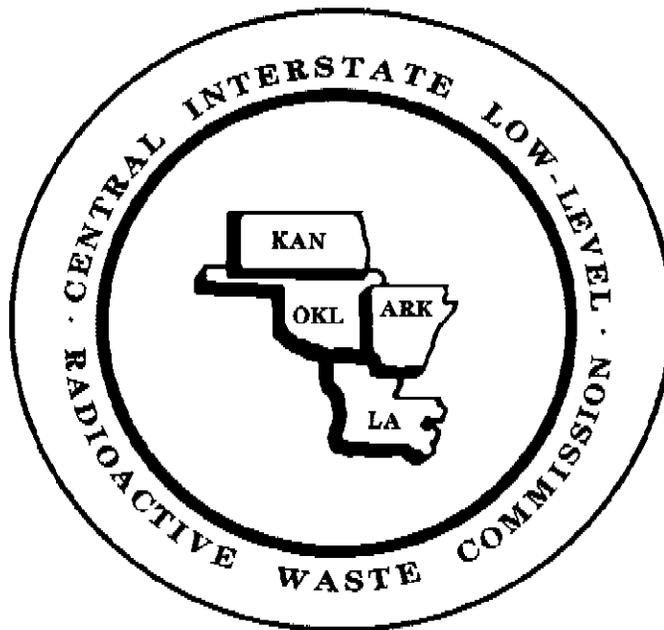


# Central Interstate Low-Level Radioactive Waste Commission



**Annual Report  
2008-2009**



**The purpose and objectives of the Commission are:**

To carry out the mandate of the Central Interstate LLRW Compact by providing for and encouraging the safe and economical management of LLRW within the four-state Compact region;

To provide a framework for a cooperative effort to promote the health, safety, and welfare of the citizens and the environment of the Compact region;

To select the necessary regional facilities to accept compatible wastes generated in and from party states, and meeting the requirements of the Compact, giving each party state the right to have the wastes generated within its borders properly managed at such regional facilities;

To take whatever action is necessary to encourage the reduction of waste generated within the Compact region;  
and

To faithfully and diligently perform its duties and powers as are granted by the Compact.

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Radioactive Waste Compact  
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Radiation Control Program Director  
Depart of Environmental Quality

Oklahoma

Catherine Sharp  
Waste Management Division  
Depart of Environmental Quality

Nebraska's membership  
ended July 17,2004

Commission Staff

Administrator: Rita Houskie

Commission Consultant

Financial: Richard Kuzelka

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## Timeline

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**1980** – Congress approves the Low-Level Radioactive Waste Policy Act and establishes the waste compact system.

**1983** – Nebraska joins Louisiana, Kansas, Oklahoma, and Arkansas to form the Central Interstate Low-Level Radioactive Waste Compact.

**1987** – The Compact chooses Nebraska to build its waste site.

**1989** – Possible sites in Boyd, Nuckolls and Nemaha counties. Butte, Nebraska, in Boyd County, chosen by the end of the year.

**1990** – Site's license application submitted by the Commission's developer, US Ecology.

**1991** – Application is deemed complete for technical review. Executive Director, Ray Peery, is arrested for embezzling

**1993** – Nebraska issues Notice of Intent to Deny the license. Site boundaries are redrawn to eliminate wetlands. Nebraska dismisses its Notice.

**1995** – After several years of review, US Ecology submits its responses to the fourth and final round of the state's technical comments. US Ecology also submits its eighth revision to the Safety Analysis Report (SAR). Nebraska estimates the review to take one year.

**1996** – Commission sets 'reasonable schedule' for state's completion of license review. Nebraska files suit against the Commission.

**1997** – State releases their Draft Safety Evaluation Report and the Draft Environmental Impact Analysis. Of the 152 evaluation areas, the state identified 29 problems with the license application.

**1998** – December 21<sup>st</sup>, Nebraska denies US Ecology's license application. Three major generators file a lawsuit against Nebraska, its agents and the Commission, claiming injury due to the 'bad faith' review by the state's regulators.

**1999** – Commission realigns itself as a plaintiff in the 'bad faith' litigation and initiates cost-cutting measures; including, the reduction of staff, closing US Ecology's Lincoln and Butte offices, and requested of the Court, that Nebraska be barred from spending additional money on licensing activities. Nebraska passes legislation to withdraw from the Compact.

