' Mutual Insurance Company (PMMIC), a not-for-profit mutual insurer domiciled in Iowa. The UST Fund Board entered into a Memorandum of Understanding (MOU) to transfer the funds upon satisfaction of the MOU by PMMIC. This transfer took the UST Board out of the insurance program. The MOU also placed certain restrictions on the new company to place assurances that PMMIC would continue to operate and provide an acceptable mechanism for providing financial responsibility for tank owners. Should these restrictions be violated, the money transferred would have reverted to the UST Fund Board. This provision of the MOU sunset on July 1, 2004. At the time of transfer, 2,280 sites were insured and all were fully upgraded.

In the original Insurance Program administered by the State, for LUST sites to be eligible for the insurance, the site must have been eligible for remedial benefits, or the responsible party was required to sign an affidavit that they had the ability to and would clean-up the pre-existing contamination. The insurance program only covered releases, which occurred after the retroactive date of the policy, and during the insured period. In all, 323 insurance claims were set up with \$683,958 paid on claims from the insurance fund.

In addition to UST insurance, the program also offered UST installer/inspector insurance and UST property transfer insurance. The program ceased offering installer/inspector insurance due to widespread availability in the private marketplace.

II. PROGRAM FUNDING

The program currently is authorized to receive moneys credited to it in accordance with Iowa Code 455G.3, 455G.8, and 455G.9, with the only source being interest garnered from the standing balance.

Initially, the legislature authorized approximately \$12 million per year to be allocated to the Program from the Environmental Protection Charge (EPC). The EPC was created in HF 447 (Petroleum Underground Storage Tanks Act of 1989). As originally enacted, the EPC was deposited in the Fund and the revenue was intended to be used to retire bonds that were issued to provide the initial program funding. In response to concerns that the EPC could be deemed a tax on motor vehicle fuel and therefore subject to Constitutional restrictions, the Petroleum UST Act of 1990 changed the deposit destination for the EPC to the Road Use Tax Fund.

In return the UST Program was provided with 25% of the Motor Vehicle Use Tax up to a maximum of \$12 million annually. The legislature authorized the Board to issue tax-exempt bonds, which allowed funds to be immediately available for remediation. The bonds were secured by the program's allocation of funds from the Motor Vehicle Use Tax and tank management fees. Based upon bonding requirements, original revenues were estimated to provide bonding capacity of \$145 million over the life of the program.

In 1991, the cap on the Motor Vehicle Use Tax was increased to \$15.3 million annually. The projected bond capacity increased to approximately \$188 million. In 1996, funding increased to \$17 million annually. In 2003 the Legislature placed the first sunset date on the collection of the EPC of June 30, 2014. This date coincided with the Board's final bond debt payment of July 1, 2014. During subsequent sessions, the sunset date on the collection of the EPC was extended to December 31, 2016.

Almost \$180 million in tax-exempt bonds were issued. This total includes \$42.6 million in refunding bonds issued in July of 1997 and \$19.7 million in refunding bonds issued in November 2004. The refunding action saved the program \$1.5 million and \$1.2 million respectively in net present value interest expense. Changes in statute resulting from the 2008 Legislative Session had left the security of the Iowa UST Fund bonds in jeopardy; therefore the Iowa UST Fund paid off the 1997A Series bonds totaling \$18,687,894.06 and the 2004A Series bonds were defeased in June 2008.

In 2012, the annual allocation to the Fund was reduced from \$17 million to \$14 million, with the difference diverted to the Renewable Fuel Infrastructure Board to fund a grant program.

UST Revenue Fund

The UST Revenue Fund was historically the recipient of the statutory allocations received from the State. Funds were used to pay the required debt service payments and excess funds were transferred to the Unassigned Revenue Fund. IN the recent years, monies from the Revenue Fund have been disbursed to the Remedial and Innocent Landowners Fund for continued remedial activity claims. The balance of the Revenue Fund as of May 31, 2024 is \$1,315,709.70.

UST Unassigned Revenue Fund

The UST Unassigned Revenue Fund is used to pay the Program's administrative expenses, as well as State lead closure contract payments and payments for the UST operator training. Proceeds from this account can be used for any Board-approved expenditure. The balance of the Unassigned Revenue Fund as of May 31, 2024, was \$497,887.27.

UST Remedial Fund

The Remedial account was primarily funded from proceeds from UST revenue bonds. The Remedial Fund provides funding for outstanding remedial and retroactive claims, in addition to claims for tank closures and no further action claims. The balance of the Remedial Non-Bonding Fund as of May 31, 2024 is \$1,401,864.14

UST Marketability Fund

In 1995, the legislature established the Marketability Fund with allocations from the Motor Vehicle Use Tax. The Marketability Fund provides additional funding for remedial claim payments. Over the course of several months in fiscal year 2005, the entire balance of the Marketability Fund was transferred to the Aboveground Storage Tank (AST) Fund to provide funding to AST claims. The Marketability Fund still accrues interest and has a balance of \$437,785.23 as of May 31, 2024.

UST Innocent Landowner Fund

The Innocent Landowner (ILO) Fund was initially funded by net cost recovery proceeds and monies appropriated by the 1995 legislature. Since the receipt of the global settlements from several major oil companies between 1996 and 2003, direct allocations to the fund ceased. Since 2003, allocations to the fund have included monies transferred from the UST Revenue account to provide a source of funding for new ILO claims and any monies received from cost recovery actions. Cleanup costs for claimants not eligible for remedial program benefits may be paid from this account. The ILO Fund had a balance of \$1,824,912.86 as of May 31, 2024.

Comprehensive UST Fund (Closed)

The Environmental Protection Charges (EPC) collected in 1989 and 1990 were deposited to this fund. Proceeds in this fund could be used for any Board approved expenditure. In addition to the initial EPC collections, various licensing and copying fees were deposited in this fund. The balance of the Comprehensive Fund (\$20,486,995.00) was transferred to the Unassigned Revenue Fund in August of 1996.

