

THIRTY-FIRST ANNUAL REPORT

July 1, 2015 – June 30, 2016

Prepared by the Central Midwest Interstate Low-Level Radioactive Waste Commission

Joseph G. Klinger Chairman

Dewey F. Crawford Secretary/Treasurer Gary W. McCandless, P.E.

TABLE OF CONTENTS

History	1
Mission	1
Low-Level Waste Compacts	2
Low-Level Waste Disposal Facilities	.3
Disposal Options	4
Illinois Waste Generation	. 5
Kentucky Waste Generation	8
Maxey Flats Update – Kentucky	10
Maxey Flats Update – Kentucky Technologically Enhanced Naturally Occurring Radioactive Material	10
Maxey Flats Update – Kentucky Technologically Enhanced Naturally Occurring Radioactive Material (TENORM) Violation in Kentucky	.10 11
Maxey Flats Update – Kentucky Technologically Enhanced Naturally Occurring Radioactive Material (TENORM) Violation in Kentucky Observations and Current Activities	.10 11 12
Maxey Flats Update – Kentucky Technologically Enhanced Naturally Occurring Radioactive Material (TENORM) Violation in Kentucky Observations and Current Activities Agreements & Plans	.10 11 12 13
Maxey Flats Update – Kentucky Technologically Enhanced Naturally Occurring Radioactive Material (TENORM) Violation in Kentucky Observations and Current Activities Agreements & Plans Commission Activities	10 11 12 13 14

HISTORY

In response to a federal policy, declared in the Low-Level Radioactive Waste Policy Act of 1980 (1980 Act) (42 USC 202lb et seq.), each state is responsible for assuring disposal capacity is available for certain categories of low-level radioactive waste (LLRW) generated within its borders. The State of Illinois and the Commonwealth of Kentucky entered into the Central Midwest Interstate Low-Level Radioactive Waste Compact (CMCC). Congress has consented to the CMCC and the Southeast, Midwest, Central States, Rocky Mountain, Atlantic, Appalachian, Southwestern, Northwest and Texas Interstate Compacts.

MISSION OF CENTRAL MIDWEST COMPACT

A three-member Commission administers the CMCC. Illinois Commissioners are Joseph Klinger, Chairman and Gary McCandless. Dewey Crawford is the Commissioner representing Kentucky and serves as the Secretary/Treasurer.

The Commission is required to adopt, and amend as necessary, a Regional Management Plan. The Regional Management Plan describes the number and type of regional storage, treatment, and disposal facilities needed; adopts policies regarding source and volume reductions; and describes alternative means for treatment, storage, and disposal of LLRW. The Commission is authorized to designate a host state for each regional facility, but only a state that generates more than 10 percent of their region's total volume of LLRW. Illinois has been designated as the host state for a regional disposal facility. Use of storage, treatment, and disposal facilities in the region for LLRW originating from outside the region, and export of LLRW from the CMCC region, is subject to Commission approval. The Commission may enter into an agreement or contract with a state, a group of states, or persons for access to a facility in the region.



Low-Level Waste Compacts



http://www.nrc.gov/waste/llw-disposal/licensing/compacts.html

★ Active Disposal Site (4)	Alaska and Hawaii belong to Northwest Compact
Approved Compact (10)	Unaffiliated (10)

Unaffiliated States

District of Columbia Massachusetts Nebraska New York Maine Michigan New Hampshire North Carolina Puerto Rico Rhode Island

LOW-LEVEL RADIOACTIVE WASTE DISPOSAL FACILITIES

The four active, licensed low-level radioactive waste (LLRW) disposal facilities are located in Agreement States (see <u>map</u>). Additional information about the facilities may be found at the Web sites maintained by the respective Agreement States.

