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# **Midwest Interstate Low-Level Radioactive Waste Compact Commission**

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## **Annual Report**

for the period from July 1, 2018 to June 30, 2019

**A Report to the Citizens of the Midwest Compact  
Region on the Activities of the Midwest Interstate  
Low-Level Radioactive Waste Compact Commission**

**January 2020**





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# Midwest Interstate Low-Level Radioactive Waste Compact Commission

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## Annual Report

for the period from July 1, 2018 to June 30, 2019

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# Introduction

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An interstate compact is a formal agreement between two or more states. Under Article 1, Section 10 of the U.S. Constitution, states may form compacts with the consent of Congress to resolve conflicts or address common problems. More than 120 such compacts have focused on various subjects, including water, education, transportation, fisheries, health, and waste.

The Midwest Interstate Low-Level Radioactive Waste Compact is an agreement between the states of Indiana, Iowa, Minnesota, Missouri, Ohio, and Wisconsin that provides for the cooperative and safe disposal of commercial low-level radioactive waste. The Compact was enacted into law by each member state legislature during the period from 1982 through 1984, and received Congressional consent in 1985.

During the late 1970s, prior to formation of the Compact, all of the nation's low-level radioactive waste was shipped to three disposal facilities located in Nevada, South Carolina, and Washington. With the support of the National Governors' Association and the National Conference of State Legislatures, these three states demanded a more equitable distribution of waste disposal responsibility and development of new disposal facilities. Congress responded by enacting the Low-Level Radioactive Waste Policy Act of 1980. This Act was later replaced by the Low-Level Radioactive Waste Policy Amendments Act of 1985. The federal legislation made disposal of Class A, B, and C low-level radioactive waste a state responsibility.

To reduce the number of new disposal facilities, Congress encouraged states to form regional Compacts. Congress gave Compacts the unique authority to exclude waste from outside the boundaries of the compact region. States found this approach attractive because access to a regional disposal facility could be restricted solely to members of the compact. In addition, the approach allowed compact states to share the development costs for new disposal facilities.

Today, the Midwest Compact is one of eleven regional low-level radioactive waste compacts in the United States. Six states are not part of a compact.

This is the thirty-fourth report in the series of annual reports published by the Midwest Compact Commission, the Compact's administrative body. The report summarizes activities and actions during the preceding fiscal year (July 1, 2018 through June 30, 2019). As required by Article 111(k) of the Compact, the report also contains the Commission's FY 2019 audited financial statements and the report of its independent, certified public accountant.

In accordance with another provision of the Compact, Article III (i)(2), this annual report will be submitted to the member state governors and appropriate legislative officers.

# The Commission

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The Midwest Interstate Low- Level Radioactive Waste Compact Commission (the Commission) is the administrative body of the Compact. It consists of one voting Commissioner from each of the six-member states. Each state determines how it will appoint its Commissioner, and the state's Governor must provide written notification to the Commission of the Appointment of a Commissioner.

Advance notice is given for all meetings, which are open to the public, and actions are recorded in meeting minutes and posted on the website.

The Commission holds an annual meeting in June of each year to hear reports and adopt a general fund budget.

In alternate years, the Commission elects' officers to serve two-year terms. The Commission' Executive Director is the administrative officer of the Commission. Through June 9, 2017, the State of Wisconsin Department of Health Services provided clerical support to the Commission and maintained a Commission office, address and telephone for the transaction of Commission business. Upon being notified of the retirement of Stan York from the director position, on June 9 the Commission elected a new chair and vice-chair, and appointed a new executive director.

The following persons were serving as Commissioners and Alternate Commissioners as of November 2019:

## MIDWEST COMPACT COMMISSIONERS

### Indiana

#### **Studer, Kaci E. - Radiation Programs Director**

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### Iowa

#### **Moon, Alex - Deputy Director**

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## ALTERNATE COMMISSIONERS

#### **Dorsey, Peggy - Assistant Commissioner**

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### Minnesota

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**Chiles, James - MCC Executive Director**

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**Missouri**

**Comer, Carol - Director**

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**Ohio**

**Snee, Michael J. - Administrator**

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Vacant

**Wisconsin**

**Schmidt, Paul - Chief**

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Vacant

**The following were under contract with the Commission in FY 2019:**

Commission Counsel  
Commission Auditor

Richard Ihrig - Lindquist & Vennum P.L.L.P.  
James F. Warner - Boulay, Heutmaker, Zibell & Co. P.L.L.P.