No Further Action Fund (Closed)

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

UST Loan Guarantee Fund (Closed)

The Loan Guarantee account was funded from the Comprehensive UST Fund. On June 17, 2008, \$1,034,979.39 was paid from the Loan Guarantee Fund to pay off 1997A Series bonds. The last outstanding loan was paid in FY 2011 and the remaining balance of the fund, \$278,508.95, was transferred to the Innocent Landowner fund in FY 2013.

UST Insurance Fund (Closed)

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

Aboveground Storage Tank Fund (Closed)

By legislative action funding was diverted to provide the Board authority to create the Aboveground Storage Tank account by a transfer of monies from the Marketability Fund and the Unassigned Revenue Fund. The above ground storage tank (AST) Program provided funds for closing or modifying above ground petroleum storage tanks. Over the two-year period, 414 claims were established and a total of \$11,217,932.11 paid, and all AST claims were closed during FY07.

UST Bond Fund (90A, 91A, 94A, 97A, 2004A) (Closed)

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

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

The Capital Reserve Fund was established by the revenue bond indenture agreement and was pledged as security for the outstanding bonds. The entire balance of \$6,237,500.00 of the Capital Reserve Fund was paid to defease the 2004A Series bonds in June 2008. The Capital Reserve Fund was closed after all bonds were released.

III. OPERATIONAL ISSUES

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

A. Program Administration

Since the inception of the UST Fund, the Board has contracted with a third-party to administer the day-to-day operations of the Fund. The Fund was administered by Williams and Company through 1999, and then by Aon Risk Services through the

end of 2018. The Board has since transferred the administration to the Department of Natural Resources, where it remains today.

Costs paid for the administration of the programs, which initially included oversight of the insurance program, also included management of all remedial, retroactive and innocent landowner claims, claims adjusting and loss controls services, database management, lobbying, and rulemaking, totals \$35,731,303. For services through 2000, the Board paid \$11,548,274; for services through 2018, \$23,701,469, and for services through May 31, 2024, \$481,560.

B. Prior Contract Approval

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

C. 28E Agreements

To assist in streamlining the regulatory process, the Board has assisted the DNR with the development of a geographical information system, automation of DNR's ability-to-pay review and for integration of DNR databases, as well as, its groundwater professional certification program. It has also funded personnel to assist in reviewing reports, developing and implementing RBCA procedures, and cooperated with DNR to obtain additional federal funds for assessment and corrective action costs. 28E agreements have also been used with the Attorney General's office on cost recovery activities.

D. Community Remediation Program

Community remediation projects (CRP's) were used in the mid-1990's to address contamination from a regional standpoint by combining a number of sites into one project. In these projects, costs were reduced by eliminating the duplication of efforts through combined mobilization and reporting. In the late 1990's, the CRP process changed from a community-wide assessment program to an oversight program involving corrective action on sites with commingled plumes or sites when requested to do so by DNR.

E. Cost Recovery

The original legislation creating this program included cost recovery provisions which allow the Board to recover expenses from responsible parties who caused the contamination, if they are not the eligible claimants on that site. The Attorney General's office has reported that over \$40,824,419 has been cost recovered from settlements with the major oil companies and responsible parties through their office. The last of the cost recovery payments from major oil companies was received in May 2003.

As of May 31, 2024, 1,314 claims have been filed and claimants have been reimbursed \$9,998,444.59.

Company	Date of Agreement	Settlement Amount	No. of claims	Paid on claims
Amoco	4/17/1996	\$10,000,000	336	\$2,728,098
ARCO	2/08/1996	\$1,000,000	59	\$474,937
Champlin	2/26/1997	\$1,280,000	25	\$159,991
Chevron	9/16/1997	\$870,000	25	\$186,994
Conoco	5/28/1996	\$1,840,000	115	\$816,654
FINA	8/16/1996	\$360,000	14	\$129,061
Kerr McGee	10/3/1997	\$640,000	82	\$621,956
Oxy	1/15/1998	\$680,000	0	0
Phillips	4/2/1996	\$4,000,000	269	\$1,963,634
Southland	7/25/1996	\$720,000	17	\$98,863
Sunoco	9/24/1996	\$4,400,000	190	\$1,402,203
Texaco	12/9/1996	\$5,560,000	166	\$1,265,675
Total	1/22/1999	\$1,000,000	16	\$150,372
		\$32,350,000	1,314	\$9,998,444

Current cost recovery efforts are directed toward individual sites where the Board has spent money without an eligible claimant. Generally, efforts have been limited to perfecting the Board's lien on the affected property with monies collected upon property transfers. As of May 31, 2024, the Board holds 7 liens with an outstanding value of \$214,619.35.

F. Innovative Technology

The Board has funded innovative technologies at sites throughout the state. Recent technologies include the use of chemical and carbon injection methods that are aimed at reducing contaminant levels without incurring costs for direct contaminant removal.

G. Risk Based Corrective Action (RBCA)

In 1995, the legislature required that leaking underground storage tank sites be addressed through a process known as risk based corrective action (RBCA). This process requires each LUST site be evaluated to determine the risk presented to human health because of the release at that site. Corrective action responses must be designed to address and reduce that risk to human health. Through 28E agreements, the Board assisted DNR with the development and implementation of the RBCA procedures, RBCA model and most recently, a RBCA computer application designed to work with current operating systems. The modeling application was placed into service in July 2018.

H. Innocent Landowners

The remedial program provided benefits to those sites that met the criteria for eligibility. However, numerous sites were not eligible for funding because their tanks were not regulated or because applications were not timely filed within the cutoff dates established by the original legislation. In 1995, the legislature created an innocent landowner fund to provide benefits to owners who were not otherwise eligible for benefits, and gave the Board authority to adopt rules to provide benefits to those sites which present a higher risk to public health and to deny benefits to individuals who did not make a good faith attempt to comply with other provisions of 455G. The Board made benefits available to those individuals who complied with all technical regulations, but missed the original application deadlines. In addition, sites with tanks that were closed prior to July 1, 1985, or taken out of use prior to January 1, 1974, would be deemed eligible.