- EnergySolutions Barnwell Operations, located in Barnwell, South Carolina Starting in 2008, Barnwell only accepts waste from the Atlantic compact states (Connecticut, New Jersey, and South Carolina). Barnwell is licensed by the State of South Carolina to receive wastes in Classes A-C.
- U.S. Ecology, located in Richland, Washington Richland accepts waste from the Northwest and Rocky Mountain <u>Compacts</u>. Richland is licensed by the State of Washington to receive wastes in Classes A-C.
- EnergySolutions Clive Operations, located in Clive, Utah Clive accepts waste from all regions of the United States. Clive is licensed by the State of Utah for Class A waste only.
- Waste Control Specialists (WCS), LLC, located near Andrews, Texas WCS accepts waste from the Texas Compact generators and outside generators with permission from the Compact. WCS is licensed by the State of Texas for Classes A, B, and C waste.

http://www.nrc.gov/waste/llw-disposal/licensing/locations.html



Disposal Options for CMCC

Generators in the Central Midwest Region use the Energy*Solutions* disposal facility located in Clive, Utah, for Class A waste (both containerized and un-containerized and naturally occurring radioactive materials). This facility also accepts mixed waste (i.e., waste that is both radioactive and chemically hazardous).



In July 2012 the Waste Control Specialists (WCS), Inc. disposal facility in Andrews County Texas became authorized to accept outside of Texas Compact Class A, Class B and Class C low-level radioactive waste at the Compact Waste Facility. Some Illinois generators are shipping Class B and C waste for disposal at WCS.



Waste considered to be naturally occurring radioactive material (NORM) can be disposed at the US Ecology Richland, Washington disposal facility, or at several US EPA RCRA Subtitle C landfills (NORM material with lower concentrations).



Illinois Waste Generation – Current and Future Projections

In compliance with (420 ILCS 20/) Illinois Low-Level Radioactive Waste Management Act (Management Act), the Illinois Emergency Management Agency (IEMA) conducts an annual survey of the LLRW generators located in Illinois and any broker or processor that handles Illinois LLRW within or outside of the state. Each generator provides IEMA with information by completing the Generators Annual Survey about the types, quantities, and activity of LLRW generated, stored, treated, and disposed of and future LLRW shipment projections. Brokers and processors provide information regarding any and all Illinois waste received, treated, processed, and shipped for disposal by completing the Brokers' and Processors' Annual Survey.

IEMA operates a system to administratively track shipments of LLRW that have a point of origination or destination in the state of Illinois. Persons who ship LLRW into, out of, or within the state must obtain a permit from IEMA and report shipment information electronically to the tracking system. Brokers can provide the Electronic Data Transmission (EDT) files on behalf of their generator customers. IEMA provides the information collected by the tracking system back to the generators in the form of completed annual survey tables for generator verification.

Illinois LLRW generation in 2015 continued to demonstrate the typical variation in year to year production. The number of generators decreased from 2014 to 2015 by ten. This continues the decline observed since 2000 (see below table).

Generator							
Category	2009	2010	2011	2012	2013	2014	2015
Academic	33	33	29	28	30	31	29
Fuel Cycle	2	2	2	2	2	2	2
Governmental	18	15	15	15	16	16	17
Industrial	66	65	58	57	62	64	63
Medical	329	319	316	313	302	296	288
Reactor	7	7	7	7	7	7	7
Total	455	441	427	422	419	416	406

Illinois LLRW Generator Survey Response by Generator Category 2009 - 2015

	Class	s A	Class	В	Class C		Tot	al
Generator	Volu	me	Volur	ne	Volu	me	Category	Volume
Category	(ft ³)	(m³)	(ft ³)	(m³)	(ft ³)	(m³)	(ft ³)	(m ³)
Academic	672.4	19	0.7	0.0	0.0	0.0	673.1	19.1
Fuel-Cycle	20,000	566.4	0	0	0.0	0.0	20,000	566.4
Governmental	0.02	0.0	0.0	0.0	0.0	0.0	0.02	0
Industrial	6,959.7	197.1	0.0	0.0	7.5	0.2	6,966.7	197.3
Medical	84.8	2.4	0.7	0.0	1.4	0.0	86.9	2.5
Reactor	287,894.8	8,153.2	1,123.5	31.8	167.2	4.7	289,185.5	8,189.7
Total	315,611.7	8,938.1	1,124.9	31.8	176.1	4.9	316,912.2	8,975