# Annual Meeting

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## Annual Meeting 2019

The Midwest Compact Commission (MCC) held its Annual Meeting via teleconference on June 7, 2019. Acting Chair Alex Moon presided and a quorum of commissioners and alternates attended. An election was held pursuant to the bylaws and nominations. Alex Moon was elected as Chair, and Paul Schmidt as Vice Chair. Executive Director Chiles reported on the meetings and activities of the Low-Level Radioactive Waste Forum, Inc., (“LLW Forum”) in which the MCC is a

longstanding member. Chiles reported on efforts by the LLW Forum’s board to hire a new director for the Forum, given the retirement of Todd Lovinger effective at the end of June. This will also lead to a change in location for the LLW Forum’s offices, hopefully close to Washington, DC. The MCC received the FY 2018 audit from Boulay, reviewed MCC expenses as budgeted for FY 2019, and adopted an administrative budget for FY 2020. The Commission reviewed the availability of disposal sites nationally. Draft minutes for the annual meeting can be found on the MCC website.

## Public Involvement

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The Commission has developed a website, [www.midwestcompact.org](http://www.midwestcompact.org), which has all of the information about the Commission and its activities. This technology will keep interested persons better informed than an occasional mailing would. The Commission encourages interested parties to use the website as a place of communication.

The Commission encourages public attendance at all of its meetings. Commission meetings are open to the public and noticed at least twenty days before the meeting. Public comment on agenda items is invited at the meetings.

Member states also distribute material on the subject within their jurisdiction.

## Figure 1

### What is Commercial Low-Level Radioactive Waste?

Commercial low-level radioactive waste is material that is contaminated with radioactivity. In 1995, there were 187 potential generators of such waste in the Midwest Compact region (including nuclear power plants, hospitals, universities, research institutions, government agencies, and industries) of which 49 actually shipped waste that was received at commercial disposal.

The number of generators shipping waste for disposal during any given year is subject to variation. The reasons for this variation can include the following: changes in product line or services offered substitution of different radioactive or nonradioactive materials, periodic maintenance, equipment replacement, decontamination and dismantlement activities, and temporary storage of waste pending collection of amounts sufficient for economical shipment.

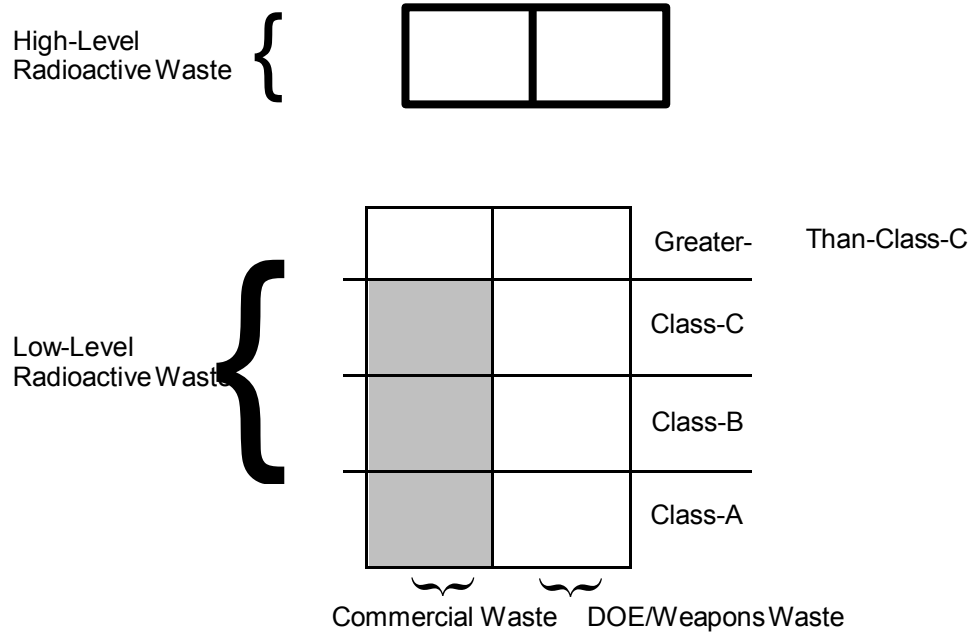
The waste can consist of clothing, wipe rags, lab equipment and glassware, luminous dials, hand tools, sealed radiation sources (e.g., measurement devices), filters and filter resins, consumer products (e.g., smoke detectors), internal reactor parts, and demolition debris. Most of this waste (Class A) has low concentrations of radionuclides, although a very small amount of the waste (Class B and Class C) has higher concentrations and different management requirements.