As of May 31, 2024, there are 11 open claims with reserve balances totaling \$908,491. No new innocent landowner claims will be allowed after June 30, 2024.

I. Rule Review

In accordance with Executive Order #8, the UST Fund Board was to complete a review of the entirety of the Administrative Rules in place. Changes in FY 2018 included the removal of several chapters however a comprehensive review of the remaining rules was still planned. In 2023, Executive Order #10 was issued which would require a complete review of all existing rules by 2026. The goal of the review would be to identify and eliminate all rules that are outdated, redundant, or inconsistent or incompatible with statute or rules of other agencies.

Due to 2024 legislation, the rule review may no longer be needed. Senate File 2414 eliminates the existing UST Fund Board and all associated programs, and in its place, creates the Iowa tank's financing program. All funds remaining in the UST Fund will transfer to the Iowa DNR for use in the Iowa tank's financing program.

All regulations, forms, orders, or directives promulgated by the Board which are needed to administer and enforce the provisions relating to the current program, are to be used with the new program. The rules and regulations will continue in full force and effect under the jurisdiction of the new Iowa tank's financing program until amended, repealed, or supplemented by other action by the DNR.

J. Loss Portfolio Transfer

In 2003 legislation, the Board was given authority to enter into a transaction with a third party to transfer a portion or all of the board's liabilities. The Board holds the sole discretion on whether to pursue or not pursue such a transaction and may elect to do so whether or not the board deems such a transaction to be in the best interest of the program.

In 2007, the Board entered into an agreement with Petroleum Marketers Mutual Insurance Company (PMMIC) to transfer the liability on a group of sites where both had open claims. Similar transfers were completed in 2013, 2016 and 2019. In each exchange, the Board provided certain payments in exchange to have PMMIC assume all liability associated with any past or future claim against the UST Board for the selected group of sites.

In 2016, the Board also initiated the process to transfer a large number of claims that represented a significant liability to the Board. Unlike earlier transfers, the Board sought bids for the transfer through a Request for Proposal (RFP). The RFP garnered one proposal. Following review, the Board chose to proceed with the transfer of 199 remedial claims and 27 opt-in claims with the payment of \$13,061,497.41. For this transfer, PMMIC assumed all liability for any past or future claim against the Board for the sites transferred. The Board however retained possible future liabilities for NFA claims as may be requested by the DNR or for tank closure claims, if made by the UST owner.

As of May 31, 2024, the status of each prior LPT is as follows:

LPT Date	# of claims	Amount Transferred	# claims open	Balance Remaining
02/2007	10	\$511,224	2	\$32,522
08/2013	13	\$223,669	4	\$32,079
09/2016	9	\$801,925	1	\$314,440
10/2017	199	\$13,061,497	61	\$4,308,292
03/2019	9	\$420,107	5	\$163,683
	240	\$15,018,422	73	\$4,851,016

K. UST Operator Training

In 2010 legislation was passed requiring the Board to provide a program for safety training, hazardous material training, environmental training, and underground storage tank operator training to be provided by one or more entities approved by the Department. The Board entered into agreements with the Department approved vendors to provide the training required of owners and operators, at a set rate of \$100 for those who are trained as a combined Level A & B operator.

As of May 31, 2024, reimbursement agreements are in place with 4 approved training contractors. To date, \$414,320 has been paid for the training of 4,230 individuals.

L. Tank Closure

In 2004, by legislative action funding was diverted to provide the Board authority to reimburse for the removal of underground storage tanks that were in place on the date an eligible claim was filed with the Board. In 2010, the tank removal program was modified by eliminating the requirement for a site to have a prior Fund claim. In addition, rules were created to allow any tank owner to obtain closure benefits for the permanent closure of regulated USTs now registered with the Department. As of May 31, 2024, 964 claims have been filed, with reimbursements at \$11,858,174.83.

M. Prioritization of Payments.

Prioritization rules were adopted in early 1994, but the rules were repealed when they became unnecessary due to an increase in the UST Fund program funding. At the time of the rulemaking, the Board was looking at dwindling funds and considered a tiered approach to setting priorities for claim payments. The approach included payment for high risk sites before low risk sites, payment for a small business before a large business (based on net worth), and business viability (payments for claims on an active UST business before a defunct UST business). Payments to sites individually approved for benefits by the Board through contract, negotiated settlement, court or administrative procedure, regardless of risk classification were given prioritization over other claims. Payments for County tax deed sites were also exempted from the prioritization plan.

B. 3rd Quarter FY 2024, Legislative Report



IOWA UNDERGROUND STORAGE TANK FUND

Douglas M. Beech, *Chairperson*

James R. Gastineau, *Administrator*

Board Members:

Roby Smith
Timothy L. Gartin

Joseph D. Barry
Lisa Coffelt

Austin Brinks
Patricia Beck

Kayla Lyon
John Maynes

June 12, 2024

MEMORANDUM

TO: Legislative Council and Legislative Services Agency

FROM: James R. Gastineau, Administrator
Iowa Comprehensive Petroleum Underground Storage Tank Fund

RE: Fiscal Year 2024, 3rd Quarter Report on the Iowa Comprehensive Petroleum Underground Storage Tank Fund Program

We are pleased to provide the attached report regarding the Iowa Comprehensive Petroleum Underground Storage Tank Fund (UST Fund) progress for activities through the end of the 3rd quarter of Fiscal Year 2024.