Distribution by Class of LLRW Shipped by Generator Category in 2015

LLRW Volume Projections (ft³)

2016 - 2022

Year	2016	2017	2018	2019	2020	2021	2022
Academic	418	263	263	263	263	263	263
Fuel Cycle	300	400	500	600	700	800	1,150
Governmental	66	55	54	54	54	54	54
Industrial	4,126	4,086	4,090	4,107	4,104	4,144	4,115
Medical	140	138	135	135	135	135	135
Reactor	192,469	432,580	263,588	82,580	82,469	84,706	82,469
Total	197,518	437,521	268,629	87,738	87,725	90,102	88,185

The 2015 Annual Survey required generators to project the amount of LLRW they expect to produce or possess between 2016 and 2022. This information is used by IEMA for determining the development timeframe for a regional disposal facility or the need for an interim storage facility. Past history has indicated that the non-reactor generators underestimated volumes and activities by three to four times what was actually generated and disposed.

These tables were extracted from the Illinois Emergency Management Agency – 2015 Annual Survey Report. The entire report may be found at: http://www.illinois.gov/iema/Info/Pages/Publications.aspx

Kentucky Waste Generation – Current and Future Projections

Kentucky Cabinet for Health Services, Radiation Health Branch (RHB) conducts an annual survey of the LLRW generators located within the Commonwealth. Each generator completes the Annual Survey by listing the types, quantities, and activity of LLRW generated, stored, treated, and disposed. Additionally, Brokers and processors provide information regarding any and all waste received, treated, processed, and shipped out of the state for disposal. Shippers of LLRW into and out of the state must obtain authorization from RHB and identify the shipment.

The RHB continues to struggle with having an electronic program and database for correlation and tracking of the radioactive materials and radiological waste generated within the Commonwealth. It must be noted that it is difficult to generate trends and reconcile the waste generator and waste shipper reports without the electronic program and database. The following reports were manually assembled and represent the best data available at the time of this report and differ from the Illinois reporting period.

Energy Solutions/Kentucky LLRW Report - May 2015 - May 2016

Kentucky LLRW Shipper Report as May 2015-16									
					Average				
	Report				Concentration	Volume			
Shipper	Date	Generator	Procssor	Sum_mCl	_PCI_G	_FT^3	Note / Explanation		
Energy		University of	Energy						
Solutions	Sep-16	Kentucky	Solutions Srv	0.15	1.89E+03	2.7			
Energy		University of	Energy						
Solutions	Sep-16	Louisville	Solutions Srv	0.06	1.29E+03	0.7			
Energy		Clarient							
Solutions	Sep-16	International	Тохсо	28.64	6.81E+03	69.5			
Total				28.85	9.99E+03	72.9			

