



# IOWA UNDERGROUND STORAGE TANK FUND

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January 16, 2015

Mr. Glen Dickinson  
Legislative Council  
State Capitol Building  
Des Moines, IA 50319

Dear Mr. Dickinson,

We are pleased to provide the attached report regarding the Iowa Comprehensive Underground Storage Tank Fund (UST Fund) progress for activities through the end of the 2<sup>nd</sup> quarter of FY2015. 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 of the information in the attached report tables is obtained from the Department of Natural Resources (IDNR), but the report numbers deal with UST Fund claims and therefore do not include all IDNR reported releases since not all meet the eligibility criteria of Iowa Code Section 455G.

Included in this report are two tables; the first provides a summary of the program status areas, while the second provides a snapshot of the current claim activities.

This report will be submitted following the close of each quarter throughout the year to this council, the Chair and Ranking members of the House Environmental Protection Committee and the Senate committee on Natural Resources and the Environment consistent with Iowa Code Section 455G.4.

If you would like to discuss the enclosed report or other issues associated the UST Fund, please call the Fund Administrator, Mr. Dale Cira (cell phone (314) 443-4776) or you can call me at the UST Fund Administrator's office at 515/440-7016.

Sincerely,

James Gastineau  
Deputy Administrator

Enclosures: Fund Status Report  
December 2014 Activities Report

**UST Fund Program Status Areas 2Q FY2015 (December 31, 2014)**

**1. Financial Balances**

	12/31/2014	6/30/2014	6/30/2013	6/30/2012	6/30/2011
Revenue Fund	\$7,528,668	\$524,210	\$14,470,480	\$16,326,235	\$9,290,721
Unassigned Revenue	\$10,751,353	\$11,681,366	\$8,133,085	\$745,123	\$4,701,810
Remedial Fund	\$5,659,598	\$8,681,846	\$4,347,071	\$3,510,808	\$2,476,236
Marketability	\$768,978	\$755,308	\$742,024	\$730,433	\$717,264
Innocent Landowner	\$8,283,799	\$8,604,467	\$2,176,164	\$2,963,372	\$3,789,762
Loan Guarantee	\$ -0-	\$ -0-	\$ -0-	\$277,723	\$276,905
Capital Reserve Funds	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
<b>Total</b>	<b>\$32,992,395</b>	<b>\$30,247,200</b>	<b>\$29,868,825</b>	<b>\$24,553,694</b>	<b>\$21,252,698</b>

Previous and Pending Transfers

FY2005--\$5 million  
 FY2007--\$3.5 million  
 FY2008--\$6.5 million  
 FY2009--\$4.9 million  
 FY2011--\$26.4 million  
 FY2012--\$3 million

Paid on Claims

\$ 7.0 million FY2010  
 \$ 5.8 million FY2011  
 \$ 6.6 million FY2012  
 \$ 7.6 million FY 2013  
 \$10.1 million FY 2014  
 \$ 4.1 million FY 2015 (as of 12/31/14)

**2. Operational**

Changes

- Claim counts trending downward
- Seeking method to re-activate stalled claims
- Negotiating closure of commingled claims through transfer to counterparty
- Focus on remaining mission— to close state liabilities for old cleanups with finality
- Actuarial review of program in progress (1<sup>st</sup> quarter 2015) to verify liabilities

Expected Results

- Continued reduction of claim count
- Verification of program liabilities from actuarial review
- Progress toward closure within current funding sunset parameters (June 30, 2016)

**3. Results -- LUST Sites and Classifications by IDNR in relation to Open UST Fund claims**

	12/16/2014	%	Remedial	Retro-active	Innocent Landowner	Total
<b>Total LUST Sites:</b>	6,597					
<b>Total Active LUST Sites:</b>	857	13%	378	30	135	543
Not Classified LUST sites	121		0	2	8	10
Low Risk LUST Sites:	183		88	5	36	129
High Risk LUST Sites:	476		239	23	71	333
<b>Total NFA LUST Sites:</b>	5,623	85%	14	2	8	24

**UST Fund Open Claim Files**

	December 2014 with Liability	Jun 2014	Jun 2013	Jun 2012	Jun 2011	Jun 2010	Jun 2009
Retroactive Claims	30 claims --\$ 1.4 million	31	36	39	44	54	61
Remedial Claims	378 claims --\$ 20.3 million	414	481	532	609	712	767
Innocent LO Claims	135 claims --\$ 5.3 million	140	153	162	187	206	217
<b>Totals</b>	<b>543 claims--\$ 27.1 million</b>	<b>585</b>	<b>733</b>	<b>840</b>	<b>972</b>	<b>1,045</b>	<b>1,148</b>