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

If you have any questions regarding the enclosed report or other issues associated the UST Fund, please call the UST Fund Administrator's office at (515) 829-2770 or contact the Administrator at USTFUND@dnr.iowa.gov

UST Fund Program Status Areas 3Q - FY2024 (March 31, 2024)

1. Financial Balances

	03/31/2024	06/30/2023	06/30/2022	06/30/2021	06/30/2020
Revenue Fund	\$1,305,542	\$1,262,265	\$2,209,487	\$3,951,754	\$5,432,873
Unassigned Revenue Fund	\$791,987	\$1,015,943	\$1,717,002	\$1,585,786	2,539,840
Remedial Fund	\$1,590,328	\$2,376,689	\$2,617,039	\$2,707,740	2,546,803
Marketability Fund	\$420,119	\$343,276	\$283,257	\$278,520	\$268,937
Innocent Landowner Fund	\$1,833,222	\$1,949,535	\$2,473,343	\$2,571,254	\$2,498,227
Total Fund Balances	\$5,941,182	\$6,947,708	\$9,300,128	\$11,094,764	\$13,286.618

2. Operational

Changes

- Program funding ceased 12/31/2016 (2016 legislation, HF2464).
- Focus on mission to complete action on remaining liability claims prior to ceasing operations.
- Coordinate with Department of Natural Resources to address liabilities on all remaining claims

Expected Results

- Retirement of program liabilities and reduction of future liabilities.
- Reduction of fund balance, number of program claims, and number of open leaking underground storage tank sites.

3. Results - Iowa DNR LUST Sites / Risk Classifications in relation to Open UST Fund claims

Iowa DNR / Iowa UST Site Data	DNR LUST Sites	Remedial CRP/NFA claims	Retroactive claims	Innocent Landowner Fund Claims	Open UST Fund Claims
Total Active LUST Sites / Fund Claims	292	38	1	10	49
Sites "Not Classified"	58	5	0	0	5
Low Risk sites	57	5	0	0	5
High Risk sites	157	22	1	8	31
No Action with free product sites	22	3	0	2	5
No Action Required or other sites	6,580	3	0	0	3

4. Results - UST Fund Open Claims / Liabilities

	Liabilities March 2024	March 2024	June 2023	June 2022	June 2021	June 2020
Retroactive Claims	\$ 0.16 million	1	1	1	1	2
Remedial/CRP/ NFA Claims	\$ 1.65 million	38	40	43	48	50
Innocent Landowner Fund Claims	\$ 0.92 million	10	14	15	21	23
Total*	\$ 2.76 million	47	55	62	70	75
Claim Liabilities *		\$2.76M	\$3.69M	\$3.60M	\$4.09M	\$5.05M

*does not include special project claims or tank closure claims

IOWA UST FUND PROGRAM
ACTIVITIES REPORT
MARCH 31, 2024

Claims	Open Claims Feb. '24 Ending	Open Claims Monthly Changes	Open Claims March '24 Ending	Open & Closed Totals since
RETROACTIVE				
number	1	0	1	447
reserve	\$ 158,603.43	\$0.00	\$ 158,603.43	\$ 158,603.43
paid	\$ 741,396.57	\$0.00	\$ 741,396.57	\$ 18,468,893.59
total	\$900,000.00	\$0.00	\$900,000.00	\$18,627,497.02
REMEDIAL (RM)				
number	18	0	18	4,464
reserve	\$ 1,163,338.97	(\$1,000.00)	\$ 1,162,338.97	\$ 1,162,338.97
paid	\$ 6,766,894.70	(\$10,000.00)	\$ 6,756,894.70	\$ 224,389,935.60
total	\$7,930,233.67	(\$11,000.00)	\$7,919,233.67	\$225,552,274.57
INNOCENT LANDOWNER (ILO)				
number	11	0	11	1,162
reserve	\$ 916,800.99	\$0.00	\$ 916,800.99	\$ 916,800.99
paid	\$ 157,115.66	\$1,986,683.35	\$ 2,143,799.01	\$ 37,530,640.88
total	\$1,073,916.65	\$1,986,683.35	\$3,060,600.00	\$38,447,441.87
GLOBAL OPT-IN				
number	5	0	5	1,314
reserve	\$ 27,680.14	\$0.00	\$ 27,680.14	\$ 27,680.14
paid	\$ 42,319.86	\$0.00	\$ 42,319.86	\$ 9,998,444.59
total	\$70,000.00	\$0.00	\$70,000.00	\$10,026,124.73
UNASSIGNED REVENUE FUND PROJECTS				
number	16	0	16	413
reserve	\$ 233,142.37	(\$15,685.00)	\$ 217,457.37	\$ 217,457.37
paid	\$ 572,052.63	\$15,685.05	\$ 587,737.68	\$ 5,136,612.19
total	\$805,195.00	\$0.05	\$805,195.05	\$5,354,069.56
NFA RE-EVALUATIONS				
number	17	2	19	113
reserve	\$ 440,036.69	\$54,364.62	\$ 494,401.31	\$ 494,401.31
paid	\$ 459,963.31	\$37,670.38	\$ 497,633.69	\$ 3,003,883.06
total	\$900,000.00	\$92,035.00	\$992,035.00	\$3,498,284.37
TANK CLOSURE (TX)				
number	10	(1)	9	953
reserve	\$120,002.00	(\$15,000.00)	\$105,002.00	\$105,002.00
paid	\$0.00	\$0.00	\$0.00	\$ 11,813,174.83
total	\$120,002.00	(\$15,000.00)	\$105,002.00	\$11,918,176.83

Total Claims	(RT, RM, ILO, NFA)	49	(USTCA, TX)	25
Reserves	(RT, RM, ILO, GS, NFA)	\$ 2,759,824.84		\$ 322,459.37
Total Reserves	(all claim types)	\$ 3,082,284.21		

Operator Training			
A/B (all)	4,092	A/B (FY2011-24)	\$407,320

RT Claims	#
New	0
Reopened	0
Closed	0

RM Claims	#
New	0
Reopened	0
Closed	0

ILO Claims	#
New	0
Reopened	0
Closed	0

GS Claims	#
New	0
Reopened	0
Closed	0

USTCA	#
New	0
Reopened	0
Closed	0

NFA Re-	#
New	2
Reopened	0
Closed	0

TX claims	#
New	1
Reopened	0
Closed	2

DNR 04-01-2024	
Total	6873
High Risk	158
Low Risk	56
NAR-FP	22
Not Class.	56
Open LUST	292

