



IOWA UNDERGROUND STORAGE TANK FUND

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January 5, 2023

MEMORANDUM

TO: Legislative Council and Legislative Services Agency

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

RE: Fiscal Year 2023, 2nd 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 1st quarter of Fiscal Year 2023.

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) 829-2770 or contact the Administrator at USTFUND@dnr.iowa.gov

UST Fund Program Status Areas 2Q - FY2023 (December 31, 2022)

1. Financial Balances

| | 12/31/2022 | 06/30/2022 | 06/30/2021 | 06/30/2020 | 06/30/2019 |
|----------------------------|---------------------|---------------------|----------------------|----------------------|----------------------|
| Revenue Fund | \$2,222,822 | \$2,209,487 | \$3,951,754 | \$5,432,811 | \$5,328,873 |
| Unassigned Revenue Fund | \$1,384,743 | \$1,717,002 | \$1,585,786 | \$2,539,840 | \$3,382,142 |
| Remedial Fund | \$1,897,320 | \$2,617,039 | \$2,707,740 | \$2,546,803 | \$4,043,862 |
| Marketability Fund | \$299,741 | \$283,257 | \$278,250 | \$268,937 | \$210,079 |
| Innocent Landowner Fund | \$1,936,361 | \$2,473,343 | \$2,571,254 | \$2,498,227 | \$2,913,651 |
| Loan Guarantee Funds | \$ -0- | \$ -0- | \$ -0- | \$ -0- | \$ -0- |
| Capital Reserve Funds | \$ -0- | \$ -0- | \$ -0- | \$ -0- | \$ -0- |
| Total Fund Balances | ↓\$7,740,987 | ↓\$9,300,128 | ↓\$11,094,764 | ↓\$13,286,618 | ↓\$15,878,605 |

2. Operational

Changes

- Since 2020, program administration managed under 28E agreement by the Iowa Department of Natural Resources
- 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 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 (12/31/2022) | DNR LUST Sites | Remedial CRP/NFA claims | Retroactive claims | Innocent Landowner Fund Claims | Open UST Fund Claims |
|---|----------------|-------------------------|--------------------|--------------------------------|----------------------|
| Total Active LUST Sites / Fund Claims | 332 | 43 | 1 | 14 | 58 |
| Sites "Not Classified" | 63 | 9 | 0 | 0 | 9 |
| Low Risk sites | 77 | 5 | 0 | 1 | 6 |
| High Risk sites | 173 | 27 | 1 | 11 | 39 |
| No Action with free product sites | 19 | 2 | 0 | 2 | 4 |
| No Action Required or other sites | 6,516 | 0 | 0 | 0 | 0 |

4. Results - UST Fund Open Claims / Liabilities

| | Liabilities 12/31/2022) | December 2022 | June 2022 | June 2021 | June 2020 | June 2019 |
|--------------------------------|-------------------------|---------------|-----------|-----------|-----------|-----------|
| Retroactive Claims | \$ 0.16 million | 1 | 1 | 1 | 2 | 3 |
| Remedial/CRP/ NFA Claims | \$ 2.41 million | 43 | 43 | 48 | 50 | 68 |
| Innocent Landowner Fund Claims | \$ 1.61 million | 14 | 15 | 21 | 23 | 32 |
| Total* | \$ 4.18 million | 58 | 62 | 70 | 75 | 104 |
| Claim Liabilities * | | \$4.18M | \$3.60M | \$4.09M | \$5.05M | \$5.83M |

*does not include special project claims or tank closure claims

IOWA UST FUND
ACTIVITIES REPORT
DECEMBER 31, 2022

| Claims | Open Claims November Ending | Monthly Changes | Open Claims December Ending | Open & Closed Totals since |
|---|--------------------------------|-----------------|--------------------------------|-------------------------------|
| RETROACTIVE | | | | |
| number | 1 | 0 | 1 | 447 |
| reserve | \$ 164,985.93 | \$0.00 | \$ 164,985.93 | \$ 164,985.93 |
| paid | \$ 735,014.07 | \$0.00 | \$ 735,014.07 | \$ 18,454,640.44 |
| total | \$900,000.00 | \$0.00 | \$900,000.00 | \$18,619,626.37 |
| REMEDIAL (RM) | | | | |
| number | 23 | (1) | 22 | 4,464 |
| reserve | \$ 1,604,767.95 | (\$2,410.00) | \$ 1,602,357.95 | \$ 1,602,357.95 |
| paid | \$ 7,132,253.20 | \$12,650.91 | \$ 7,144,904.11 | \$ 224,279,222.54 |
| total | \$8,737,021.15 | \$10,240.91 | \$8,747,262.06 | \$225,881,580.49 |
| INNOCENT LANDOWNER (ILO) | | | | |
| number | 14 | 0 | 14 | 1,161 |
| reserve | \$ 2,093,884.30 | (\$497,472.78) | \$ 1,596,411.52 | \$ 1,596,411.52 |
| paid | \$ 1,961,715.70 | \$497,472.78 | \$ 2,459,188.48 | \$ 37,382,840.21 |
| total | \$4,055,600.00 | \$0.00 | \$4,055,600.00 | \$38,979,251.73 |
| GLOBAL OPT-IN | | | | |
| number | 4 | 0 | 4 | 1,313 |
| reserve | \$ 19,134.19 | \$0.00 | \$ 19,134.19 | \$ 19,134.19 |
| paid | \$ 36,865.81 | \$0.00 | \$ 36,865.81 | \$ 9,992,990.54 |
| total | \$56,000.00 | \$0.00 | \$56,000.00 | \$10,012,124.73 |
| UNASSIGNED REVENUE FUND PROJECTS | | | | |
| number | 24 | 0 | 24 | 411 |
| reserve | \$ 503,028.08 | \$46,378.60 | \$ 549,406.68 | \$ 549,406.68 |
| paid | \$ 599,996.92 | (\$7,403.60) | \$ 592,593.32 | \$ 4,982,756.22 |
| total | \$1,103,025.00 | \$38,975.00 | \$1,142,000.00 | \$5,532,162.90 |
| NFA RE-EVALUATIONS | | | | |
| number | 21 | 0 | 21 | 108 |
| reserve | \$ 733,345.47 | \$68,573.37 | \$ 801,918.84 | \$ 801,918.84 |
| paid | \$ 434,154.53 | \$101,426.63 | \$ 535,581.16 | \$ 2,805,991.87 |
| total | \$1,167,500.00 | \$170,000.00 | \$1,337,500.00 | \$3,607,910.71 |
| TANK CLOSURE (TX) | | | | |
| number | 31 | (2) | 29 | 891 |
| reserve | \$359,729.37 | \$21,773.63 | \$381,503.00 | \$381,503.00 |
| paid | \$35,362.56 | (\$35,362.56) | \$0.00 | \$ 10,755,684.38 |
| total | \$395,091.93 | (\$13,588.93) | \$381,503.00 | \$11,137,187.38 |