Kentucky LLRW Waste Generator Report: July 2015- June 2016

Kentucky LLRW Waste Generator Report for 2015-2016											
			Class		Volume	Volume	Rad	Rad			Shipper/
Waste		Generator	of		Disposed	Stored	Disposed	Stored	Rad	Disposal	Broker
Generator	Year	Category	Waste	Form	_ Ft^3	_ Ft^3	mCi	mCi	Nuclides	Method	Comments
Center College	2015	Acdemic	Α								
Clariant Corp.	2015	Industrial	Α	Mixed		600			238U(dU)	Storage	
Clariant Corp.	2015	Industrial	A	Mixed	2842.5		815		238U(dU)		Chase Environmental
Kentucky RML/RHB	2015	State Government	А	Liquid (Gel)		26	0.0097	0.0097	99mTc	Storage	
Kentucky RML/RHB	2015	State Government	A	Liquid (Gel)	14.1		0.02		3H, 137Cs, 60Co, 90Sr, 90Y,241Am , 232U (nat)		Bionomics
Kentucky EPPC/DEP Maxey Flats Samples	2015	State Government		Liquid & Solid							* NONE REPORTED
Northern Kentucky		l		Solid					57Co, 63Ni,		
University	2015	Acdemic	Α	/Liquid	2.8252		15.05		226Ra		Bionomics
Northern Kentucky		Γ	Γ.Ι	Solid					57Co, 63Ni,		
University	2015	Acdemic	A	/Liquid		1.4126			226Ra	Storage	
Murray State	2015	Acdemic	Δ	Solia /Liquid		18	0.15	0 15	3H, 14U, 137Cs	Storage	
University of	2010	7 to definite		/ Elquiu		10	0.10	0.10	3H 14C 125	Otolage	
Kentucky	2015	Acdemic	Α	Mixed	296.9		34.736		.55Fe,65Zn		Bionomics
University of											
Kentucky	2015	Acdemic	А	Mixed	0.9		0.202		3H,14C,35S		Permafix
University of											
Kentucky	2015	Acdemic	A	Mixed		139	2.985	2.985	3H,14C,35S	Storage	
PETNET	2015	Medical	A	Mixed	15		9.7		57Co, 56Co,109Cd ,181W,65Zn	Broker	Philotechnics
PETNET	2015	Medical	Α	Liquid	5.1		5.8		57Co, 3H	Broker	Philotechnics
PETNET	2015	Medical	Α	Solid		14				Storage	
Sudi-Chemie	2015	Industrial									
Transport Logistics	2015	Industrial	A	Genera I Rad		452.3			235U. 238U	Storage	
Transport Logistics				Mixed/					2000, 200	C.G. L.g.	Chase
International	2015	Industrial	Α	Solid	147.04		16.02		235U, 238U	Broker	Environmental
Transport Logistics											Chase
International	2015	Industrial	А	Mixed	20		1.02		235U, 238U	Broker	Environmental
Total					3,344.37	1,250.71	900.6927	3.1447			
Sum Total					4595.	.0778	903.8	374			

Maxey Flats Nuclear Disposal Site Update

September 27, 2016 - Status Report, Maxey Flats Nuclear Disposal Site

Work continues on the final cap for the Maxey Flats Nuclear Disposal site. The cap will cover nearly 60 acres and is composed of rubber, clay and gravel topped by a layer of topsoil and grass.

The Environmental Protection Agency (EPA) and the Kentucky Energy and Environmental Cabinet (KEEC) believe the new and final cap will greatly reduce the amount of water getting into the trenches. They further believe this remedial action will reduce the radioactive leachate seeping out along the hill sides.

Once the EPA and KEEC assure the completion of the final cap, the KEEC will continue oversight on monitoring, repair and maintenance of the site. This will be performed through an interagency agreement with The Kentucky Cabinet For Health and Family Services, Radiation Control Program. Monitoring will continue in perpetuity.

Concerns: (Restated from the 2015 report)

The Interim Maintenance Plan was to last 35 to 100 years to allow for subsidence, settling and radionuclide decay. The plan specifies that prior to the Final Cap, 15% subsidence is required to have occurred, to date only 1% subsidence has been recorded. Additionally, entry into the Final Closure Period (FCP) so much earlier than originally anticipated has resulted in the presence of more radionuclides of concern and higher than expected activities as we progress into the more passive monitoring posture of the Institutional Controls Period (ICP).

The appearance of Cesium and Plutonium at a sample location outside of the capped area ahead of expected migration timeframes provides further indication of radionuclide movement away from the trenches.

The apparent correlation between rainfall and the immediate dilution, then rise of tritium activity concentration, indicates a potential for a significant flow pathway through the trenches and into the unrestricted areas. Extension of the cap, as originally agreed, should be reconsidered to address the potential horizontal flow from the north; the only remaining potential major pathway.

