



# IOWA UNDERGROUND STORAGE TANK FUND

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January 19, 2018

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

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 FY2018. 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 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.

This report will be submitted following the close of each quarter throughout the year to both this council and 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 have any questions regarding the enclosed report or other issues associated the UST Fund, please call the UST Fund Administrator's office at 515/225-9263.

Sincerely,  
IOWA UST FUND PROGRAM

James Gastineau  
Deputy Administrator

enclosed: FY18-2Q Report

**UST Fund Program Status Areas 2QFY2018 (December 31, 2017)**

**1. Financial Balances**

	12/31/2017	06/30/2017	6/30/2016	6/30/2015	6/30/2014
Revenue Fund	\$8,667,627	\$8,619,353	\$14,562,013	\$538,282	\$524,210
Unassigned Revenue Fund	\$ 4,309,231	\$5,445,127	\$7,405,496	\$9,417,609	\$11,681,366
Remedial Fund	\$3,329,985	\$16,159,378	\$11,208,135	\$16,834,688	\$8,681,846
Marketability Fund	\$913,979	\$878,021	\$828,242	\$787,670	\$755,308
Innocent Landowner Fund	\$3,005,896	\$5,647,461	\$4,841,819	\$7,110,415	\$8,604,467
Loan Guarantee Fund	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Capital Reserve Funds	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
<b>Total Fund Balances</b>	<b>↓\$20,226,718</b>	<b>↓\$36,749,341</b>	<b>↑\$38,845,705</b>	<b>↑\$34,668,664</b>	<b>↑\$30,247,200</b>

Previous and Pending Transfers

FY2008--\$6.5 million  
 FY2009--\$4.9 million  
 FY2011--\$26.4 million  
 FY2012--\$3 million

Paid to claimants

\$ 10 million FY 2014  
 \$7.6 million FY 2015  
 \$8.2 million FY 2016  
 \$7.1 million FY 2017

**2. Operational Changes**

- Program funding ended 12/31/2016 (2016 legislation, HF2464).
- Transfer of 199 claims with liability for pre-existing contamination completed with payment of \$13.1M
- Focus on mission to complete action on remaining 129 liability claims prior to ceasing operations.
- Coordinate with Department of Natural Resources to address liabilities on remaining and any new claims.

Expected Results

- Retirement of existing program liabilities and reduction of future liabilities.
- Reduction of fund balances.

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

Iowa DNR / Iowa UST Site Data (as of 12/31/2017)	<u>DNR LUST Sites</u>	<u>Remedial CRP/NFA claims</u>	<u>Retroactive claims</u>	<u>Innocent Landowner Fund Claims</u>	<u>Total UST Fund Claims</u>
Total Active LUST Sites / Fund Claims	<b>565</b>	91	4	34	<b>129</b>
Sites "Not Classified"	<b>77</b>	5	0	5	<b>10</b>
Low Risk sites	<b>125</b>	16	0	6	<b>22</b>
High Risk sites	<b>314</b>	55	3	17	<b>75</b>
No Action with free product sites	<b>49</b>	6	0	3	<b>9</b>
No Action Required or other sites	<b>611</b>	9	1	3	<b>13</b>

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

	Liabilities (as of 12/31/2017)	December 2017	June 2017	June 2016	June 2015	June 2014
Retroactive Claims	\$ 0.23 million	4	14	22	26	31
Remedial/CRP/ NFA Claims	\$ 4.08 million	91	268	308	375	414
Innocent Landowner Fund Claims	\$ 1.84 million	34	68	77	120	140
<b>Total *</b>	<b>\$6.15 million</b>	<b>129</b>	<b>350</b>	<b>407</b>	<b>521</b>	<b>585</b>
Liabilities on open claims*		\$6.15M	\$17.5M	\$22.1M	\$26.8M	\$28.6M

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

Dec-17

	Open Claims		Open Claims		Open & Closed	
Claims	November Ending	Monthly Net Changes	December Ending	Totals since Inception		
<b>RETROACTIVE</b>						
number	4	0	4	447		
reserve	\$231,641.68	\$0.00	\$231,641.68	\$231,641.68		
paid	\$1,065,358.32	\$0.00	\$1,065,358.32	\$18,350,513.22		
	\$1,297,000.00	\$0.00	\$1,297,000.00	\$18,582,154.90		
<b>REMEDIAL</b>						
number	73	0	73	4,462		
reserve	\$3,405,529.54	\$169,329.92	\$3,574,859.46	\$3,574,859.46		
paid	\$17,244,207.31	(\$4,329.92)	\$17,239,877.39	\$222,733,753.82		
total	\$20,649,736.85	\$165,000.00	\$20,814,736.85	\$226,308,613.28		
<b>INNOCENT LANDOWNER</b>						
number	36	(2)	34	1,146		
reserve	\$1,833,624.04	(\$121,310.71)	\$1,712,313.33	\$1,712,313.33		
paid	\$4,092,216.40	\$112,270.97	\$4,204,487.37	\$35,188,761.32		
total	\$5,925,840.44	(\$9,039.74)	\$5,916,800.70	\$36,901,074.65		
<b>GLOBAL OPT-IN</b>						
number	23	0	23	1,131		
reserve	\$136,844.57	\$0.00	\$136,844.57	\$136,844.57		
paid	\$163,655.43	\$0.00	\$163,655.43	\$9,936,769.53		
total	\$300,500.00	\$0.00	\$300,500.00	\$10,073,614.10		
<b>UNASSIGNED REVENUE FUND PROJECTS</b>						
number	44	(2)	42	323		
reserve	\$748,393.62	(\$20,788.14)	\$727,605.48	\$727,605.48		
paid	\$1,059,606.38	(\$39,211.86)	\$1,020,394.52	\$4,170,730.45		
total	\$1,808,000.00	(\$60,000.00)	\$1,748,000.00	\$4,898,335.93		
<b>NFA RE-EVALUATIONS</b>						
number	18	0	18	75		
reserve	\$519,008.61	(\$19,247.24)	\$499,761.37	\$499,761.37		
paid	\$732,991.39	\$19,247.24	\$752,238.63	\$1,754,015.47		
total	\$1,252,000.00	\$0.00	\$1,252,000.00	\$2,253,776.84		
<b>TANK PULLS</b>						
number	32	5	37	596		
reserve	\$488,005.00	(\$30,000.00)	\$458,005.00	\$458,024.20		
paid	\$21,995.00	\$75,000.00	\$96,995.00	\$6,931,920.02		
total	\$510,000.00	\$45,000.00	\$555,000.00	\$7,389,944.22		

Corrective Action Mtgs (12-15-2017)	
Scheduled:	1
Completed:	1,322
MOA's	489

UST Operator Training	
A/B (all)	3,383
A/B (FY2011-18)	\$327,920

Total Claims	(RT, RM, ILO, NFA)	129	(USTCA, TX)	79
Reserves	(inc. Global Opt-in)	\$6,155,420		\$1,185,610.48

RT Claims	#
New	0
Reopened	0
Closed	0

RM Claims	#
New	0
Reopened	0
Closed	0

ILO Claims	#
New	0
Reopened	1
Closed	2

GS Claims	#
New	0
Reopened	0
Closed	0

USTCA	#
New	1
Reopened	0
Closed	3

NFA Re-Eval	#
New	0
Reopened	0
Closed	0

Tank Pull	#
New	3
Reopened	0
Closed	0

DNR @12-31-2017	
Total LUST	6691
NAR, NV, CS	6111
High Risk	314
Low Risk	125
NAR-FP	49
Not Class.	77
Open LUST	565

Invoice Type Totals	DEC 2017	FYTD	Program to Date
Aon - Admin	\$ 54,146.28	\$ 319,616.28	
Aon - Claims	\$ 33,150.00	\$ 198,900.00	
Government	\$ 22,049.18	\$ 121,902.45	
2004 Tank Pull	\$ -	\$ -	\$ 1,761,823.44
2010 Tank Pull	\$ 79,450.00	\$ 598,540.71	\$ 7,109,087.19
American Soils	\$ -	\$ -	\$ 5,678,422.58
AST Removal	\$ -	\$ -	\$ 3,306,435.24
AST Upgrade	\$ -	\$ -	\$ 7,911,496.87
CADR Charges	\$ -	\$ 1,350.00	\$ 4,708,703.72
Corrective Action	\$ 16,502.00	\$ 61,580.88	\$ 52,501,134.55
Expenses / OT	\$ 400.00	\$ 5,400.00	\$ 328,320.00
Free Prod Recover	\$ 5,585.41	\$ 112,897.69	\$ 12,520,416.50
Monitoring	\$ 23,690.00	\$ 429,119.84	\$ 34,220,019.00
Operations/Maint	\$ -	\$ 44,033.76	\$ 10,706,277.39
Over-excavation	\$ -	\$ 653,899.00	\$ 36,473,570.56
Water Lines	\$ -	\$ 338,824.54	\$ 3,402,009.22
Post RBCA Evals	\$ -	\$ 5,470.00	\$ 256,908.41
RBCA	\$ 28,976.74	\$ 92,673.34	\$ 27,217,344.07
Remed Imp/Const.	\$ 94,287.22	\$ 577,763.36	\$ 32,508,374.14
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	\$ -	\$ 5,561.75	\$ 1,421,157.57
Utilities	\$ -	\$ 18,983.06	\$ 2,284,425.08
Well Closure	\$ 9,927.00	\$ 94,237.44	\$ 4,340,152.37
Total Invoice Types	\$ 258,818.37	\$ 3,040,335.37	\$ 310,224,649.05

Remediation Budgets Approved to Date		
Last month (Dec. '17)	3	\$136,648
Trailing 12 mos	31	\$2,013,259
Prev Trail 12 mos	31	\$2,388,603
Total Since Jan 2003	1,267	\$56,272,793

Project Contracts	Open	Closed	Pending
CRP's	2	43	0
Tank Closure	2	5	0
Plastic Water Line	0	2	0