| | | | | |
|---------------------|------------------------|-----------------|-------------|---------------|
| Total Claims | (RT, RM, ILO, NFA) | 58 | (USTCA, TX) | 53 |
| Reserves | (RT, RM, ILO, GS, NFA) | \$ 4,184,808.43 | | \$ 930,909.68 |
| Total Reserves | (all claim types) | \$ 5,115,718.11 | | |

| | | | |
|--------------------------|-------|-----------------|-----------|
| Operator Training | | | |
| A/B (all) | 3,935 | A/B (FY2011-22) | \$387,520 |

| | |
|-----------|----------|
| RT | # |
| New | 0 |
| Reopene | 0 |
| Closed | 0 |

| | |
|-----------|----------|
| RM | # |
| New | 0 |
| Reopene | 0 |
| Closed | 1 |

| | |
|------------|----------|
| ILO | # |
| New | 0 |
| Reopene | 0 |
| Closed | 1 |

| | |
|-----------|----------|
| GS | # |
| New | 0 |
| Reopene | 0 |
| Closed | 0 |

| | |
|--------------|----------|
| USTCA | # |
| New | 1 |
| Reopene | 0 |
| Closed | 1 |

| | |
|----------------|----------|
| NFA Re- | # |
| New | 1 |
| Reopene | 0 |
| Closed | 1 |

| | |
|-----------|----------|
| TX | # |
| New | 4 |
| Reopene | 1 |
| Closed | 7 |

| | |
|-----------------------|------|
| DNR 12-31-2022 | |
| Total | 6848 |
| High Risk | 173 |
| Low Risk | 77 |
| NAR-FP | 19 |
| Not | 63 |
| Open | 332 |

| Invoice Type | December '22 | FYTD | Program to Date |
|----------------------------|----------------------|------------------------|--------------------------|
| Appropriations | \$ 22,239.60 | \$ 90,630.08 | |
| Government | \$ 6,466.09 | \$ 57,547.02 | |
| 2004 Tank Pull | \$ - | \$ - | \$ 1,761,823.44 |
| 2010 Tank Pull | \$ 79,733.32 | \$ 528,233.32 | \$ 11,035,654.53 |
| American Soils | \$ - | \$ - | \$ 5,678,422.58 |
| AST | \$ - | \$ - | \$ 11,217,932.11 |
| CADR Charges | \$ - | \$ - | \$ 4,708,703.72 |
| Corrective Action | \$ - | \$ 24,203.54 | \$ 53,050,959.82 |
| Expenses / OT | \$ - | \$ 6,000.00 | \$ 387,819.65 |
| Free Prod Recover | \$ 2,865.00 | \$ 26,164.66 | \$ 12,970,082.05 |
| Monitoring | \$ 6,191.40 | \$ 111,201.97 | \$ 35,675,733.42 |
| Operations/Maint | \$ - | \$ - | \$ 10,847,837.80 |
| Over-excavation | \$ 517,452.46 | \$ 625,327.35 | \$ 38,036,140.86 |
| Water Lines | \$ 53,505.78 | \$ 53,505.78 | \$ 3,688,823.58 |
| Post RBCA Evals | \$ - | \$ - | \$ 258,858.41 |
| RBCA | \$ 27,481.25 | \$ 62,359.48 | \$ 27,949,660.35 |
| 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 | \$ - | \$ 5,378.50 | \$ 1,471,870.57 |
| Utilities | \$ - | \$ - | \$ 2,303,397.67 |
| Well Closure | \$ - | \$ 3,144.00 | \$ 4,603,799.21 |
| Total Invoice Types | \$ 687,229.21 | \$ 1,445,518.60 | \$ 319,871,511.42 |

| | | | |
|---|-------|--------------|--|
| Remediation Budgets Approved to Date | | | |
| Last month (Dec'22) | 1 | \$83,196 | |
| Trailing 12 mos | 4 | \$797,285 | |
| Prev Trail 12 mos | 1 | \$80,547 | |
| Total Since Jan 2003 | 1,281 | \$58,282,984 | |

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

| | CY 2022 | CY 2021 | CY 2020 |
|---------------------------|---------|---------|---------|
| New LUST Sites | 36 | 26 | 34 |
| Closed (NAR) Sites | 42 | 67 | 74 |