Data and additional information may be found through the following;

References:

Kentucky Cabinet for Health Services, Radiation Health Branch http://www.chfs.ky.gov/dph/radiation.htm

Kentucky Energy and Environmental Cabinet http://waste.ky.gov/SFB/Pages/MaxeyFlatsProject.aspx

EPA Document Record of Decision, Remedial Alternative (September 30, 1991) Environmental Protection Agency (EPA) <u>http://www.epa.gov/region4/superfund/sites/npl/kentucky/maxfltky.html</u>

Technologically Enhanced Naturally Occurring Radioactive Material (TENORM) Dumped In Kentucky

During the early months of 2016, Kentucky made the following announcement;

"Technologically-Enhanced, Naturally-Occurring Radioactive Materials" from West Virginia and Ohio fracking operations into the Estill County landfill. Documents show nearly 50 containers of low-level radioactive West Virginia fracking waste was dumped there.

Although Kentucky, at the time of this announcement did not have specific TENORM regulation, the dumping of out of state radioactive material in Kentucky is in violation of Central Midwest Interstate Radioactive Waste Compact Commission (CMCC) as stated in Kentucky Revised Statute 211.863 and KRS 211.859 Article IV, Regional Management Plan authority.

Since the notification of illegal TENORM dumping, the Kentucky Cabinet For Health and Family Services Radiation Control Branch has communicated by phone and email with the CMCC. Additionally, they have given status updates at the Spring Meeting of the CMCC and the Annual Meeting held in Frankfort, Kentucky. Communications have also been received from Connie Gale White, Senior Deputy Commissioner, Kentucky Department for Public Health acknowledging Kentucky's responsibility to the CMCC.

Progress is being made toward resolution of this illegal dumping of TENORM in the Commonwealth. State officials in Kentucky have decided to pursue civil penalties against the companies and individuals involved. In the interest of public health and safety, consideration is being given that the waste may be safer where it is, rather than being extracted from the site. Kentucky is also making every effort to assure an incident of this nature will not occur again. Draft regulations have been written and will proceed through the review process toward implementation.

OBSERVATIONS AND CURRENT ACTIVITIES

- The CMCC is a participating member of the Low-Level Waste Forum. The LLW Forum's goals are to educate policy makers and the public about the management and disposal of low-level radioactive wastes, and to foster information sharing and the exchange of views between states and compacts. The Central Midwest Compact Commissioners participated at the October 22-23, 2015, Forum meeting in Chicago, IL and the April 13-14, 2016, Forum meeting in Park City, UT.
- In addition to the LLW Forum activities, Commissioner Klinger serves as Chair of the LLW Forum's Disused Sources Working Group (DSWG) to develop recommendations for improving the management of disused sealed sources that pose a threat to national security. The DSWG, which is comprised of eight directors of the LLW Forum, solicited input from a broad range of stakeholders at 19 meetings over a 30-month period. A Summary of Findings and Recommendations can be found at:

http://www.disusedsources.org/recommendations-of-the-dswg/.

- Commissioner Klinger will participate in the next DSWG meeting and LLW Forum meeting in Saratoga Springs, NY, November 7-9, 2016.
- The Nuclear Regulatory Commission (NRC) is working on guidance on GTCC (Greater than Class C) waste. The CMCC is monitoring this process closely to see how it might affect both states.
- Updated the Forum with changes to the CMCC in reference to video teleconferencing for meetings. Due to the CMCC's efforts to minimize all costs and be effective stewards of investments, the CMCC has worked diligently to keep operating costs to a minimum.
- The CMCC is monitoring several national activities including import and export rulemaking by the Texas Compact (Illinois industrial generator has received authorization to import Class B and C); efforts to risk-inform the waste classification scheme; NRC's comprehensive revisions to 10 CFR Part 61; and the opportunity for costshared collection and disposal of certain sealed sources.

• Status of Development of New Disposal Capacity in the Central Midwest Region:

In December 1996, the Illinois Low-Level Radioactive Waste Task Group adopted siting criteria. As directed by amendments to the state siting law enacted in June 1997, the Illinois State Geological and Water Surveys screened the state and produced maps showing the application of the siting criteria and submitted their findings to the Task Group and to the Illinois Department of Nuclear Safety (IDNS) on September 30, 1997. Prior to December 1, 2000, the IDNS held 3 public hearings throughout the state and submitted a report to the Governor and Legislative leaders regarding the impact and ramifications, if any, pertaining to the design, licensure, development, construction, operation, closure, and post-closure care of a regional disposal facility. After extensive economic modeling, the report concluded: it would not be economically viable at this time to pursue siting a facility in Illinois. A copy of the report is available to the public at no charge. Anyone interested in receiving a copy should contact IEMA at (217)782-2700. The Compact asked the State of Illinois to prepare a report regarding LLW Management and the need or an interim storage facility in the region after the closure of the Barnwell facility in 2008. The report is available by contacting the Illinois Emergency Management Agency at (217) 782-2700

AGREEMENTS AND PLANS

Interregional Facility Access Agreements

Interregional Facility Access Agreements ensure that Illinois and Kentucky waste generators can continue to use the existing facilities outside the region to treat or temporarily store their waste.

On November 4, 1997, the Commission voted in favor of signing the National Interregional Access Agreement for Waste Management (October 23, 1992). To date this leaves only the Atlantic Compact, New Hampshire, Puerto Rico, and Rhode Island who have not signed the National Agreement. At a Regular Meeting in April 2006, the Commission voted not to renew previous agreements with other states and compacts (the Rocky Mountain, Southwestern, Northeast, Midwest and Southeast Compacts, the State of Michigan and the Commonwealth of Massachusetts) when these agreements expired in 2011. However, the Central Midwest Compact has an Interregional Agreement with the Atlantic Compact.

Regional Management Plan

The Commission is required to adopt and amend, as appropriate, a plan for managing the region's low-level radioactive waste. The Regional Management Plan (RMP) was adopted in 1988. In May of 1999 at a meeting held in Chicago, Illinois, the Commission unanimously voted to accept the revised 1999 Regional Management Plan.

A thorough review of the Plan was conducted by Kentucky and Illinois during the summer of 2016. The consensus of the technical staffs from Kentucky and Illinois is that there is no need for an update to the RMP at this time. The Commissioners were in agreement and stipulated that a discussion item be included on the meeting agenda annually to review the current adequacy of polices outlined in the RMP. Further, it was stipulated that any future suggestions and considerations for RMP changes be submitted in writing to the Commission for review. This is necessary for documentation and clarity to fully understand the basis and necessity for proposed policy revisions.

A copy of the plan in available through the Internet address (URL) <u>http://www.cmcompact.org</u> or by calling the Commission office at (217) 836-3018.

COMMISSION ACTIVITIES

September 23, 2015 - Annual Meeting held in Springfield, Illinois with teleconference.

April 26, 2016 - Spring Meeting held in Frankfort, Kentucky with teleconference.

September 27, 2016 - Annual Meeting held in Frankfort, Kentucky with videoconference.

AUDITS

The financial records of the Commission were audited in compliance with Article XI of the Commission's bylaws. The auditing firm of Estes, Bridgewater & Ogden performed an audit of the Commission's records finding that the financial statements accurately represent the Commission's financial position according to generally accepted accounting principles.