Low level radioactive waste shipped to commercial disposal facilities does not include spent fuel from nuclear reactors, atomic weapons production waste, or uranium mine and mill residues. Nor does it include liquid waste that is explosive, pyrophoric, or chemically hazardous.



## Figure 2

### Radioactive Waste Disposal Responsibility (chart not proportional)



Waste that is the disposal responsibility of the Midwest Compact  
Waste that is a federal disposal responsibility

## Figure 3

### MCC Proposed Budgets for FY 12, 13, 14, 15, 16, 17, 18, 19 and 20

Activity	FY 2012 Budget	FY 2013 Budget	FY 2014 Budget	FY 2015 Budget	FY 2016 Budget	FY 2017 Budget	FY 2018 Budget	FY 2019 Budget	FY 2020 Budget
Reimbursement for Executive Director	\$5,000	\$8,000	\$12,000	\$8,000	\$8,000	\$5,000	\$5,000	\$4,500	\$0
Reimbursement for clerical	500	300	300	300	300	300	300	0	0
Travel to LLW Forum meetings	2,000	2,300	2,000	2,000	2,000	2,200	2,200	2,600	2,700
MCC Annual Report - editing	1,500	1,500	1,500	1,500	1,600	1,600	1,600	500	500
Teleconference cost	150	40	40	50	50	10	10	0	0
Accounting – Boulay audit	9,720	10,200	10,600	8,000	8,000	8,000	9,000	9,460	9,740
Legal counsel	3,000	3,000	3,000	3,000	3,000	3,000	3,000	2,000	2,000
Website, Final Report, RBC fee	350	350	350	400	400	2,500	2,700	2,700	2,700
Record storage	250	550	550	400	400	0	0	0	0
LLW Forum - dues	8,500	9,500	8,500	9,500	9,500	9,500	9,500	9,500	9,500
LLW Forum meeting sponsorship	0	0	5,000	5,000	0	7,500	0	0	0
Forum other	2,800	200	200	0	0	0	0	0	0
MCC other	2,000	0	0	0	0	0	0	0	0
<b>Total</b>	<b>\$35,770</b>	<b>\$40,940</b>	<b>\$44,040</b>	<b>\$38,150</b>	<b>\$29,250</b>	<b>\$39,610</b>	<b>\$33,310</b>	<b>\$31,260</b>	<b>\$27,140</b>

Rebate fund balance 4/30/2019	\$1,757,022.45
Rebate fund balance 4/30/2018	\$1,712,033.11
Net gain (after paid expenses)	\$44,989.34

# Interregional Cooperation

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The Midwest Compact Commission regularly interacts with other compacts and states. Among the notable activities and actions involving other compacts and states were the following:

## **Low-Level Radioactive Waste Forum**

The Commission continues to participate actively in the Low-Level Radioactive Waste Forum, Inc. (LLW Forum). The LLW Forum is a national association of representatives of compacts, host states, unaffiliated states, and states with currently operating disposal facilities, as well as companies, operating sites, generators, processors and distributors. The Forum was established to facilitate the LLW Forum provides a Low-Level Radioactive Waste

implementation of the 1985 Policy Amendments Act. The LLW Forum provides an opportunity for compacts and states to share information and exchange views with officials of federal agencies and other interested parties. LLW Forum participants also serve as liaisons to other entities, including the Conference of State Radiation Control Program Directors, the Conference of State Legislatures, and the Federal Facility Compliance Act Task Force. The Commission is represented on the LLW Forum by its Chair, and the Executive Director attends the semi-annual meetings.

## **Export and Disposal of Midwest Compact Waste**

By action of the Atlantic Compact, Midwest Compact

region generators no longer have access to the *EnergySolutions* disposal facility in Barnwell, South Carolina. Midwest Compact generators have access to the *EnergySolutions* disposal facility in Clive, Utah. The *EnergySolutions* facility generally accepts high volume, low activity Class A waste that does not exceed license limitations on radionuclide concentrations.

*EnergySolutions*, Inc. of Utah has over 200 million cubic feet of unused capacity.

The state of Texas has established a commercial disposal site. It is now available to Midwest Compact generators for the disposal of Classes A, B, and C waste. The high cost of transport and disposal has kept the amount of disposal low.