Invoice Type Totals	Mar-24	FYTD	Program to Date
Appropriations	\$ 10,359.04	\$ 137,823.41	
Government. expenses	\$ 7,359.36	\$ 64,683.24	
2004 Tank Pull	\$ -	\$ -	\$ 1,761,823.44
2010 Tank Pull	\$ 30,000.00	\$ 604,490.45	\$ 12,078,144.98
American Soils	\$ -	\$ -	\$ 5,678,422.58
AST Removal/Upgrade	\$ -	\$ -	\$ 11,217,932.11
CADR Charges	\$ -	\$ -	\$ 4,708,703.72
Corrective Action	\$ -	\$ 56,525.53	\$ 53,109,841.35
Expenses / OT	\$ 3,100.00	\$ 12,500.00	\$ 410,919.65
Free Prod Recover	\$ -	\$ 48,739.72	\$ 13,047,464.04
Monitoring	\$ 22,498.38	\$ 145,999.12	\$ 35,891,117.94
Operations/Maint	\$ -	\$ -	\$ 10,847,837.80
Over-excavation	\$ -	\$ -	\$ 38,036,140.86
Water Lines	\$ -	\$ 25,762.87	\$ 3,714,586.45
Post RBCA Evals	\$ -	\$ -	\$ 258,858.41
RBCA	\$ 28,672.00	\$ 96,566.41	\$ 28,085,838.51
Remed Imp/Const.	\$ -	\$ 59,017.55	\$ 32,714,438.05
SCR Charges	\$ -	\$ -	\$ 54,217,410.26
Site Check	\$ -	\$ -	\$ 142,486.32
Soil Disposal	\$ -	\$ -	\$ 738,386.66
Tank (UST) Pull	\$ -	\$ -	\$ 3,979,734.25
Tank (UST) Upgrade	\$ -	\$ -	\$ 3,440,849.83
Tier III	\$ -	\$ 6,767.09	\$ 1,501,094.26
Utilities	\$ -	\$ -	\$ 2,303,397.67
Well Closure	\$ -	\$ 27,202.50	\$ 4,637,427.34
Total Invoice Types	\$ 84,270.38	\$ 1,083,571.24	\$ 321,572,560.31

Remediation Budgets Approved to Date		
Last month (March)	0	\$0
Trailing 12 mos	4	\$103,392
Prev Trail 12 mos	3	\$797,296
Total Since Jan 2003	1,288	\$58,386,966

Project Contracts	Open	Closed	Pending
CRP's	0	45	0
Tank Closure	1	8	0
Plastic Water Line	0	2	0

	CY 2024	CY 2023	CY 2022
New LUST Sites	3	25	36
Closed (NAR) Sites	10	61	42

C. DNR Update

Approval of Program Billings



IOWA UNDERGROUND STORAGE TANK FUND

Douglas M. Beech, *Chairperson*

James R. Gastineau, *Administrator*

Board Members:

Roby Smith

Joseph D. Barry

Jeff. W. Robinson

Kayla Lyons

Timothy L. Gartin

Lisa Coffelt

John Maynes

MEMORANDUM

TO: UST Board Members
 FROM: James R. Gastineau
 DATE: June 12, 2024
 SUBJECT: Summary of Bills for Payment

NOTICE

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

1. Iowa Attorney General's Office \$3,894.40
March 2024 (FY 2024)
2. Iowa Department of Natural Resources \$10,435.00
3rd Quarter FY 2024
3. Iowa Attorney General's Office \$6,057.46
April 2024 (FY 2024)

**** Invoices have been submitted for payment.**

IOWA DEPARTMENT OF NATURAL RESOURCES
502 E. 9th Street
Des Moines, Iowa 50319-5005

Bill to:
Iowa Comprehensive Petroleum UST Fund Board
James Gastineau, Administrator
502 E. 9th Street
Des Moines, IA 50319-5005

INVOICE # DNR7538-22
Date: April 22, 2024

DESCRIPTION:

AMOUNT DUE:

Twentieth payment per 28E Agreement executed 06/20/18 for joint administration of the Iowa Comprehensive Petroleum Underground Storage Tank Fund for the period July 1, 2023 to March 31, 2024

\$ 10,435

SFY 2019 FINAL EXPENSE	\$	75,148
SFY 2020 FINAL EXPENSE	\$	107,844
SFY 2021 FINAL EXPENSE	\$	66,120
SFY 2022 FINAL EXPENSE	\$	48,755
SFY 2023 FINAL EXPENSE	\$	50,184
SFY 2024 EXPENSE		
Personnel - Jim Gastineau	\$	31,526
IDC @ 12.65%	\$	3,988
Travel	\$	492
Outside services	\$	1,703
Reimbursement to other state agencies	\$	24
		<hr/>
SFY 2024 EXPENSE TO DATE	\$	37,733
TOTAL EXPENSE TO DATE	\$	385,784
less prior reimbursements		<hr/>
		(375,349)

AMOUNT DUE \$ 10,435

Revenue Accounting Line:

0001-542-7538-0304

I certify that all eligible costs for which reimbursement is requested have been paid in full and are in substantial compliance with the terms of the funding agreement. If needed, additional detail is available upon request.

Preparer: Jen Kopp, Budget and Finance Bureau
jen.kopp@dnr.iowa.gov

Phone 515-204-5902

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

Invoice Date: 05/14/24

Buyer: Iowa UST Fund Program
502 E 9th St.
Des Moines, IA 50319
Attn: James Gastineau

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: April FY24

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

Document Number	Account Coding				Description	Amount
	Fund	Agency	Unit	Sub Unit		
112AG051424043	0001	112	2301		0302	\$ 6,057.46

Please direct billing questions to Jason Garvey 515-281-0853

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

Invoice Date: 04/07/24

Buyer: Iowa UST Fund Program
502 E 9th St.
Des Moines, IA 50319
Attn: James Gastineau

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: March FY24

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

Document Number	Account Coding				Description	Amount
	Fund	Agency	Unit	Sub Unit		
112AG040724043	0001	112	2301		0302	\$ 3,894.40