Estes, Bridgewater & Ogden

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners Central Midwest Interstate Low-Level Radioactive Waste Compact Commission

We have audited the accompanying financial statements of the Central Midwest Interstate Low-Level Radioactive Waste Compact Commission which comprise the balance sheets as of June 30, 2016 and 2015, and the related statements of revenue, expenditure and changes in fund balance and cash flows for the years 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 audits. We conducted our audits 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 of 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 Central Midwest Interstate Low-Level Radioactive Waste Compact Commission, as of June 30, 2016 and 2015, and the changes in its fund balance and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Estes, Budgenater & Pgden

Certified Public Accountants Springfield, Illinois

September 12, 2016

Central Midwest Interstate Low-Level Radioactive Waste Compact Commission BALANCE SHEETS June 30, 2016 and 2015		Statement 1
CURRENT ASSETS	2016	2015
Cash and cash equivalents Investments Interest receivable	\$ 10,656 2,393,441 1,439	\$ 8,426 2,383,124 <u>8,874</u>
TOTAL ASSETS	\$ <u>2,405,536</u>	\$ <u>2,400,424</u>
Liabilities and Fund Balance		
CURRENT LIABILITIES Accounts payable	\$	\$ _
FUND BALANCE	2,405,536	2,400,424
TOTAL LIABILITIES AND FUND BALANCE	\$ <u>2,405,536</u>	\$ <u>2,400,424</u>

The accompanying notes are an integral part of these financial statements.

3

Statement 2

Central Midwest Interstate Low-Level Radioactive Waste Compact Commission STATEMENTS OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE

For the Years Ended June 30, 2016 and 2015

DEVENUE	2016	2015
Interest	\$ <u>29,580</u>	\$
EXPENDITURES		
Travel	4,439	2,438
Administrative expense	13,332	10,978
Professional fees	3,000	3,000
Insurance	3,202	3,198
Contractual services	495	2,473
Total expenditures	24,468	22,087
EXCESS OF REVENUE OVER EXPENDITURES	5,112	8,340
FUND BALANCE – BEGINNING	2,400,424	<u>2,392,084</u>
FUND BALANCE – ENDING	\$ <u>2,405,536</u>	\$ <u>2,400,424</u>

The accompanying notes are an integral part of these financial statements.

4

Statement 3

Central Midwest Interstate Low-Level Radioactive Waste Compact Commission STATEMENTS OF CASH FLOWS For the Years Ended June 30, 2016 and 2015

2016 2015 CASH FLOWS FROM OPERATING ACTIVITIES: Excess (deficiency) of revenue over expenditures 5,112 8,340 \$ \$ Adjustments to reconcile excess of revenues over expenditures to cash flows from operating activities: Changes in operating assets and liabilities: Decrease (increase) in interest receivable..... 7,435 2,968 Net cash provided by (used for) operating activities ____12,547 11,308 CASH FLOWS FROM INVESTING ACTIVITIES: Investments matured 562,091 941,072 Investments purchased..... (__956,888) Net cash provided by (used for) investing activities..... (<u>10,317</u>) (<u>15,816</u>) NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS 2,230 4,508) (CASH AND CASH EQUIVALENTS - BEGINNING 8,426 12,934 CASH AND CASH EQUIVALENTS - ENDING \$<u>10,656</u> \$<u>8,426</u>

The accompanying notes are an integral part of these financial statements.

Central Midwest Interstate Low-Level Radioactive Waste Compact Commission **NOTES TO FINANCIAL STATEMENTS** For the Years Ended June 30, 2016 and 2015

NOTE 1 - NATURE OF ORGANIZATION

The Central Midwest Interstate Low-Level Radioactive Waste Compact Commission was entered into by the State of Illinois and the Commonwealth of Kentucky in response to Section 4(a)(2) of the 1980 Federal Low-Level Radioactive Waste Policy Act (P.L. 96-573). Both states enacted identical compact legislation and the compact was ratified by the U.S. Congress in the 1985 Low-Level Radioactive Waste Policy Amendments Act (P.L. 99-240).