# Looking Ahead

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## **Exploration of Disposal Alternatives**

The Commission intends to continue its exploration of opportunities that may arise for consolidation, contractual disposal arrangements, or other means of assuring generator access to existing disposal facilities. This includes review of the situation of currently operating facilities, as well as possibilities related to propose new, privately-developed disposal facilities.

## **Continued Support for New Disposal Capacity in Other Compacts**

Although no longer developing a site of its own, the Commission will continue to actively support development activities in other compacts. Development efforts in other compacts are followed closely.

## **Commission Staffing**

The Commission vests administrative functions in the Executive Director, a post filled by Stanley York of Wisconsin until his retirement from that post on June 9, 2017. On that date the Commission appointed James Chiles, alternate commissioner from Minnesota, as Executive Director.

The Commission's office address and phone are now located in the Environment and Energy Section of the Resource Management Assistance Division of the Minnesota Pollution Control Agency in St. Paul, Minnesota.

# Figure 4a

## Commercial LLRW Disposed at Andrews, Barnwell, Beatty, Clive, and Richland: 1986-2018

VOLUME (ft3)	1986	1987	1988	1989	1990	1991	1992
Indiana	295.51	2,257.06	1,891.97	2,150.31	1,956.01	5,723.62	2,715.14
Iowa	9,975.20	18,795.26	7,206.61	6,055.37	5,557.86	12,815.37	5,447.79
Minnesota	28,655.60	20,250.67	15,477.16	21,954.29	26,985.22	43,520.53	40,197.42
Missouri	27,307.48	28,782.69	11,911.77	18,802.64	19,609.59	19,055.46	11,271.86
Ohio	16,541.70	20,882.17	22,585.21	58,866.18	24,146.85	24,335.89	22,339.31
Wisconsin	6,252.10	9,792.73	10,599.36	6,880.93	9,217.32	7,228.19	6,884.60
<b>TOTALS</b>	<b>89,027.59</b>	<b>100,760.58</b>	<b>69,672.08</b>	<b>114,709.72</b>	<b>87,472.85</b>	<b>112,679.06</b>	<b>88,856.12</b>

	1993	1994	1995	1996	1997	1998	1999
Indiana	967.15	1,622.81	100.78	341.01	380.93	84.69	707.21
Iowa	1,979.32	3,179.02	2,058.00	3,644.73	1,419.18	1,039.89	1,531.76
Minnesota	5,056.68	1,932.46	2,466.63	4,071.20	1,873.55	1,389.38	1,838.92
Missouri	3,178.02	5,896.82	6,998.54	14,680.10	8,691.32	17,133.50	8,703.04
Ohio	6,637.84	20,833.52	49,464.57	158,622.35	155,730.83	127,866.59	75,511.73
Wisconsin	2,225.38	5,892.17	1,050.86	2,404.15	1,282.43	1,556.47	2,689.17
<b>TOTALS</b>	<b>20,044.39</b>	<b>39,356.80</b>	<b>62,139.38</b>	<b>183,763.54</b>	<b>169,378.24</b>	<b>149,070.52</b>	<b>90,981.83</b>

	2000	2001	2002	2003	2004	2005	2006
Indiana	431.00	6,136.40	201.53	137.01	313.28	83.90	462.96
Iowa	943.95	8,485.82	3,532.21	448.92	250.89	20,034.79	1,654.87
Minnesota	3,268.80	1,616.01	3,698.92	10,850.85	31,742.88	22,165.87	8,288.81
Missouri	7,844.02	412,278.44	26,875.32	8,813.37	93,973.58	82,705.78	4,517.65
Ohio	64,371.49	31,230.10	15,055.19	32,210.60	216,828.48	107,030.60	39,091.27
Wisconsin	1,270.50	4,702.41	12,588.36	3,202.55	7,485.49	12,908.23	4,603.60
<b>TOTALS</b>	<b>78,129.76</b>	<b>464,449.18</b>	<b>61,951.53</b>	<b>55,663.29</b>	<b>350,594.60</b>	<b>244,929.17</b>	<b>58,619.17</b>