Claims	Open Claims		Open Claims		Open & Closed	
	November Ending	Monthly Net Changes	December Ending	Totals since Inception		
<b>RETROACTIVE</b>						
number	30	0	30	447		
reserve	\$1,477,392.26	(\$32,051.26)	\$1,445,341.00	\$1,445,341.00		
paid	\$6,336,130.02	\$32,051.26	\$6,368,181.28	\$17,682,477.61		
	\$7,813,522.28	\$0.00	\$7,813,522.28	\$19,107,818.61		
<b>REMEDIAL</b>						
number	386	(8)	378	4,459		
reserve	\$19,979,810.32	\$254,894.86	\$20,234,695.18	\$20,234,695.18		
paid	\$72,632,915.01	(\$1,352,713.70)	\$71,280,201.31	\$212,355,892.71		
total	\$92,612,725.33	(\$1,097,818.64)	\$91,514,886.49	\$232,590,587.89		
<b>INNOCENT LANDOWNER</b>						
number	137	(2)	135	1,129		
reserve	\$4,808,306.30	\$153,805.11	\$4,962,111.41	\$4,962,111.41		
paid	\$11,244,295.24	(\$190,919.09)	\$11,053,376.16	\$30,086,335.03		
total	\$16,052,601.54	(\$37,113.97)	\$16,015,487.57	\$35,048,446.44		
<b>GLOBAL OPT-IN</b>						
number	90	(3)	87	1,301		
reserve	\$426,264.61	(\$54,383.11)	\$401,881.50	\$401,881.50		
paid	\$735,507.03	(\$17,616.89)	\$717,890.14	\$9,696,682.95		
total	\$1,161,771.64	(\$42,000.00)	\$1,119,771.64	\$10,098,564.45		
<b>UNASSIGNED REVENUE FUND PROJECTS</b>						
number	53	0	53	259		
reserve	\$1,324,514.44	\$86,624.00	\$1,411,138.44	\$1,411,138.44		
paid	\$371,485.56	(\$56,624.00)	\$344,861.56	\$2,808,641.70		
total	\$1,696,000.00	\$60,000.00	\$1,756,000.00	\$4,219,780.14		
<b>NFA RE-EVALUATIONS</b>						
number	18	(1)	17	53		
reserve	\$376,971.31	(\$30,300.86)	\$346,670.45	\$346,670.45		
paid	\$403,028.69	\$90,300.86	\$493,329.55	\$1,073,814.84		
total	\$780,000.00	\$60,000.00	\$840,000.00	\$1,420,485.29		
<b>TANK PULLS</b>						
number	47	4	51	374		
reserve	\$628,407.00	\$45,001.00	\$673,408.00	\$673,408.00		
paid	\$11,474.26	(\$11,474.26)	\$	\$3,841,071.93		
total	\$639,881.26	\$33,526.74	\$673,408.00	\$4,514,479.93		
<b>Corrective Action Meetings (12/18/2014)</b>						
Scheduled:	7		UST Operator Training	2,937		
Completed:	1,231		UST Operators (A/B)	349		
MOAs	487		UST Operators (C)			
			AB/C (FY2011-15)	\$347,050.00		

RT Claims	#
New	0
Reopened	0
Closed	0
<b>RM Claims</b>	<b>#</b>
New	0
Reopened	1
Closed	8
<b>ILO Claims</b>	<b>#</b>
New	2
Reopened	0
Closed	4
<b>GS Claims</b>	<b>#</b>
New	0
Reopened	0
Closed	3
<b>USTCA</b>	<b>#</b>
New	4
Reopened	0
Closed	4
<b>NFA Re-Eval</b>	<b>#</b>
New	1
Reopened	0
Closed	2
<b>Tank Pull</b>	<b>#</b>
New	11
Reopened	0
Closed	7

Invoice Type Totals	DEC	FYTD	Program to Date
Aon - Admin	\$ 65,560.00	\$ 394,439.57	
Aon - Claims	\$ 39,000.00	\$ 234,000.00	
Govt/Instit	\$ 23,156.23	\$ 217,866.78	
2004 Tank Pull	\$ -	\$ -	\$ 1,761,013.44
2010 Tank Pull	\$ 87,450.00	\$ -	\$ 3,905,098.57
American Soils	\$ -	\$ -	\$ 5,678,422.58
AST Removal	\$ -	\$ -	\$ 3,306,435.24
AST Upgrade	\$ -	\$ -	\$ 7,911,496.87
CADR Changes	\$ -	\$ -	\$ 4,572,278.95
Corrective Action	\$ 983.11	\$ 59,100.98	\$ 52,390,180.56
Expenses / OT	\$ 3,600.00	\$ 16,700.00	\$ 283,460.00
Free Prod Recover	\$ 38,754.05	\$ 300,266.77	\$ 10,844,679.92
Monitoring	\$ 159,025.00	\$ 805,390.07	\$ 30,060,886.50
Operations/Maint	\$ 12,050.81	\$ 136,949.42	\$ 10,030,763.82
Over-excavation	\$ 177,982.66	\$ 1,268,240.47	\$ 31,646,735.59
Water Lines	\$ 59,840.85	\$ 202,437.73	\$ 2,416,742.83
Post RBCA Evals	\$ 818.55	\$ 6,189.55	\$ 222,462.86
RBCA	\$ 43,466.55	\$ 188,137.70	\$ 26,324,454.72
Remed Imp/Const	\$ 62,309.31	\$ 442,235.50	\$ 28,589,119.11
SCR Changes	\$ -	\$ -	\$ 54,217,410.26
Site Check	\$ 2,433.73	\$ 2,433.73	\$ 142,486.32
Soil Disposal	\$ -	\$ -	\$ 738,386.66
Tank (UST) Pull	\$ -	\$ -	\$ 3,979,734.25
Tank (UST) Upgrade	\$ 10,550.00	\$ 27,610.58	\$ 3,440,849.83
Tier III	\$ 7,768.63	\$ 65,862.29	\$ 1,351,773.02
Utilities	\$ 28,538.02	\$ 154,131.59	\$ 2,033,959.62
Well Closure	\$ -	\$ -	\$ 3,767,085.69
Total Invoice Types	\$ 695,551.27	\$ 4,146,000.09	\$ 288,665,620
<b>Remediation Budgets Approved to Date</b>			
last month (Dec 14)	1	\$15,960	
Trailing 12 mos	38	\$2,528,826	
Prev Trail 12 mos	59	\$3,499,266	
Total Since Jan 2003	1,152	\$47,823,775	
<b>Project Contracts</b>	<b>Open</b>	<b>Closed</b>	<b>Pending</b>
CRP's	8	37	0
Tank Closure	2	5	0
Plastic Water Line	0	2	0