Please direct billing questions to Jason Garvey 515-281-0853

Monthly Activity Report and Financials Reviewed

A. May 2024 Activities Report

IOWA UST FUND
ACTIVITIES REPORT
MONTH ENDING MAY 31, 2024

Claims	Open Claims		Open Claims	Open & Closed
	Apr.'24 Ending	Monthly Changes	May '24 Ending	Totals since
RETROACTIVE				
number	1	0	1	447
reserve	\$ 158,603.43	(\$7,870.65)	\$ 150,732.78	\$ 150,732.78
paid	\$ 741,396.57	\$7,870.65	\$ 749,267.22	\$ 18,468,893.59
total	\$900,000.00	\$0.00	\$900,000.00	\$18,619,626.37
REMEDIAL (RM)				
number	18	0	18	4,464
reserve	\$ 1,162,338.97	(\$4,360.00)	\$ 1,157,978.97	\$ 1,157,978.97
paid	\$ 6,756,894.70	\$4,360.00	\$ 6,761,254.70	\$ 224,394,295.00
total	\$7,919,233.67	\$0.00	\$7,919,233.67	\$225,552,273.97
INNOCENT LANDOWNER (ILO)				
number	11	0	11	1,162
reserve	\$ 916,800.99	(\$8,309.15)	\$ 908,491.84	\$ 908,491.84
paid	\$ 2,143,799.01	\$8,309.15	\$ 2,152,108.16	\$ 37,538,950.03
total	\$3,060,600.00	\$0.00	\$3,060,600.00	\$38,447,441.87
GLOBAL OPT-IN				
number	5	0	5	1,314
reserve	\$ 27,680.14	\$0.00	\$ 27,680.14	\$ 27,680.14
paid	\$ 42,319.86	\$0.00	\$ 42,319.86	\$ 9,998,444.59
total	\$70,000.00	\$0.00	\$70,000.00	\$10,026,124.73
UNASSIGNED REVENUE FUND PROJECTS				
number	16	2	18	415
reserve	\$ 217,457.37	\$93,602.52	\$ 311,059.89	\$ 311,059.89
paid	\$ 587,737.68	\$51,397.51	\$ 639,135.19	\$ 5,186,370.69
total	\$805,195.05	\$145,000.03	\$950,195.08	\$5,497,430.58
NFA RE-EVALUATIONS				
number	19	1	20	114
reserve	\$ 494,401.31	\$67,379.60	\$ 561,780.91	\$ 561,780.91
paid	\$ 497,633.69	\$34,551.40	\$ 532,185.09	\$ 3,040,619.46
total	\$992,035.00	\$101,931.00	\$1,093,966.00	\$3,602,400.37
TANK CLOSURE (TX)				
number	9	9	18	964
reserve	\$105,002.00	\$113,020.00	\$218,022.00	\$218,022.00
paid	\$0.00	\$15,000.00	\$15,000.00	\$ 11,858,174.83
total	\$105,002.00	\$128,020.00	\$233,022.00	\$12,076,196.83

Total Claims	(RT, RM, ILO, NFA)	50	(USTCA, TX)	36
Reserves	(RT, RM, ILO, GS, NFA)	\$ 2,806,664.64		\$ 529,081.89
Total Reserves	(all claim types)	\$ 3,335,746.53		

Operator Training			
A/B (all)	4,162	A/B (FY2011-24)	\$414,320

RT Claims	#
New	0
Reopened	0
Closed	0
RM Claims	#
New	0
Reopened	0
Closed	0
ILO Claims	#
New	0
Reopened	0
Closed	0
GS Claims	#
New	0
Reopened	0
Closed	0
USTCA	#
New	2
Reopened	0
Closed	0
NFA Re-	#
New	2
Reopened	0
Closed	0
TX claims	#
New	8
Reopened	0
Closed	3

DNR 6-04-2024	
Total LUST	6873
High Risk	158
Low Risk	56
NAR-FP	22
Not Class.	56
Open LUST	292

Invoice Type Totals	May-24	FYTD	Program to Date
Appropriations	\$ 10,100.73	\$ 360,086.52	
Government. expenses	\$ 219.00	\$ 72,691.04	
2004 Tank Pull	\$ -	\$ -	\$ 1,761,823.44
2010 Tank Pull	\$ 30,000.00	\$ 649,490.45	\$ 12,123,144.98
American Soils	\$ -	\$ -	\$ 5,678,422.58
AST Removal/Upgrade	\$ -	\$ -	\$ 11,217,932.11
CADR Charges	\$ -	\$ -	\$ 4,708,703.72
Corrective Action	\$ 450.00	\$ 56,975.53	\$ 53,110,291.35
Expenses / OT	\$ 2,000.00	\$ 16,200.00	\$ 414,619.65
Free Prod Recover	\$ -	\$ 60,382.87	\$ 13,059,107.19
Monitoring	\$ 55,554.90	\$ 211,609.67	\$ 35,956,728.49
Operations/Maint	\$ -	\$ -	\$ 10,847,837.80
Over-excavation	\$ -	\$ -	\$ 38,036,140.86
Water Lines	\$ 3,623.75	\$ 29,386.62	\$ 3,718,210.20
Post RBCA Evals	\$ -	\$ -	\$ 258,858.41
RBCA	\$ 26,900.00	\$ 123,466.41	\$ 28,112,738.51
Remed Imp/Const.	\$ -	\$ 59,017.55	\$ 32,714,438.05
SCR Charges	\$ -	\$ -	\$ 54,217,410.26
Site Check	\$ -	\$ -	\$ 142,486.32
Soil Disposal	\$ -	\$ -	\$ 738,386.66
Tank (UST) Pull	\$ -	\$ -	\$ 3,979,734.25
Tank (UST) Upgrade	\$ -	\$ -	\$ 3,440,849.83
Tier III	\$ -	\$ 6,767.09	\$ 1,501,094.26
Utilities	\$ -	\$ -	\$ 2,303,397.67
Well Closure	\$ 446.25	\$ 27,648.75	\$ 4,637,873.59
Total Invoice Types	\$ 118,974.90	\$ 1,240,944.94	\$ 321,729,934.01