	2007	2008	2009	2010	2011	2012	2013
Indiana	451.17	1,157.37	257.98	361.32	97.01	628.91	87.95
Iowa	10,791.12	4,435.46	5,462.29	1,699.19	7,179.63	10,681.73	11,235.15
Minnesota	8,525.20	5,443.38	9,387.49	2,698.68	19,147.35	5,076.97	13,103.89
Missouri	14,437.36	110,164.29	82,527.22	28,959.94	7,403.97	160,595.62	44,171.80
Ohio	21,332.23	71,870.83	66,186.37	182,884.32	68,342.24	53,299.55	38,359.23
Wisconsin	17,302.73	5,766.94	6,571.40	15,201.74	10,371.46	8,923.77	7,788.16
<b>TOTALS</b>	<b>72,839.80</b>	<b>198,838.26</b>	<b>170,392.76</b>	<b>231,805.18</b>	<b>112,541.66</b>	<b>239,206.55</b>	<b>114,746.18</b>

	2014	2015	2016	2017	2018
Indiana	352.51	64.81	51.45	239.34	128.56
Iowa	6,339.04	70,064.00	66,429.04	35,154.07	8,851.99
Minnesota	4,840.89	7,685.04	4,990.43	3,965.25	1,054.57
Missouri	13,827.98	20,119.58	6,909.53	2,875.06	521,649.89
Ohio	42,553.12	31,105.65	27,743.34	18,699.06	13,096.66
Wisconsin	32,699.11	4,857.24	22,277.33	445,998.24	606,894.88
<b>TOTALS</b>	<b>100,612.65</b>	<b>133,862.32</b>	<b>128,401.12</b>	<b>506,931.02</b>	<b>1,151,676.55</b>

**GRAND TOTAL 1986 THROUGH 2018: 5,854,137.47 ft3**

Source: The DOE MIMS System

## Figure 4b

### Commercial LLRW Disposed at Andrews, Barnwell, Beatty, Clive, and Richland: 1986-2018

#### ACTIVITY

(curies)	1986	1987	1988	1989	1990	1991	1992
Indiana	0	34.78	58.75	63.13	43.67	370.39	26.89
Iowa	21,664.13	1,067.71	400.98	16,953.42	37,807.79	528.67	42,085.40
Minnesota	28,332.33	1,042.42	2,327.71	60,952.08	1,657.09	4,030.69	59,979.20
Missouri	30.54	310.46	1,166.45	793.03	919.62	3,046.88	1,127.67
Ohio	339.00	309.46	836.96	1,211.40	4,315.70	3,839.66	3,440.21
Wisconsin	1,564.88	1,885.48	1,215.25	1,074.88	569.68	1,011.62	570.65
<b>TOTALS</b>	<b>51,930.88</b>	<b>4,650.30</b>	<b>6,006.12</b>	<b>81,047.94</b>	<b>45,313.55</b>	<b>12,827.91</b>	<b>107,230.02</b>

	1993	1994	1995	1996	1997	1998	1999
Indiana	6.75	128.92	35.61	9.63	0.89	45.32	65.07
Iowa	51,341.86	1,632.89	209.38	552.05	114.34	266.71	1,721.81
Minnesota	1,449.65	1,738.82	365.12	1,406.08	82.75	313.95	128.05
Missouri	444.13	1,200.21	183.47	150.58	1,670.81	811.81	3,924.16
Ohio	2,370.27	582.69	552.77	50,021.87	1,077.37	99.75	402.46
Wisconsin	345.09	879.26	347.92	153.07	1,343.55	8.05	441.60
<b>TOTALS</b>	<b>55,957.74</b>	<b>6,162.78</b>	<b>1,694.26</b>	<b>52,293.28</b>	<b>4,289.71</b>	<b>1,545.59</b>	<b>6,683.15</b>

	2000	2001	2002	2003	2004	2005	2006
Indiana	0.76	16.61	7.01	2.38	0.62	0.64	5.21
Iowa	150.27	88.01	108.39	1.17	1.37	0.82	16,049.79
Minnesota	127.09	113.59	30.49	45,932.72	13,453.55	250.06	121.72
Missouri	174.23	511.57	358.30	80.34	310.18	42.38	923.47
Ohio	291.90	140.80	1,218.94	362.21	11,002.21	1,154.81	2,510.02
Wisconsin	185.42	133.67	205.46	258.05	87.49	387.83	5,959.10
<b>TOTALS</b>	<b>929.67</b>	<b>1,004.25</b>	<b>1,928.59</b>	<b>46,636.87</b>	<b>24,855.42</b>	<b>1,836.54</b>	<b>25,569.31</b>