**2001** – Discovery efforts begin for the 'bad faith' Federal litigation. The Eighth Circuit Court of Appeals upholds U.S. District Court's decision not to dismiss the litigation on Nebraska's claim of sovereign immunity.

**2002** – The June trial continued for approximately eight weeks. The Court issues its September decision in favor of the Commission. The award was approximately \$151 million plus interest. Nebraska appeals the decision.

**2004** – The Eighth Circuit of Appeals affirmed the lower court decision in February. Nebraska petitioned the Appeals Court for a re-hearing en banc. The Court denied the petition. In July, Nebraska filed a Petition for Writ of Certiorari with the U.S. Supreme Court. Nebraska and the Commission reach an agreement. Nebraska would pay \$140.5 million, all pending litigation would be ended amicably, and for a nine month period a cooperative effort would be made to access disposal outside of the compact boundaries.

**2005** – The Commission held meetings to discuss the future role and alternatives of the compact, reviewed claims against the settlement funds and distributed all but \$15 million, adopted Resolutions that ceased the siting of a disposal facility, suspended the joint effort with Nebraska to access

disposal, monitoring of generators' needs, and the disposition of the land in Boyd County.

**2006**— The contracted Executive Consultant reports that disposal for Class A waste was sufficient, however, disposal for Classes B and C would end in 2008 with the closing of the Barnwell facility. He recommends that the Commission remain intact and offered a Revised Operating Plan of which was adopted as a guidance document. The land in Boyd County was given to the Village of Butte and an additional \$10 million was distributed to the major generators. Litigation was brought by the major generators regarding the Commission's retention of the remaining \$5 million.

**2007**— The U.S. District Court decides in the Commission's favor over the retention of the \$5 million.

**2008**— Commission relocates its office. Barnwell, S.C. disposal facility closes to the nation.

**2009**— Commission's Rules and By-Laws are reviewed and updated to eliminate obsolete provisions and to allow for flexibility in operations.

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# Significant Events

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## Commission Meetings

- July 15, 2008, Special Telephone Meeting

A special meeting via telephone was called to take action on two federal export applications, eleven non-federal export applications and four utility/major generator export applications. All submitted applications to export llrw were approved by the Commission.

- October 1, 2008, Special Telephone Meeting

The Commission came together in a special telephone meeting to take action on export applications.

Four non-federal export applications were approved by the Commission. The Kansas Commissioner chose to abstain from voting on the application submitted by KDHE.

- February 4, 2009, Special Telephone Meeting

The Commissioners took action on one federal export application, eight non-federal applications and one application in the utility/major generator category.

The Commissioners also accepted the KPMG Audit of the Commission for fiscal year 2007-2008. The new Kansas Commissioner asked questions on two of the Financial Notes statements pertaining to Custodial Credit Risk and Investment Policy. The Arkansas Commissioner raised a question about the Management Discussion and Analysis. It was agreed that these items would be investigated further.

- June 23, 2009, Annual Meeting

The Annual Meeting of the Central Interstate LLRW Commission was held in Little Rock, Arkansas. The Commissioners came together to take action on routine administrative business, as well as make decisions on proposed Rule and By-Law updates and to discuss the sponsorship of a LLW Forum meeting.

The Commission received an oral report from the Commission Administrator. In her report she responded to an issue raised by the Kansas Commissioner at the February 2009 teleconference regarding statements made in the KPMG audit of fiscal year 2007-2008 that related to Custodial Credit Risk. Ms. Houskie indicated that the Audit Manager was in agreement that the statement did not give a clear representation of how the Commission's funds are invested, nor to their safety and should be revised. She also addressed Mr. Bevill's concern from the same meeting on KPMG's Independent Auditor's Report in which a Management Discussion and Analysis is mentioned. Ms. Houskie reported that the issue had been raised previously and had been responded to at the January 2005 meeting. KPMG's response had been that it would not be useful at this time and was not necessary. Also at the February meeting there was discussion about an investment policy. The Administrator said that she had contacted Mr. Kuzelka and he said that no formal investment policy existed. The Kansas Commissioner re-stated her concern about an investment policy and as something that should be looked into.

Outside Legal Counsel, Mr. Renner, gave a brief background on the origination of the current Rules and Bylaws and reported that he assisted and reviewed the suggested changes. He updated the Commission on the Southeast Compact's litigation and their request for Amicus support and he also updated the Commission on the developing situation between Energy Solutions and the Northwest Compact in their litigation and

forewarned the Commission of the possibility of a second Amicus request.

