



# IOWA UNDERGROUND STORAGE TANK FUND

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February 11, 2019

## **MEMORANDUM**

TO: Legislative Council and Legislative Services Agency

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

RE: Fiscal Year 2020, 2<sup>nd</sup> Quarter Report on the Iowa Underground Storage Tank Fund Program

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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 2<sup>nd</sup> quarter of Fiscal Year 2020.

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 since not all meet the eligibility criteria of Iowa Code Section 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) 725-8450 or contact the Administrator at [James.Gastineau@dnr.iowa.gov](mailto:James.Gastineau@dnr.iowa.gov)

## UST Fund Program Status Areas 2QFY2020 (December 31, 2019)

### 1. Financial Balances

	12/31/2019	06/30/2019	06/30/2018	6/30/2017	6/30/2016
Revenue Fund	\$5,388,672	\$5,328,873	\$5,222,601	\$8,619,353	\$14,562,013
Unassigned Revenue Fund	\$2,998,529	\$3,382,142	\$3,633,898	\$5,445,127	\$7,405,496
Remedial Fund	\$3,299,772	\$4,043,862	\$5,966,703	\$16,159,378	\$11,208,135
Marketability Fund	\$245,170	\$210,079	\$941,612	\$878,021	\$828,242
Innocent Landowner Fund	\$2,573,782	\$2,913,651	\$2,764,684	\$5,647,461	\$4,841,819
Loan Guarantee Fund	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Capital Reserve Funds	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
<b>Total Fund Balances</b>	<b>↓\$14,505,925</b>	<b>↓\$15,878,605</b>	<b>↓\$18,529,498</b>	<b>↓\$36,749,341</b>	<b>↑\$38,845,705</b>

Previous and Pending Transfers

FY2009--\$4.9 million

FY2011--\$26.4 million

FY2012--\$3 million

Claims Paid

\$7.1 million FY 2017

\$4.2 million FY 2018

\$1.8 million FY 2019

### 2. Operational

#### Changes

- Program administration transferred to the Iowa Department of Natural Resources
- Program funding ceased 12/31/2016 (2016 legislation, HF2464).
- Transfer of 199 liability claims completed 10/2017 with payment of \$13.1M
- 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 and number of Program claims.

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

Iowa DNR / Iowa UST Site Data (as of 12/31/2019)	DNR LUST Sites	Remedial CRP/NFA claims	Retroactive claims	Innocent Landowner Fund Claims	Total UST Fund Claims
Total Active LUST Sites / Fund Claims	439	59	1	24	84
Sites "Not Classified"	64	2	0	2	4
Low Risk sites	105	14	0	6	20
High Risk sites	245	38	1	12	51
No Action with free product sites	25	5	0	2	7
No Action Required or other sites	6754	0	0	2	2

### 4. Results - UST Fund Open Claims / Liabilities

	Liabilities (as of 12/31/2019)	December 2019	June 2019	June 2018	June 2017	June 2016
Retroactive Claims	\$ 0.09 million	1	3	4	14	22
Remedial/CRP/ NFA Claims	\$ 2.92 million	59	68	78	268	308
Innocent Landowner Fund Claims	\$ 2.73 million	24	32	34	68	77
<b>Total*</b>	<b>\$ 5.74 million</b>	<b>84</b>	<b>104</b>	<b>116</b>	<b>350</b>	<b>407</b>
Claim Liabilities *		\$5.74M	\$5.83M	\$6.79M	\$17.5M	\$22.1M