	2007	2008	2009	2010	2011	2012	2013
Indiana	0.55	1.32	0.05	0.05	0.09	0.21	0.14
Iowa	110.00	137.35	58.19	23.05	334.81	56.87	47.82
Minnesota	264.47	28,729.45	118.86	26.51	66.76	40.60	537.09
Missouri	166.52	616.20	6.71	36.41	38.79	22.16	30.57
Ohio	39,997.46	6,082.42	11.86	76.98	61.87	13.12	25.49
Wisconsin	9,958.02	158.15	0.65	23.98	17.43	4.51	42.97
<b>TOTALS</b>	<b>50,497.02</b>	<b>35,724.89</b>	<b>196.32</b>	<b>186.98</b>	<b>519.75</b>	<b>137.47</b>	<b>684.08</b>

	2014	2015	2016	2017	2018
Indiana	0.02	0.02	0.04	0.29	1.44
Iowa	37.35	50.45	32.50	165.79	111.35
Minnesota	160.56	57.00	434.65	57.03	42.32
Missouri	2.68	58.20	13.03	82.50	39.67
Ohio	128.95	109.97	76.09	1,236.57	136.97
Wisconsin	519.70	167.05	98.63	1,282.86	411.25
<b>TOTALS</b>	<b>849.26</b>	<b>442.69</b>	<b>654.94</b>	<b>2,825.04</b>	<b>743.00</b>

**GRAND TOTAL 1986 THROUGH 2018: 633,855.34 curies**

Source: The DOE MIMS System



**MIDWEST INTERSTATE LOW-LEVEL  
RADIOACTIVE WASTE COMPACT COMMISSION**

Financial Statements

Year Ended June 30, 2019



**MIDWEST INTERSTATE LOW-LEVEL  
RADIOACTIVE WASTE COMPACT COMMISSION**

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## REPORT OF INDEPENDENT AUDITORS

Commissioners  
Midwest Interstate Low-Level Radioactive Waste Compact Commission  
Saint Paul, Minnesota

We have audited the accompanying financial statements of Midwest Interstate Low-Level Radioactive Waste Compact Commission (the "Commission"), a non-profit organization, which comprise the statement of financial position as of June 30, 2019, the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Commission as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

*Boulay PLLP*

Minneapolis, Minnesota  
November 27, 2019

**MIDWEST INTERSTATE LOW-LEVEL  
RADIOACTIVE WASTE COMPACT COMMISSION**

Statement of Financial Position

	June 30, 2019		
	General Fund	Rebate Fund	Total
<b><u>ASSETS</u></b>			
Investments	\$ -	\$ 1,778,483	\$ 1,778,483
Interest receivable	-	8,460	8,460
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 1,786,943</b>	<b>\$ 1,786,943</b>
<b><u>LIABILITIES AND NET ASSETS</u></b>			
<b>Liabilities</b>			
Deferred rebate	\$ -	\$ 1,786,943	\$ 1,786,943
Total liabilities	-	1,786,943	1,786,943
<b>Net assets, without donor restrictions</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and net assets</b>	<b>\$ -</b>	<b>\$ 1,786,943</b>	<b>\$ 1,786,943</b>

Notes to Financial Statements are an integral part of this Statement.

**MIDWEST INTERSTATE LOW-LEVEL  
RADIOACTIVE WASTE COMPACT COMMISSION**

Statement of Activities

Year Ended June 30, 2019

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**Revenue**

Rebate fund revenue transfers	\$ 20,272
Other revenue	4,500
Total revenue	<u>24,772</u>

**General and Administrative Expenses**

Dues	9,500
Accounting	9,460
Travel	2,671
Web site	2,538
Annual report	603
Total expenses	<u>24,772</u>

**Change in Net Assets**

-

**Net Assets** - Beginning of Year

-

**Net Assets** - End of Year

\$ -

Notes to Financial Statements are an integral part of this Statement.

**MIDWEST INTERSTATE LOW-LEVEL  
RADIOACTIVE WASTE COMPACT COMMISSION**

Statement of Cash Flows

Year Ended June 30, 2019

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**Cash Flows From Operating Activities**

Change in net assets	\$	-
Realized and unrealized gain in investments		(112,160)
Changes in assets and liabilities:		
Rebate fund revenue transfers		20,272
Interest receivable		(434)
Deferred rebate		92,322
Net cash from operating activities		<u>-</u>

**Cash Flows From Investing Activities**

Purchases of investments		(60,000)
Proceeds from sale and maturities of investments		60,000
Net cash used for investing activities		<u>-</u>

**Net Change in Cash**

-

**Cash - Beginning of Year**

-

**Cash - End of Year**

\$ -

Notes to Financial Statements are an integral part of this Statement.