Mr. Renner reviewed for the Commission the motion adopted at the November 2007, meeting to participate in the Amicus Brief filing on behalf of the Southeast Compact pending review. He also outlined the logistics for the reviewing of the Brief and how objections and/or questions were to be resolved as stated in the 2007 motion. Mr. Renner responded to questions from the Commissioners. No further action was required on this item.

The Commission adopted the minutes from the June 2008, Annual Meeting and the three Special Telephone meetings held last July, October and February. Three non-federal export applications were approved as well as the Financial Consultant's contract for fiscal year 2009-2010.

The Arkansas Commissioner introduced the Rule changes and indicated that the changes were meant to eliminate obsolete provisions, to reflect the way the Commission is currently operating with the flexibility to use an Executive Director or an Administrator, and to utilize electronic methods to conduct business. The Rule changes were adopted with the caveat that all references to Commission, Commission's office, or Commission's staff, are to be reviewed and checked for consistency, and where it is an action by a third party, it references the Commission, where it is an action by a member of the staff, it references Commission staff.

Mr. Renner briefed the Commission on the need to repeal Rules 8 and 9. He explained that the Commission, in their earlier years, used a variety of mechanisms to raise money to do various things. Rule 8 was the mechanism to assess fees to fund costs associated with the development of a contract between the Commission and US Ecology, the project developer. Rule 9 was the mechanism to pay for the Community Improvement Fund that was required by the host state of Nebraska. Both of which no longer apply. The Commission voted to repeal Rules 8 and 9.

The proposed By-Law changes were approved by the Commission as written.

The Commission has voted yearly to continue their membership to the LLW Forum group. The Forum provides the opportunity to learn and share experiences with other compacts, states, generators and federal agencies on the issue of low-level radioactive waste. The members of the Forum contribute services and the hosting of meetings to defray cost for the group. The Commission authorized the Administrator to continue in discussions with the Forum as to how our Compact could be involved in the hosting of a LLW Forum future meeting and to report back with ideas and potential cost.

The Oklahoma Commissioner was elected to serve as Chair for fiscal year 2009-2010 and the Commission adopted an annual budget for the new fiscal year that was .07% increased from the current year's budget. No changes were made on the export application fee schedule for the coming year.

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## Waste Report

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This year's Waste Survey was included in the Commission's emailing of the 2008-2009 export applications. The survey was also made available to those generators using the Commission's web site.

Twenty-two (22) shippers responded to the survey. Respondents included 4 medical facilities, 5 higher education facilities, 4 utilities, 2 industrial facility and 7 research/other facilities.

One commercial disposal facility was available to accept Class A low-level radioactive waste: Energy *Solutions* in Clive, Utah. The Barnwell, South Carolina, disposal facility closed to the nation in June 2008. Currently there is no disposal option for Class B or C waste.

When asked how long they could store waste if they were unable to ship for disposal the respondents' replies ranged from 90 days to indefinitely, however, they hoped that this would not be required.

Annual costs for low-level radioactive waste management that includes minimization technology and on-site storage were reported as low as \$5,000 per year to as high as \$2,500,000 per year.

One utility indicated recent capital costs incurred for the management of LLRW and additional storage space is planned.

One industrial facility indicated that modifications to operations have been made, stating that projects have been refused due to LLRW disposal issues. Another indicated a decrease in the use of radiolabeled materials and another indicated modification to current storage facility to allow more flexibility in storage options.

A sample of concerns expressed by the Region's generators are as follows:

- Availability—Class B & C waste disposal options—Barnwell closed.
- Any restriction and limitation that would require storage, additional costs, and the promotion of dilute and disperse over concentration and contain; the latter is a more suitable method of disposal. The former falls short of an ideal waste disposal option
- Lack of disposal capacity for C-14 activities (especially for Class C and greater than Class C wastes
- Access to disposal sites at a reasonable cost

### Disposal Information

The Manifest Information Management System (MIMS) is a database, developed in 1986 by DOE to be used to monitor the management of commercial low-level radioactive waste. (<http://mims.apps.em.doe.gov>)

The Commission approved 33 export applications for this reporting period: 7 from Arkansas, 17 from Kansas, 6 from Louisiana, and 3 from Oklahoma

The generators used Energy *Solutions* facility in Clive, Utah, during this reporting period.