The purposes of the Compact are:

- 1. to provide the instrument and the framework for a cooperative effort between the party states;
- 2. to provide sufficient facilities for the proper management of low-level waste generated in the region;
- 3. to protect the health and safety of the citizens of the region;
- 4. to limit the number of facilities required to manage low-level waste;
- 5. to promote volume and source reduction of the region's low-level waste;
- 6 to distribute the costs, benefits, and obligations of low-level waste management equitably between the member states and among the generators who use regional facilities;
- 7. to ensure the ecological and economical management of low-level waste including the prohibition of shallow land burial as a disposal technology; and
- 8. to promote the use of disposal technologies that will provide greater and safer confinement of low level waste than that provided by shallow land burial.

The first meeting of the Commission was held in Springfield, Illinois, on March 29, 1985. Illinois and Kentucky submitted checks in the amount of \$50,000 each and this \$100,000 was designated as the Commission's fund. The official letters of appointment of the Commissioners by Governor James Thompson (IL) and Governor Martha Collins (KY) were also submitted. The Commission was formally established by these actions.

Central Midwest Interstate Low-Level Radioactive Waste Compact Commission **NOTES TO FINANCIAL STATEMENTS** For the Years Ended June 30, 2016 and 2015

NOTE 1 - NATURE OF ORGANIZATION, cont'd.

The initial state membership fees were the primary source of income for the first year of operation. However, under the provisions of the 1985 Act, compact commissions in regions without operating facilities will receive rebates from a fund maintained by the U.S. Department of Energy. The source of the fund is 25% of a surcharge levied on producers of low-level waste located in regions without disposal facilities and paid to the state in which the low-level waste is sent for disposal. The funds will be rebated to the states when certain milestones are met. The 1985 Act established four milestones: July 1, 1986; January 1, 1988; January 1, 1990; and January 1, 1993. The U.S. Department of Energy rebated funds to the Commission for the first three milestones during earlier fiscal years. On September 1, 1994, the Commission received one-half of the funds held in trust by the U.S. Department of Energy due to the January 1, 1993, milestone. There is no major source of funding foreseen for the commission until low-level waste facilities are operating in the region.

The compact designates that the headquarters of the Commission will be the host state. Since Illinois is the host state of the region's low-level waste facilities, the Commission headquarters are at the Illinois Emergency Management Agency (IEMA) offices in Springfield, Illinois.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Assets, liabilities, revenue and expenses are recognized on the accrual basis of accounting.

Investments, which consist of certificates of deposit and money market accounts, are stated at cost.

Cash and cash equivalents for the statement of cash flows consists of cash in checking. The Commission considers all highly liquid investments with a maturity date of ninety (90) days or less to be cash equivalents.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Financial instruments which potentially subject the Commission to concentrations of credit risk include cash, cash equivalents, and investments. The Commission places its cash, cash equivalents, and investments with credit-worthy, high quality financial institutions. As of June 30, 2016 the Commission has no significant concentrations of credit risk.

The Commission reviewed events for inclusion in the financial statements through September 12, 2016, the date through which subsequent events have been evaluated and the date the financial statements were available to be issued.

Central Midwest Interstate Low-Level Radioactive Waste Compact Commission **NOTES TO FINANCIAL STATEMENTS** For the Years Ended June 30, 2016 and 2015

NOTE 3 - INVESTMENTS

Investments consisted of the following at June 30, 2016 and 2015:

	June 30, 2016 Cost	June 30, 2015 Cost
Money market accounts Certificates of deposit	\$ 122,769 2,270,672	\$ 121,580 2,261,544
	\$2,393,441	\$2,383,124

The Commission has the ability and intent to carry all investments to maturity. Market in most cases approximate costs.

NOTE 4 - FEDERAL INCOME TAX

The Commission is operating under an exemption letter dated March 4, 1986, exempting it from income tax under Section 115 of the Internal Revenue Code.

The Commission is not involved in any activities which would be considered unrelated to its exempt status; therefore, there is no tax on unrelated business income.

The Commission has been classified as an organization that is not a private foundation under Section 509(a)(2) of the Internal Revenue Code.

8

All minutes, notices and other announcements of the Central Midwest Interstate Low-Level Radioactive Waste Commission are available at: <u>www.cmcompact.org</u>