# MIDWEST INTERSTATE LOW-LEVEL RADIOACTIVE WASTE COMPACT COMMISSION

Notes to Financial Statements

June 30, 2019

## 1. NATURE OF ORGANIZATION

The Midwest Interstate Low-Level Radioactive Waste Compact (the "Midwest Compact") was formally established in October 1983 to meet state responsibilities under the Federal Low-Level Radioactive Waste Policy Act of 1980 (PL 96-573) and the Low-Level Radioactive Waste Policy Amendments Act of 1985 (PL 99-240). The Midwest Compact consists of six member states: Indiana, Iowa, Minnesota, Missouri, Ohio, and Wisconsin. The Midwest Compact established the Midwest Interstate Low-Level Radioactive Waste Compact Commission (the "Commission"), composed of one voting representative from each member state.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Financial Statement Presentation

The Commission reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions, based upon the existence or absence of donor-imposed restrictions, as follows:

- Net assets without donor restrictions – net assets that are not subject to donor-imposed stipulations.
- Net assets with donor restrictions – net assets subject to donor-imposed stipulations that can be fulfilled by actions of the Commission pursuant to those stipulations or that expire by the passage of time or have donor-imposed stipulations that may be maintained permanently by the Commission. Generally, the donors of such assets permit the Commission to use all or part of the income earned on the assets. The Commission currently does not have net assets with donor restrictions.

As permitted, the Commission has also presented its statement of financial position by fund. The Commission classifies its funds as follows:

**General Fund** – The General Fund is the operational fund of the Commission. From inception through June 30, 1989, the Midwest Compact's member states contributed to the General Fund based on an approved projected annual budget. When the future operational funding became available from Rebate Funds received by the Commission, the member states suspended contributions to the General Fund.

**Rebate Fund** – Rebate funds are derived from disposal surcharges that were levied on generators of low-level radioactive waste from January 1986 through December 1992. The surcharges were mandated by the 1985 Low-Level Radioactive Waste Policy Amendments Act, and 25% of the surcharges were placed in an escrow account administered by the Department of Energy. Rebates of the escrowed amounts served as an incentive to regions and states to meet federal milestones for the development of their own disposal facilities. Use of these funds is restricted to purposes specified in the Midwest Compact. However, consistent with the Amendments Act, Rebate Fund monies may be withdrawn and used by the Commission to the extent needed for general operations. Because the Commission holds the existing investments as an agent for member states, all investment amounts, including investment earnings and unrealized gains and losses, are classified as a deferred item in the accompanying financial statements.

### Accounting Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

## **MIDWEST INTERSTATE LOW-LEVEL RADIOACTIVE WASTE COMPACT COMMISSION**

Notes to Financial Statements

June 30, 2019

### Revenue Recognition

The Commission recognizes revenues from the Rebate Fund based on the accrual basis and transfers revenues for general operations. All revenue is considered to be available for general use unless specifically restricted by law.

### Cash Equivalents

Investments in cash equivalents within the Rebate Fund are included in investments in the accompanying statement of financial position due to the nature and the terms of the fund. Cash equivalents include money market funds, which are not insured.

### Investments

The Commission's investments are recorded at fair value based on quoted market prices or other observable inputs.

### Fair Value of Financial Instruments

The Commission's accounting for fair value measurements of assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring or nonrecurring basis adheres to the Financial Accounting Standards Board (FASB) fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 Inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the Commission at the measurement date.
- Level 2 Inputs: Other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 Inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at measurement date.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

### Basis of Allocating Functional Expenses

All expenses are allocated in a manner considered practicable. Currently, the Commission does not have any expenses that are for program services.

### Income Tax Status

The Commission has been declared tax exempt under the Internal Revenue Code, and accordingly, there is no provision for income taxes in the accompanying financial statements. Due to its exempt status, the Commission does not have any significant tax uncertainties that would require recognition or disclosure.

**MIDWEST INTERSTATE LOW-LEVEL  
RADIOACTIVE WASTE COMPACT COMMISSION**

Notes to Financial Statements

June 30, 2019

*Recently Adopted Accounting Pronouncement*

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14 *Not-for-Profit Entities (Topic 958); Presentation of Financial Statements of Not-for-Profit Entities* (ASU 2016-14), which addresses how not-for-profit organizations classify their net assets, as well as the information presented in the financial statements and related disclosures. The Commission has adopted this standard as of July 1, 2018 and has adjusted the presentation of its financial statements accordingly. The primary effects of the new standard are the classifications of net assets and activities into the two categories of “with donor restrictions” and “without donor restrictions”, rather than the previous three categories of unrestricted, temporarily restricted, and permanently restricted net assets, and additional required disclosures of the availability and liquidity of resources.