## Waste Classification and Generator Class

Disposal Site	Year Received	Generator Class	Total Volume (ft3)	Total Activity (curies)	Class A Volume (ft3)	Class A Activity (curies)	Class B Volume (ft3)	Class B Activity (curies)	Class C Volume (ft3)	Class C Activity (curies)	Brokered Volume (ft3)
Clive	2008	Industry	17,582.96	8.13	17,582.96	8.13					0.00
Clive	2008	Undefined	514.59	134.07	514.59	134.07					0.00
Clive	2009	Government	3,192.00	0.03	3,192.00	0.03					0.00
Clive	2009	Industry	25,862.67	5.97	25,862.67	5.97					0.00
Clive	2009	Undefined	744.59	26.45	744.59	26.45					0.00
<b>Total:</b>			<b>47,896.81</b>	<b>174.65</b>	<b>47,896.81</b>	<b>174.65</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

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# Summary of Litigation

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During the Commission's existence, it has been in litigation many times, and has been successful in defending its legal position. Most recent and current litigation is summarized below. Visit our web site ([www.cillrwcc.org](http://www.cillrwcc.org)) for details of past litigation.

**ENTERGY ARKANSAS, INC., ET AL. V. NEBRASKA**  
**United States District Court for the District of Nebraska**  
**(Case No. 4:98-cv-3411)**

In December, 1998, several of the region's major generators filed a lawsuit in federal court which alleged that the State of Nebraska had processed and ultimately denied US Ecology's license application in bad faith, and that such actions violated the Compact. The Commission was originally named a defendant in the suit. At its January, 1999, meeting, the Commission authorized its outside counsel to ask the court to realign it as a plaintiff in the lawsuit and to join in the claims originally made by the major generators as well as elaborate on claims of the CIC based squarely on specific Compact obligations. The court granted that motion.

Over the next several years, the parties engaged in a lengthy and complicated discovery process. Nebraska also took two appeals to the Eighth Circuit of Appeals. The first such appeal challenged the district court's entry of a preliminary injunction which stayed state administrative proceedings relating to the license application denial, and prohibited Nebraska from charging the Commission any additional money for licensing work or litigation. The second appeal challenged the district court's decision to deny the State's motion to dismiss the Commission's claims. Both appeals were rejected by the Eighth Circuit.

The case was tried to the court without a jury, over Nebraska's protest. Commencing on June 3, 2002, and concluding on July 30, 2002, the parties presented extensive evidence to Judge Kopf. Approximately 30 witnesses testified and about 2,000 exhibits (totaling nearly 100,000 pages in length) were received in evidence. On September 30, 2002, following briefing and oral argument, Judge Kopf entered judgment in favor of the Commission. The court's decision awarded total damages to the Commission in the amount of \$151,408,240.37, plus post-judgment interest at 1.68% until paid. The major generators' claims against the Commission, which sought to impose some form of trust on the Commission's receipt of the judgment funds, were rejected by the court.

Nebraska appealed the monetary judgment to the Eighth Circuit Court of Appeals. Oral argument was held before a panel of the Eighth Circuit on June 12, 2003. On February 18, 2004, the Eighth Circuit Court of Appeals affirmed the district court's decision. Thereafter, Nebraska sought rehearing by the entire Eighth Circuit, which request was denied on a vote of 6-3. Nebraska then filed a petition for certiorari requesting the United States Supreme Court to review the Eighth Circuit's decision.

While the State's certiorari petition was pending, Nebraska and the CIC entered settlement negotiations. Following those lengthy negotiations, the State of Nebraska and the Commission entered into a settlement which resolved all of the various disputes remaining between them. The terms of the settlement are discussed in more detail later.

**NEBRASKA V. CENTRAL INTERSTATE LOW-LEVEL RADIOACTIVE WASTE COMMISSION**  
**United States District Court for the District of Nebraska**  
**(Case No. 4:03-cv-3308)**

On August 30, 1999, the State of Nebraska, through its Governor, notified the Commission that it was formally withdrawing from the Compact. Under the terms of Compact Article VII(d), that withdrawal was to take effect five years thereafter, or on August 30, 2004. Shortly after receiving Nebraska's withdrawal notice, the Commission instituted proceedings pursuant to its Rule 23 which provides an administrative process to determine remaining obligations of party states which seek to withdraw from the Compact. The Commission's Rule 23 proceedings were effectively put on hold pending the outcome of the federal lawsuit alleging that Nebraska had processed and denied the license application in bad faith. Following the court's decision in that litigation, the Commission revived its Rule 23 administrative proceeding. On June 25, 2003, following a hearing before the Commission, the Commission adopted two resolutions revoking the State of Nebraska's membership in the Compact and imposing sanctions. On August 22, 2003, Nebraska filed a lawsuit in the United States District Court alleging that the Commission's actions in revoking Nebraska's membership in the Compact were invalid for several reasons.

Over the next nine months, the parties conducted discovery relating to the legal issues raised by litigation. This lawsuit was ultimately resolved by the global settlement entered into by the Commission and the State of Nebraska, which is discussed in more detail below.

**CIC AND NEBRASKA SETTLE THEIR REMAINING DISPUTES**

In the spring of 2004, Nebraska's Attorney General approached the Commission's legal counsel with a request that the parties attempt to settle the various legal disputes still remaining. The parties negotiated over the next several months. Effective August 1, 2004, Nebraska and the CIC entered into a comprehensive settlement agreement which is intended to resolve all disputes remaining between them.

The settlement agreement provides that Nebraska will pay to the Commission \$140,541,076.79 in four equal annual installments commencing on August 1, 2005. The unpaid balance bears interest at the rate of 3.75% starting August 1, 2004. There is no prepayment penalty, so Nebraska may pay the principal amount early and save some interest expense. Nebraska and CIC have made a joint offer to Texas for access to the disposal facility proposed for the Texas Compact; if Nebraska and CIC strike a deal with Texas within certain agreed parameters, the principal amount of the settlement is reduced to \$130 million.

The settlement agreement further provides that Nebraska and CIC agree to cooperate for a period of at least nine months in an effort to find a disposal capacity for waste generated within the CIC region and Nebraska. Nebraska has agreed to dismiss all remaining litigation, including withdrawing its cert petition in the "bad faith" litigation. Upon Nebraska making all payments required by the agreement, CIC agrees to release Nebraska from all obligations under the Compact, including the obligation to be the region's first host state. If Nebraska's Legislature fails to appropriate the money for the agreed payments or if for any other reason Nebraska does not make the payments on time, then the Commission would have various available collection remedies as stated in the agreement, and Nebraska would again be subject to its host state obligation.

**ENERGY ARKANSAS, INC., ET AL. V. CENTRAL INTERSTATE  
LOW-LEVEL RADIOACTIVE WASTE COMMISSION  
United States District Court for the District of Nebraska  
(Case No. 4:06-cv-3101)**

On April 25, 2006, the major generators sued the Commission, contending that they were entitled to the \$5 million the Commission had retained from the settlement proceeds for its own use. The Commission filed an answer denying the generators' allegations. The parties mediated the dispute, but the mediation was not successful.

On November 29, 2006, the major generators and the Commission filed cross motions for summary judgment. The parties submitted documentary evidence and briefs supporting their positions.

On January 11, 2007, the district court issued a memorandum and order granting the Commission's motion for summary judgment and dismissing the major generators' suit. Judge Kopf ruled that the major generators were not entitled to the imposition of either a constructive or resulting trust on the \$5 million retained by the Commission from the settlement proceeds. Judge Kopf rejected the major generators' contentions that the Commission had behaved inequitably toward the major generators, and that the Commission had no real need to retain substantial funds from its settlement with Nebraska. The major generators chose not to appeal the decision, and it is final.

Export Applications for FY09-10 can be accessed through the  
Commission's Web Page @ [www.cillrwcc.org](http://www.cillrwcc.org)

**Information and Education**

The Commission maintains a mailing list of individuals and organizations interested in Commission activities. Commission meetings are open to the public and meeting announcements and materials are on the Commission's web page and distributed to interested persons and groups through email. The Commission's office responds to various requests for information.

Items contained on the Commission's web page are news articles, Annual Reports, minutes of Commission meetings, notices of meetings, legal summaries and other appropriate information. The web site may be accessed at <http://www.cillrwcc.org>.

**STATUS OF COMMISSION FUNDS**  
as of June 30, 2009

**Rebate Funds**

**\$829,461** Principal

Rebate funds can only be spent to:

1. establish low-level radioactive waste disposal facilities;
2. mitigate the impact of low-level radioactive waste disposal facilities on host state;
3. regulate low-level radioactive waste disposal facilities; or
4. ensure the decommissioning, closure, and care during the period of institutional control of low-level radioactive waste disposal facilities.