Remediation Budgets Approved to Date		
Last month (May 2024)	2	\$201,673
Trailing 12 mos	4	\$103,392
Prev Trail 12 mos	3	\$797,296
Total Since Jan 2003	1,288	\$58,386,966

Project Contracts	Open	Closed	Pending
CRP's	0	45	0
Tank Closure	1	8	0
Plastic Water Line	0	2	0

	CY 2024	CY 2023	CY 2022
New LUST Sites	6	25	36
Closed (NAR) Sites	20	61	42

B. May 2024 Financial Report

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCE
FOR THE MONTH
ENDING MAY 31, 2024**

0471 - UST REVENUE FUND (Bonding)		
<hr/> Balance of Fund, May 1, 2024		\$1,310,161.55
 Receipts:		
Intra State Fund Transfers Received	\$0.00	
Interest Income	\$5,548.15	
	<hr/>	\$5,548.15
 Disbursements:		
Adjustments	\$0.00	
Transfer to Unassigned Revenue Fund (0450)	\$0.00	
Transfer to Innocent Landowner Fund (0485)	\$0.00	
Transfer to Remedial Non-Bonding Fund (0208)	\$0.00	
	<hr/>	\$0.00
 Balance of Fund, May 31, 2024		<hr/> \$1,315,709.70
<hr/> 0450 - UST UNASSIGNED REVENUE FUND (Non-Bonding)		
Balance of Fund, May 1, 2024		\$553,764.27
 Receipts:		
Refund/Overpayment	\$0.00	
Transfer From UST Revenue Fund (0471)	\$0.00	
Interest Income	\$10,095.63	
	<hr/>	\$10,095.63
 Disbursements:		
UST Administrator's Fees	\$0.00	
Adjustment	\$0.00	
Attorney General's Fees	\$3,894.40	
Cost Recovery Expense (i.e. Lien Filing, Overpayment Refund)	\$0.00	
Auditor of the State Fees	\$0.00	
Claim Settlement	\$0.00	
Department of Inspection & Appeals Service Fees	\$0.00	
Professional Services - Owner/Operator Training	\$2,000.00	
Special Project Claims - Closure Contract Project	\$49,758.50	
Travel Expenses-UST Board Members	\$219.00	
Statutory Transfer to DNR (Admin match)	\$0.00	
Statutory Transfer to DNR (tech review - recurring & carry over)	\$0.00	
Statutory Transfer to IDAL (fuel inspections - recurring & carry over)	\$10,100.73	
Appropriations Prior Fiscal Year	\$0.00	
Outdated / Outstanding Warrants	\$0.00	
	<hr/>	\$65,972.63
 Balance of Fund, May 31, 2024		<hr/> \$497,887.27
<hr/> 0208 - UST REMEDIAL NON-BONDING FUND		
Balance of Fund, May 1, 2024		\$1,494,892.54
 Receipts:		
Transfer From UST Revenue Fund (0471)	\$0.00	
	<hr/>	\$0.00
 Disbursements:		
Retroactive Claims	\$0.00	
Remedial Claims	\$2,665.00	
28E Agreement - NFA Claims	\$60,363.40	
Tank Closure Claims (455G.9)	\$30,000.00	
Adjustment	\$0.00	
Balance of Outdated / Outstanding Warrants	\$0.00	
	<hr/>	\$93,028.40
 Balance of Fund, May 31, 2024		<hr/> \$1,401,864.14

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCE
FOR THE MONTH
ENDING MAY 31, 2024**

0478 - UST MARKETABILITY FUND		
Balance of Fund, May 1, 2024		\$428,168.56
Receipts:		
Interest	\$9,616.77	
Use Tax	\$0.00	
	\$9,616.77	\$9,616.77
Disbursements:		
Intra State Fund Transfer	\$0.00	
Transfer to Innocent Landowners Fund	\$0.00	
	\$0.00	\$0.00
Balance of Fund, May 31, 2024		\$437,785.33
0485 - UST INNOCENT LANDOWNERS FUND		
Balance of Fund, May 1, 2024		\$1,824,912.86
Receipts:		
Cost Recovery (i.e. lien settlements)	\$0.00	
Transfer From UST Revenue Fund (0471)	\$0.00	
Outdated Warrants	\$0.00	
Miscellaneous Income	\$0.00	
	\$0.00	\$0.00
Disbursements:		
Balance of Outstanding Warrants	\$0.00	
Intra State Fund Transfers Paid (to Unassigned Revenue)	\$0.00	
Global Settlement Claims	\$0.00	
Innocent Landowner Claims	\$0.00	
Balance of Outstanding / Outdated Warrants	\$0.00	
	\$0.00	\$0.00
Balance of Fund, May 31, 2024		\$1,824,912.86
TOTAL FUND BALANCES, May 31, 2024		\$5,478,159.30

C. Year-to-Date Financials as of May 31, 2024

IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FISCAL YEAR TO DATE
ENDING MAY 31, 2024

		FY 2024 BUDGET
0471 - UST REVENUE FUND (Bonding)		
Balance of Fund, July 1, 2023	\$1,262,264.63	\$1,262,264.63
Receipts:		
Intra State Fund Transfers Received	\$0.00	\$0.00
Interest Income	\$53,445.07	\$50,000.00
	\$53,445.07	\$50,000.00
Disbursements:		
Adjustments	\$0.00	\$0.00
Transfer to Unassigned Revenue Fund (0450)	\$0.00	\$0.00
Transfer to Innocent Landowner Fund (0485)	\$0.00	\$0.00
Transfer to Remedial Non-Bonding Fund (0208)	\$0.00	\$0.00
	\$0.00	\$0.00
Balance of Fund, May 31, 2024	\$1,315,709.70	\$1,312,264.63
0450 - UST UNASSIGNED REVENUE FUND (Non-Bonding)		
Balance of Fund, July 1, 2023	\$1,015,942.76	\$1,015,942.76
Receipts:		
Refund/Overpayment	\$0.00	\$0.00
Transfer From UST Revenue Fund (0471)	\$0.00	\$0.00
Interest Income	\$126,015.21	\$75,000.00
	\$126,015.21	\$75,000.00
Disbursements:		
UST Administrator's Fees	\$40,514.00	\$80,000.00
Adjustment	\$0.00	\$0.00
Attorney General's Fees	\$47,598.94	\$50,000.00
Cost Recovery Expense (i.e. Lien Filing, Overpayment Refund)	\$24.00	\$100.00
Auditor of the State Fees	\$7,073.50	\$4,000.00
Claim Settlement	\$0.00	\$0.00
Department of Inspection & Appeals Service Fees	\$0.00	\$0.00
Professional Services - Owner/Operator Training	\$16,200.00	\$20,000.00
Special Project Claims - Closure Contract Project	\$153,309.72	\$250,000.00
Travel Expenses-UST Board Members	\$219.00	\$100.00
Statutory Transfer to DNR (Admin match)	\$200,000.00	\$200,000.00
Statutory Transfer to DNR (technical review - recurring & carry over)	\$0.00	\$0.00
Statutory Transfer to IDAL (fuel inspections - recurring & carry over)	\$174,081.26	\$250,000.00
Appropriations Prior Fiscal Year	\$5,050.28	\$8,000.00
Outdated / Outstanding Warrants	\$0.00	\$0.00
	\$644,070.70	\$862,200.00
Balance of Fund, May 31, 2024	\$497,887.27	\$228,742.76
0208 - UST REMEDIAL NON-BONDING FUND		
Balance of Fund, July 1, 2023	\$2,376,689.41	\$2,376,689.41
Receipts:		
Transfer From UST Revenue Fund (0471)	\$0.00	\$0.00
	\$0.00	\$0.00
Disbursements:		
Retroactive Claims	\$14,253.15	\$15,000.00
Remedial Claims	\$86,736.79	\$75,000.00
28E Agreement - NFA Claims	\$209,344.88	\$250,000.00

**IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK FUND
STATEMENT OF FUND BALANCES
FISCAL YEAR TO DATE
ENDING MAY 31, 2024**

		FY 2024 BUDGET
Tank Closure Claims (455G.9)	\$664,490.45	\$750,000.00
Adjustment	\$0.00	\$0.00
Balance of Outdated / Outstanding Warrants	\$0.00	\$0.00
	\$974,825.27	\$1,090,000.00
Balance of Fund, May 31, 2024	\$1,401,864.14	\$1,286,689.41
0478 - UST MARKETABILITY FUND		
Balance of Fund, July 1, 2023	\$343,275.90	\$343,275.90
Receipts:		
Interest	\$94,509.43	\$55,000.00
Use Tax	\$0.00	\$0.00
	\$94,509.43	\$55,000.00
Disbursements:		
Intra State Fund Transfer	\$0.00	\$0.00
Transfer to Innocent Landowners Fund	\$0.00	\$0.00
	\$0.00	\$0.00
Balance of Fund, May 31, 2024	\$437,785.33	\$398,275.90
0485 - UST INNOCENT LANDOWNERS FUND		
Balance of Fund, July 1, 2023	\$1,949,534.81	\$1,949,534.81
Receipts:		
Cost Recovery (i.e. lien settlements)	\$0.00	\$0.00
Transfer From UST Revenue Fund (0471)	\$0.00	\$0.00
Outdated Warrants	\$0.00	\$0.00
Miscellaneous Income (cancelled warrant)	\$1,000.00	\$0.00
	\$1,000.00	\$0.00
Disbursements:		
Balance Outstanding Warrants	\$0.00	\$0.00
Intra State Fund Transfers Paid (to Unassigned I	\$0.00	\$0.00
Global Settlement Claims	\$256.05	\$6,000.00
Innocent Landowner Claims	\$125,365.90	\$250,000.00
Balance of Outdated / Outstanding Warrants	\$0.00	\$0.00
	\$125,621.95	\$256,000.00
Balance of Fund, May 31, 2024	\$1,824,912.86	\$1,693,534.81
TOTAL FUND BALANCES, May 31, 2024	\$5,478,159.30	\$4,919,507.51

D. Lien Update

Iowa Underground Storage Tank Fund Liens Filed									
				Updated 06/06/2024					
Lien #	County	Site #	Claim #	Site Address	Property Owner	Cost Recovery Letter	Lien Amount	Lien Filed Date	Book & Page
0605012	Keokuk	8609694	73040 / 11003	407 Barnes, What Cheer	M & K Foubert	2/2/2006	\$82,373.75	5/16/2006; renewed 5/16/2016	2006-0962
0610017	Jefferson	8601629	11023 / 14009	206 West Main St, Lockridge Hwy. 1 &	R & C Richardson	7/13/2006	\$35,202.00	10/25/2006; renewed 10/05/16	Bk 4 - pg 258
0701022	Van Buren	8600890	11032 / 14002	180th St., Keosauqua	Henry Robbins	10/20/2006	\$32,980.90	1/19/2007; renewed 11/7/2016	2016 - 1395
0702023	Montgomery	8607574	15013	Tenville IA	Marvin G. Shipley	10/30/2006	\$2,795.00	2/16/2007; renewed 1/9/2017	Book 6, Pg 275-6
0704025	Tama	9017159	14005	100 Jacobs St., Chelsea	T & C Jacobi	12/7/2006	\$17,839.00	5/17/2007; renewed 4/28/2017	Book 2017 - 1371
0706029	Woodbury	9217516	73002	29 Deer Run, Climbing Hill	P Benjamin	3/27/2007	\$14,400.00	8/7/2007; renewed 8/4/2017	Roll 754, Image 1063-64
200916	Black Hawk	8608488	18533	1104 Washington, Waterloo	Star Real Estate Holdings LLC	7/28/2020	\$29,028.70	10/8/2020	Refiled 2024-0010966
LIEN REFERENCE: SECTION 424.11, CODE 2016 (www.legis.iowa.gov/docs/code/2016/424.11.pdf)									

Attorney General's Report

Claim Payment Approval

**Contracts Entered Into
Since March 22, 2024 Board Meeting**

**** no contracts signed ****

Other Issues as Presented

Correspondence and Attachments