*Recently Issued Accounting Pronouncements*

In November 2016, the FASB issued ASU No. 2016-18, *Restricted Cash*, which amended *Statement of Cash Flows (Topic 230)* of the Accounting Standards Codification. The new guidance will require amounts generally described as restricted cash to be included with cash when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The amendments will be effective for the Commission for fiscal years beginning after December 15, 2018. Early adoption is permitted. The Commission is currently evaluating the impact that the adoption of this guidance will have on its financial statements.

In June 2018, the FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The new guidance was issued to clarify and improve current guidance about whether a transfer of asset (or the reduction, settlement, or cancellation of liabilities) is a contribution or an exchange transaction. The amendments clarify how an entity determines whether a resource provider is participating in an exchange transaction by evaluating whether the resource provider is receiving commensurate value in return for the resources transferred. The new standard is to be applied on a modified prospective basis, although retrospective application is permitted. For transactions of non-public entities in which the entity serves as the resource recipient, the amendments are effective for annual periods beginning after December 15, 2018 and interim periods within annual periods beginning after December 15, 2019. For transactions of non-public entities in which the entity serves as the resource provider, the amendments are effective for annual periods beginning after December 15, 2019, and interim periods within annual periods beginning after December 15, 2020. Early adoption of the amendment is permitted. The Commission is currently evaluating the impact that the adoption of this guidance will have on its financial statements.

*Subsequent Events*

The Commission has evaluated subsequent events through November 27, 2019, the date which the financial statements were issued.



**MIDWEST INTERSTATE LOW-LEVEL  
RADIOACTIVE WASTE COMPACT COMMISSION**

Notes to Financial Statements

June 30, 2019

**3. FAIR VALUE**

The following table provides information on those assets that are measured at fair value on a recurring basis.

Assets (included in investments)	June 30, 2019			
	Fair Value Carrying Amount in the Statement of Financial Position	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Money market funds	\$ 74,248	\$ 74,248	\$ -	\$ -
Certificates of deposit	1,704,235	-	1,704,235	-
Total	\$ 1,778,483	\$ 74,248	\$ 1,704,235	\$ -

The fair value of certificates of deposits is determined as the present value of future cash flows discounted at a market interest rate that reflects the credit risk inherent in those cash flows. The approximate market rate is observed for replacement transactions with comparable credit risk. The Commission records investment earnings and unrealized gains and losses as an agency fund, and thus, they are accumulated within the “deferred rebate” account of the Fund until used for general operations or other purposes of the Midwest Compact. At that time, earnings are recognized as revenue within the statement of activities.

The individual certificates of deposit range in value from \$23,814 to \$189,460, none of which individually exceeds insurance limits as set forth by the FDIC. The certificates range in maturity from within one to seventeen years and accrue interest at rates ranging from 1.50% to 4.85%.

A reconciliation of investment accounts including earnings (losses) is as follows:

	Rebate Fund
Beginning Balance, July 1, 2018	\$ 1,686,595
Unrealized gain, net	72,664
Interest and dividend earnings	39,496
Purchases of investments	(60,000)
Sales of investments	60,000
Transfers	(20,272)
Ending Balance, June 30, 2019	\$ 1,778,483

**4. FUTURE OPERATIONS**

The Commission intends to monitor national and regional developments regarding management of low-level radioactive waste and will continue to review office and staffing requirements during the fiscal year 2020.

**5. LIQUIDITY AND AVAILABILITY**

All of the investments are restricted to purposes specified in the Midwest Compact. The only funds available within one year of the financial position date are those needed for general operations, which approximate \$25,000 to \$30,000 per fiscal year.

**MIDWEST INTERSTATE LOW-LEVEL  
RADIOACTIVE WASTE COMPACT COMMISSION**

Notes to Financial Statements

June 30, 2019

**6. FUNCTIONAL ALLOCATION OF EXPENSES**

Expenses by functional allocation were as follows for the year ending June 30:

	<u>2019</u>
Program services	<u>\$ -</u>
Total program services	<u>-</u>
Supporting services:	
Management and general	<u>24,772</u>
Total supporting services	<u>24,772</u>
 Total expenses	 <u>\$ 24,772</u>

NOTES:



