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Memo

To: Senate Agriculture and Natural Resources Appropriations Subcommittee

From: Deb Kozel, LSA

Date: March 9, 2011

Subject: Questions from March 9, 2011, meeting

Underground Storage Tanks—the DNR reported on December 30, 2011, that 6,300 petroleum releases from leaking underground storage tanks had been documented in Iowa. As of that date, 5,100 sites have been closed. Of the remaining 1,200 sites open: 632 are high risk, 330 are low risk, 182 have not been classified and 75 sites are classified as “no action” sites. See Attachment A for more information.

Agriculture Drainage Wells—all designated agricultural drainage wells have been closed or registered with the Department of Natural Resources (DNR) and have obtained a 10-year permit. Of the original 296 agriculture drainage wells identified, 122 have been closed and 23 are in the planning stages of being closed. The remaining wells are permitted with the DNR. Funding for FY 2011 included a \$1,250,000 appropriation from the Environment First Fund with \$875,000 remaining. In addition, as of March 9, 2011, there is a \$4,237,617 balance in the Alternative Drainage Assistance Fund. See Attachment B for more information.

Soil Conservation Cost Share Funding—for FY 2011, total funding of \$8.0 million for the Soil Conservation Cost Share Program included:

- \$1,050,000 from the Environment First Fund
- \$1,000,000 from the Revenue Bonds Capitals Fund
- \$5,950,000 from the Revenue Bonds Capitals II Fund

Compared to the FY 2012 Senate Subcommittee Appropriation of \$6.3 million, this is a decrease of \$1.7 million.

IOWA DEPARTMENT OF NATURAL RESOURCES

LEADING IOWANS IN CARING FOR OUR NATURAL RESOURCES

UNDERGROUND STORAGE TANK FUND – 2010 DNR UPDATE

To date about **6,300** petroleum releases from leaking underground storage tanks (LUST) have been documented in Iowa. Since the inception of the UST Fund & Board in 1989, nearly **5,100 sites have been closed**. Approximately **1,200 sites are 'open'** (under investigation or conducting cleanup, or not progressing).

Of the open LUST sites, about **970 are open claims with the UST Fund**. These sites are eligible to receive funding from the UST Fund for assessment and cleanup of releases that occurred prior to October 26, 1990. The remaining open LUST sites (~230) are either funded by private insurance, owners, or not funded. Often the lack of a viable responsible party (RP) and/or funding source creates delays in getting petroleum releases assessed or cleaned up.

Over the past three years, on average, 148 sites are closed per year; however, 45 new sites per year are identified. These could be recent releases from active stations, or simply a new discovery of old contamination. Corrective actions for new releases from active systems are typically funded by the RP or the RP's insurance carrier; they are not funded by the State's UST Fund.

Time needed to close the remaining LUST sites

Revenue that supports the UST Fund is set to 'sunset' in 2016. Thus, the goal is to address as many open sites (or more specifically, open 'claims') as possible prior to depletion of the UST Fund. The Department goal is to see that all releases (not just UST Fund claim releases) are addressed in a timely manner, and as resources may allow.

The time it takes to close a given LUST site, however, is difficult to predict due to a number of factors:

- no viable RP to proceed with required activities (e.g., the RP is unknown, unwilling or unable to pay for work);
- limited accessibility to soil or groundwater in need of cleanup (e.g., under a home, highway, or active gas station);
- complex environmental factors (e.g., groundwater contaminants are deep and difficult to extract, contaminants are bound to tight clay soils, weather, or disagreements on 'ownership' of contamination).

Of the ~ 1,200 open LUST sites:

- 632 High Risk (threat to human health) sites planning or undergoing corrective actions, or post-remediation monitoring
- 330 Low Risk sites conducting annual monitoring
- 182 sites have not yet been classified
- 75 sites classified 'no action' for risk, but conducting free product recovery

Process for closing sites

1. Once a release has been confirmed (soil or groundwater contamination above DNR standards), the RP is required to hire a certified groundwater professional to conduct an investigation.
2. Per regulations, a 'risk-based' corrective action (RBCA) approach is used to assess the site, which often includes soil and groundwater sampling to determine the extent of the contamination. The concept of RBCA is to target limited resources to the releases/sites that are creating public health, safety or environmental risks.
3. Upon completion of a RBCA evaluation, a site will be classified high risk, low risk, or 'no action required'. Low risk sites are required to be monitored until contaminant concentrations naturally degrade to 'safe' levels (this can take a very long time). Corrective action is required at high risk sites – this may include cleanup or eliminating a pathway for exposure to the contaminant (e.g., plugging a drinking water well using a contaminated aquifer).
4. Corrective action plans are often a collaborative effort among stakeholders - the RP, their groundwater professional, DNR project managers, and representatives of the funding agency (UST Fund, PMMIC insurance, etc.).

Special Department: 040SD Agriculture and Land Stewardship
 Department: 009 Agriculture and Land Stewardship
 Fund: 0295 Environment First Fund
 Appropriation: 070H Agricultural Drainage Wells
 Organization Detail: 00970HA Agricultural Drainage Wells

Object Class	Actual FY 2010	Current Year Revised Budget FY 2011	Year to Date Actuals FY 2011
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RESOURCES

Appropriations

05A Appropriation	1,500,000	1,250,000	1,250,000
Appropriations TOTAL:	1,500,000	1,250,000	1,250,000
TOTAL RESOURCES:	\$1,500,000	\$1,250,000	\$1,250,000

DISPOSITION OF RESOURCES

Expenditures

407 Intra-State Transfers	1,500,000	125,000	375,000
580 Water Prot Fund Practices-FY00		1,125,000	
Expenditures TOTAL:	1,500,000	1,250,000	375,000
TOTAL DISPOSITION OF RESOURCES:	\$1,500,000	\$1,250,000	\$375,000

Organization Detail 00970HA Net (Res-Disp):

Organization Detail 00970HA FTE:

Appropriation 070H Net (Res-Disp):

Appropriation 070H FTE:

875,000 → Balance

875,000

Agriculture and Land Stewardship
 Agriculture and Land Stewardship
 Alternative Drainage Assistance Fund
 Fund Only
 Alternative Drainage Asst. Fd

Object Class	Actual FY 2010	Current Year Revised Budget FY 2011	Year to Date Actuals FY 2011
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RESOURCES

Receipts

204R Intra State Receipts	1,350,000	1,250,000	281,250
301R Interest	35,718	50,000	12,036
Receipts TOTAL:	1,385,718	1,300,000	293,286
Other Resources			
01B Balance Brought Forward (Funds)	3,725,414	4,580,649	4,580,649
Other Resources TOTAL:	3,725,414	4,580,649	4,580,649
TOTAL RESOURCES:	\$5,111,132	\$5,880,649	\$4,873,935

DISPOSITION OF RESOURCES

Expenditures

302 Facility Maintenance Supplies		25	171
406 Outside Services	39,572	99,975	
801 State Aid	490,911	1,200,000	636,147
Expenditures TOTAL:	530,482	1,300,000	636,318
Other Dispositions			
94B Balance Carry Forward (Funds)	4,580,649	4,580,649	
Other Dispositions TOTAL:	4,580,649	4,580,649	
TOTAL DISPOSITION OF RESOURCES:	\$5,111,132	\$5,880,649	\$636,318

Organization Detail 0090223 Net (Res-Disp):
 Organization Detail 0090223 FTE:

→ Balance
 4,237,617