



IOWA UNDERGROUND STORAGE TANK FUND

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April 16, 2020

MEMORANDUM

TO: Legislative Council and Legislative Services Agency

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

RE: Fiscal Year 2020, 3rd Quarter Report on the Iowa 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 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

UST Fund Program Status Areas 3QFY2020 (March 31, 2020)

1. Financial Balances

| | 03/31/2020 | 06/30/2019 | 06/30/2018 | 6/30/2017 | 6/30/2016 |
|----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Revenue Fund | \$5,412,855 | \$5,328,873 | \$5,222,601 | \$8,619,353 | \$14,562,013 |
| Unassigned Revenue Fund | \$2,807,810 | \$3,382,142 | \$3,633,898 | \$5,445,127 | \$7,405,496 |
| Remedial Fund | \$2,979,590 | \$4,043,862 | \$5,966,703 | \$16,159,378 | \$11,208,135 |
| Marketability Fund | \$258,531 | \$210,079 | \$941,612 | \$878,021 | \$828,242 |
| Innocent Landowner Fund | \$2,539,434 | \$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- |
| Total Fund Balances | ↓\$13,998,220 | ↓\$15,878,605 | ↓\$18,529,498 | ↓\$36,749,341 | ↑\$38,845,705 |

Previous and Pending Transfers
 FY2009--\$4.9 million
 FY2011--\$26.4 million
 FY2012--\$3 million

Claims Paid
 \$4.2 million FY 2018
 \$1.8 million FY 2019
 \$1.7 million FY 2020 (3rd Quarter)

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 03/31/2020) | DNR LUST Sites | Remedial CRP/NFA claims | Retroactive claims | Innocent Landowner Fund Claims | Total UST Fund Claims |
|---|----------------|-------------------------|--------------------|--------------------------------|-----------------------|
| Total Active LUST Sites / Fund Claims | 425 | 55 | 1 | 24 | 80 |
| Sites "Not Classified" | 66 | 2 | 0 | 0 | 2 |
| Low Risk sites | 105 | 11 | 0 | 4 | 15 |
| High Risk sites | 235 | 36 | 1 | 14 | 51 |
| No Action with free product sites | 19 | 3 | 0 | 2 | 5 |
| No Action Required or other sites | 6,339 | 5 | 0 | 2 | 7 |

4. Results - UST Fund Open Claims / Liabilities

| | Liabilities (as of 03/31/2020) | March 2020 | June 2019 | June 2018 | June 2017 | June 2016 |
|--------------------------------|-----------------------------------|------------|------------|------------|------------|------------|
| Retroactive Claims | \$ 0.08 million | 1 | 3 | 4 | 14 | 22 |
| Remedial/CRP/ NFA Claims | \$ 2.87 million | 55 | 68 | 78 | 268 | 308 |
| Innocent Landowner Fund Claims | \$ 2.69 million | 24 | 32 | 34 | 68 | 77 |
| Total* | \$ 5.64 million | 80 | 104 | 116 | 350 | 407 |
| Claim Liabilities * | | \$5.64M | \$5.83M | \$6.79M | \$17.5M | \$22.1M |

*does not include special project claims or tank closure claims

JUST FUND
ACTIVITIES REPORT
MARCH 2020

| | Open Claims | | Open Claims | Open & Closed |
|---|------------------|-----------------|------------------|------------------------|
| Claims | February Ending | Monthly Changes | March Ending | Totals since Inception |
| RETROACTIVE | | | | |
| number | 1 | 0 | 1 | 447 |
| reserve | \$ 81,998.91 | (\$1,450.00) | \$ 80,548.91 | \$ 80,548.91 |
| paid | \$ 718,001.09 | \$1,450.00 | \$ 719,451.09 | \$ 18,434,552.39 |
| total | \$800,000.00 | \$0.00 | \$800,000.00 | \$18,515,101.30 |
| REMEDIAL | | | | |
| number | 42 | (1) | 41 | 4,464 |
| reserve | \$ 2,079,721.75 | \$119,195.40 | \$ 2,198,917.15 | \$ 2,198,917.15 |
| paid | \$ 12,529,981.63 | (\$94,195.40) | \$ 12,435,786.23 | \$ 224,027,124.43 |
| total | \$14,609,703.38 | \$25,000.00 | \$14,634,703.38 | \$226,226,041.58 |
| INNOCENT LANDOWNER | | | | |
| number | 24 | 0 | 24 | 1,156 |
| reserve | \$ 2,645,943.28 | (\$1,754.00) | \$ 2,644,189.28 | \$ 2,644,189.28 |
| paid | \$ 2,724,656.72 | \$1,754.00 | \$ 2,726,410.72 | \$ 36,269,785.86 |
| total | \$5,370,600.00 | \$0.00 | \$5,370,600.00 | \$38,913,975.14 |
| GLOBAL OPT-IN | | | | |
| number | 8 | 0 | 8 | 1,313 |
| reserve | \$ 46,006.26 | \$0.00 | \$ 46,006.26 | \$ 46,006.26 |
| paid | \$ 63,493.74 | \$0.00 | \$ 63,493.74 | \$ 9,990,361.19 |
| total | \$109,500.00 | \$0.00 | \$109,500.00 | \$10,036,367.45 |
| UNASSIGNED REVENUE FUND PROJECTS | | | | |
| number | 44 | (2) | 42 | 387 |
| reserve | \$ 1,098,107.04 | (\$36,477.74) | \$ 1,061,629.30 | \$ 1,061,629.30 |
| paid | \$ 271,892.96 | \$19,477.74 | \$ 291,370.70 | \$ 4,169,350.07 |
| total | \$1,370,000.00 | (\$17,000.00) | \$1,353,000.00 | \$5,230,979.37 |
| NFA RE-EVALUATIONS | | | | |
| number | 15 | (1) | 14 | 88 |
| reserve | \$ 720,415.08 | (\$48,300.00) | \$ 672,115.08 | \$ 672,115.08 |
| paid | \$ 861,084.92 | (\$336,746.42) | \$ 524,338.50 | \$ 2,121,979.27 |
| total | \$1,215,000.00 | \$0.00 | \$1,215,000.00 | \$2,383,383.62 |
| TANK PULLS | | | | |
| number | 30 | 2 | 32 | 737 |
| reserve | \$336,791.00 | \$0.00 | \$336,791.00 | \$ 336,791.00 |
| paid | \$0.00 | \$0.00 | \$0.00 | \$ 8,745,236.59 |
| total | \$336,791.00 | \$0.00 | \$336,791.00 | \$9,082,027.59 |

| Total Claims | (RT, RM, ILO, NFA) | 80 | (USTCA, TX) | 74 |
|----------------|--------------------|-----------------|-------------|-----------------|
| Reserves | (RT,RM,ILO,GS,NFA) | \$ 5,641,776.68 | | \$ 1,398,420.30 |
| Total Reserves | (all claim types) | \$ 7,040,196.98 | | |

| Operator Training | | | |
|-------------------|-------|-----------------|-----------|
| A/B (all) | 3,588 | A/B (FY2011-20) | \$350,820 |

| RT Claims | # |
|-----------|---|
| New | 0 |
| Reopened | 0 |
| Closed | 0 |

| RM Claims | # |
|-----------|---|
| New | 0 |
| Reopened | 0 |
| Closed | 1 |

| ILO Claims | # |
|------------|---|
| New | 0 |
| Reopened | 0 |
| Closed | 0 |

| GS Claims | # |
|-----------|---|
| New | 0 |
| Reopened | 0 |
| Closed | 0 |

| USTCA | # |
|----------|---|
| New | 0 |
| Reopened | 0 |
| Closed | 2 |

| NFA Re-Eval | # |
|-------------|---|
| New | 0 |
| Reopened | 0 |
| Closed | 1 |

| Tank Pull | # |
|-----------|---|
| New | 3 |
| Reopened | 0 |
| Closed | 2 |

| DNR: 04-02-2020 | |
|------------------|------------|
| Total LUST | 6769 |
| High Risk | 235 |
| Low Risk | 105 |
| NAR-FP | 19 |
| Not Class. | 66 |
| Open LUST | 425 |

| Invoice Type Totals | March 2020 | FYTD | Program to Date |
|----------------------------|---------------------|------------------------|--------------------------|
| Appropriations | \$ 30,365.82 | \$ 233,426.63 | |
| Government. expenses | \$ - | \$ 139,168.98 | |
| 2004 Tank Pull | \$ - | \$ - | \$ 1,761,823.44 |
| 2010 Tank Pull | \$ 15,000.00 | \$ 687,381.45 | \$ 9,024,421.74 |
| American Soils | \$ - | \$ - | \$ 5,678,422.58 |
| AST Removal/Upgrade | \$ - | \$ - | \$ 11,217,932.11 |
| CADR Charges | \$ - | \$ - | \$ 4,708,703.72 |
| Corrective Action | \$ - | \$ 43,882.34 | \$ 52,785,748.21 |
| Expenses / OT | \$ 600.00 | \$ 8,900.00 | \$ 351,119.65 |
| Free Prod Recover | \$ 3,749.94 | \$ 84,310.73 | \$ 12,764,057.13 |
| Monitoring | \$ 32,696.50 | \$ 294,507.91 | \$ 35,022,053.80 |
| Operations/Maint | \$ 1,326.00 | \$ 20,341.95 | \$ 10,835,563.43 |
| Over-excavation | \$ - | \$ 363,349.77 | \$ 37,037,327.15 |
| Water Lines | \$ - | \$ 10,361.00 | \$ 3,459,455.68 |
| Post RBCA Evals | \$ - | \$ - | \$ 258,858.41 |
| RBCA | \$ 5,200.00 | \$ 126,244.51 | \$ 27,594,451.32 |
| 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 | \$ 660.00 | \$ 2,160.00 | \$ 1,447,117.07 |
| Utilities | \$ 35.90 | \$ 357.70 | \$ 2,303,219.70 |
| Well Closure | \$ 7,440.00 | \$ 58,537.11 | \$ 4,480,175.43 |
| Total Invoice Types | \$ 66,708.34 | \$ 1,700,334.47 | \$ 314,954,442.22 |

| Remediation Budgets Approved to Date | | |
|--------------------------------------|--------------|---------------------|
| Last month (Mar. '20) | 0 | \$0 |
| 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 Meetings | | MOA's | 489 |
|----------------------------|---|------------|-------|
| Scheduled: | 0 | Completed: | 1,349 |