**Settlement Funds**

**\$5,000,000.00**

Effective August 1, 2004, Nebraska and the CIC entered into a comprehensive settlement agreement. Nebraska paid the Commission \$145,811,366.17 on August 1, 2005. All but \$5,000,000 was paid on claims the Commission received from major generators, member states and the developer.

**Commission Cash Expenitures for Fiscal Year 2008-2009 and Budget for Fiscal Year 2009-2010**

Expense	FY06-07	FY07-08	FY08-09 Budget	FY08-09 Actual	FY09-10
Salaries & Benefits	74,661	75,711	76,469	76,518	80,964
Rent	15,192	9,543	4,500	3,912	4,200
Telephone	3,406	3,027	3,000	2,751	3,000
Postage	296	366	500	248	500
Copy & Printing	77	103	500	0	500
Machine Lease & Maintenance	993	780	1,000	0	1,000
Meeting Transcriptions	578	273	1,500	1,073	1,500
Dues & Subscriptions	8,915	9,900	10,100	9,998	9,500
Office Equipment & Supplies	2,373	1,683	4,000	1,820	4,000
Travel & Meeting Expense	7,323	2,855	10,000	3,946	8,000
Insurance	3,291	3,315	4,000	3,243	4,000
Accounting	16,500	17,800	19,600	15,900	19,000
Legal Fees	79,998	8,918	8,000	11,405.28	8,000
Miscellaneous	34	153	500	21	500
Cash Reserve / Recover Shortfall	0	0	0	0	0
<b>Total</b>	<b>213,637</b>	<b>137,427</b>	<b>143,669</b>	<b>130,835</b>	<b>144,664</b>

**CENTRAL INTERSTATE LOW-LEVEL  
RADIOACTIVE WASTE COMMISSION**

Financial Statements

June 30, 2009 and 2008

(With Independent Auditors' Reports Thereon)

## Independent Auditors' Report

The Commissioners  
Central Interstate Low-Level  
Radioactive Waste Commission:

We have audited the accompanying statements of net assets of the Central Interstate Low-Level Radioactive Waste Commission (the Commission) as of June 30, 2009 and 2008, and the related statements of revenues, expenses, and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Commission's management. 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Central Interstate Low-Level Radioactive Waste Commission as of June 30, 2009 and 2008, and changes in its net assets and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we also have issued our report dated October 7, 2009 on our consideration of the Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grants, agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

The Commission has not presented Management's Discussion and Analysis that U.S. generally accepted accounting principles has determined is necessary to supplement, although not required to be part of, the basic financial statements.

KPMG LLP

Omaha, Nebraska  
October 7, 2009

**CENTRAL INTERSTATE LOW-LEVEL  
RADIOACTIVE WASTE COMMISSION**

Statements of Net Assets

June 30, 2009 and 2008

<b>Assets</b>	<b>2009</b>	<b>2008</b>
Current assets:		
Cash and cash equivalents	\$ 6,285,085	6,297,826
Restricted assets:		
Rebate fund	1,119,055	1,087,022
Capital assets	41,921	41,921
Less accumulated depreciation	<u>40,299</u>	<u>39,497</u>
Total capital assets, net	<u>1,622</u>	<u>2,424</u>
Total assets	<u>\$ 7,405,762</u>	<u>7,387,272</u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable	\$ 13,611	7,861
Accrued expenses	<u>17,990</u>	<u>15,173</u>
Total liabilities	<u>31,601</u>	<u>23,034</u>
Net assets:		
Invested in capital assets	1,622	2,424
Restricted	1,119,055	1,087,022
Unrestricted	<u>6,253,484</u>	<u>6,274,792</u>
Total net assets	<u>7,374,161</u>	<u>7,364,238</u>
Total liabilities and net assets	<u>\$ 7,405,762</u>	<u>7,387,272</u>

See accompanying notes to financial statements.