\*does not include special project claims or tank closure claims

IOWA UST FUND PROGRAM  
CLAIMS ACTIVITY REPORT  
ENDING DECEMBER 31, 2019

Claims	Open Claims November ending	Open Claims Monthly Changes	Open Claims December ending	Open & Closed Totals since Inception
<b>RETROACTIVE</b>				
number	1	0	1	447
reserve	\$ 89,461.63	\$0.00	\$ 89,461.63	\$ 89,461.63
paid	\$ 710,538.37	\$0.00	\$ 710,538.37	\$ 18,425,639.67
total	\$800,000.00	\$0.00	\$800,000.00	\$18,515,101.30
<b>REMEDIAL</b>				
number	46	(3)	43	4,464
reserve	\$ 2,140,641.33	\$37,067.20	\$ 2,177,708.53	\$ 21,777,008.53
paid	\$ 13,166,667.10	(\$664,672.25)	\$ 12,501,994.85	\$ 223,948,210.63
total	\$15,307,308.43	(\$627,605.05)	\$14,679,703.38	\$245,725,219.16
<b>INNOCENT LANDOWNER</b>				
number	25	(1)	24	1,155
reserve	\$ 2,250,291.80	\$416,096.87	\$ 2,666,388.67	\$ 2,666,388.67
paid	\$ 2,664,277.51	\$39,933.82	\$ 2,704,211.33	\$ 36,229,724.96
total	\$4,914,569.31	\$456,030.69	\$5,370,600.00	\$38,896,113.63
<b>GLOBAL OPT-IN</b>				
number	9	0	9	1,313
reserve	\$ 55,373.46	\$0.00	\$ 55,373.46	\$ 55,373.46
paid	\$ 68,126.54	\$0.00	\$ 68,126.54	\$ 9,990,361.19
total	\$123,500.00	\$0.00	\$123,500.00	\$10,045,734.65
<b>UNASSIGNED REVENUE FUND PROJECTS</b>				
number	42	(1)	41	382
reserve	\$ 1,174,587.75	(\$37,522.35)	\$ 1,137,065.40	\$ 1,137,065.40
paid	\$ 223,412.25	(\$17,477.65)	\$ 205,934.60	\$ 4,071,758.97
total	\$1,398,000.00	(\$55,000.00)	\$1,343,000.00	\$5,208,824.37
<b>NFA RE-EVALUATIONS</b>				
number	15	1	16	88
reserve	\$ 668,606.07	\$85,554.05	\$ 754,160.12	\$ 754,160.12
paid	\$ 772,893.93	\$4,445.95	\$ 777,339.88	\$ 2,029,934.23
total	\$1,215,000.00	\$0.00	\$1,215,000.00	\$2,383,383.62
<b>TANK PULLS</b>				
number	37	(5)	32	723
reserve	\$416,418.26	(\$29,629.26)	\$386,789.00	\$ 386,789.00
paid	\$0.00	\$0.00	\$0.00	\$ 8,569,810.24
total	\$416,418.26	(\$29,629.26)	\$386,789.00	\$8,956,599.24

Total Claims	(RT, RM, ILO, NFA)	84	(USTCA, TX)	73
Reserves	(RT, RM, ILO, GS, NFA)	\$ 5,743,092.41		\$ 1,523,854.40
Total Reserves	(all claim types)	\$ 7,266,946.81		

Operator Training	
A/B (all)	3,557 A/B (FY2011-20) \$347,520

RT Claims	#
New	0
Reopened	0
Closed	2

RM Claims	#
New	0
Reopened	0
Closed	3

ILO Claims	#
New	0
Reopened	0
Closed	1

GS Claims	#
New	0
Reopened	0
Closed	0

USTCA	#
New	0
Reopened	0
Closed	1

NFA Re-Eval	#
New	0
Reopened	0
Closed	0

Tank Pull	#
New	2
Reopened	1
Closed	9

DNR: 01-01-2020	
Total LUST	6754
High Risk	245
Low Risk	105
NAR-FP	25
Not Class.	64
Open LUST	439

Invoice Type Totals	December '19	FYTD	Program to Date
Gov. Appropriations	\$ 49,492.82	\$ 164,190.71	
Gov. expenses	\$ -	\$ 75,897.15	
2004 Tank Pull	\$ -	\$ -	\$ 1,761,823.44
2010 Tank Pull	\$ 101,629.26	\$ 469,917.77	\$ 8,806,958.06
American Soils	\$ -	\$ -	\$ 5,678,422.58
AST Removal/Upgrade	\$ -	\$ -	\$ 11,217,932.11
CADR Charges	\$ -	\$ -	\$ 4,708,703.72
Corrective Action	\$ 2,245.20	\$ 3,892.39	\$ 52,745,758.26
Expenses / OT	\$ 300.00	\$ 5,600.00	\$ 347,819.65
Free Prod Recover	\$ 3,412.00	\$ 51,930.26	\$ 12,731,676.66
Monitoring	\$ 44,951.10	\$ 192,192.37	\$ 34,919,738.26
Operations/Maint	\$ 1,320.00	\$ 16,375.95	\$ 10,831,597.43
Over-excavation	\$ 41,222.20	\$ 294,004.73	\$ 36,967,982.11
Water Lines	\$ -	\$ 1,230.00	\$ 3,450,324.68
Post RBCA Evals	\$ -	\$ -	\$ 258,858.41
RBCA	\$ 4,113.20	\$ 105,844.51	\$ 27,574,051.32
Remed Imp/Const.	\$ -	\$ -	\$ 32,655,420.50
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	\$ -	\$ 1,500.00	\$ 1,446,457.07
Utilities	\$ 35.55	\$ 247.38	\$ 2,303,109.38
Well Closure	\$ 8,275.00	\$ 45,982.00	\$ 4,467,620.32
Total Invoice Types	\$ 207,503.51	\$ 1,188,717.36	\$ 314,442,825.11

Remediation Budgets Approved to Date		
Last month (Dec '19)	1	\$108,144
Trailing 12 mos	6	\$311,715
Prev Trail 12 mos	5	\$619,169
Total Since Jan 2003	1,278	\$57,203,678

Project Contracts	Open	Closed	Pending
CRP's	1	44	0
Tank Closure	2	7	0
Plastic Water Line	0	2	0

Corrective Action Mtgs (8-20-2019)		MOA's	489
Scheduled:	0	Completed:	1,349