**CENTRAL INTERSTATE LOW-LEVEL  
RADIOACTIVE WASTE COMMISSION**

Statements of Revenues, Expenses, and Changes in Net Assets

Years ended June 30, 2009 and 2008

	<b>2009</b>	<b>2008</b>
Operating revenues:		
Commission member fees	\$ 20,000	20,000
Export application fees	25,650	27,200
Gain on disposal of asset	—	6,500
Other	597	2,457
	<u>46,247</u>	<u>56,157</u>
Total operating revenues		
Operating expenses:		
Salaries and benefits	76,518	75,661
Professional services	28,378	26,991
Office and administrative	18,081	19,327
Rent	3,912	9,543
Travel	3,946	2,855
Depreciation	802	1,409
	<u>131,637</u>	<u>135,786</u>
Total operating expenses		
Total operating loss	<u>(85,390)</u>	<u>(79,629)</u>
Nonoperating revenues:		
Interest income	95,313	259,253
	<u>9,923</u>	<u>179,624</u>
Change in net assets		
Net assets:		
Beginning of the year	7,364,238	7,184,614
End of the year	<u>\$ 7,374,161</u>	<u>7,364,238</u>

See accompanying notes to financial statements.

**CENTRAL INTERSTATE LOW-LEVEL  
RADIOACTIVE WASTE COMMISSION**

Statements of Cash Flows

Years ended June 30, 2009 and 2008

	2009	2008
Cash flows from operating activities:		
Receipts from customers	\$ 45,650	47,200
Payments to employees	(76,518)	(75,661)
Payments for professional services	(28,378)	(26,991)
Other receipts	597	2,457
Other payments	(17,372)	(31,732)
Net cash used in operating activities	(76,021)	(84,727)
Cash flows from capital and related financing activities:		
Purchases of capital assets	—	(2,177)
Proceeds from sale of capital assets	—	6,500
Net cash provided by capital and related financing activities	—	4,323
Cash flows from investing activities:		
Interest received	95,313	259,253
Net purchases of investments	(32,033)	(45,799)
Net cash provided by investing activities	63,280	213,454
Net (decrease) increase in cash and cash equivalents	(12,741)	133,050
Cash and cash equivalents at beginning of year	6,297,826	6,164,776
Cash and cash equivalents at end of year	\$ 6,285,085	6,297,826
Reconciliation of operating income to net cash used in operating activities:		
Total operating loss	\$ (85,390)	(79,629)
Adjustments to reconcile total operating loss to net cash used in operating activities:		
Depreciation expense	802	1,409
Gain on disposal of asset	—	(6,500)
Changes in assets and liabilities:		
Accounts payable	5,750	(1,543)
Accrued expenses	2,817	1,536
Net cash used in operating activities	\$ (76,021)	(84,727)

See accompanying notes to financial statements.

**CENTRAL INTERSTATE LOW-LEVEL  
RADIOACTIVE WASTE COMMISSION**

Notes to Financial Statements

June 30, 2009 and 2008

**(1) Organization**

The Central Interstate Low-Level Radioactive Waste Commission (the Commission) was established in 1984 by an interstate compact among the states of Arkansas, Kansas, Louisiana, Nebraska, and Oklahoma with the consent of Congress through the Omnibus Low-Level Radioactive Waste Interstate Compact Consent Act. The purpose of the Commission is to carry out the mandate of the Central Interstate Low-Level Radioactive Waste Compact (the Compact) by providing for and encouraging the safe and economical management of low-level radioactive waste within the Compact's region.

The Commission is an instrumentality of the Compact's member states and, as such, is exempt from federal and state income taxes under Section 115 of the Internal Revenue Code.

**(2) Summary of Significant Accounting Policies**

**(a) Basis of Accounting**

The accompanying financial statements are prepared on the accrual basis and reflect assets and liabilities owned by the Commission and the results of the Commission's operations.

The Commission applies all applicable Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued prior to November 30, 1989, except for those that conflict with or contradict Government Accounting Standards Board (GASB) pronouncements.

**(b) Revenue Recognition**

**Funding from Major Generators**

The major generators previously provided funding for the siting, licensing, development, and construction of the facility. Revenues are recognized as earned, and expenses are recognized as incurred. The Commission did not receive funding from the major generators for the years ended June 30, 2009 and 2008.

**Commission Member Fees**

Commission members pay a \$5,000 annual membership fee.

**Export Application Fees**

Fees for approval to export waste are recorded as revenue when earned. This fee is used to cover the Commission's operating expenses.

**(c) Property and Equipment**

Property and equipment consist of furniture, fixtures, and equipment recorded at cost. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets of three to five years.

**CENTRAL INTERSTATE LOW-LEVEL  
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**(d) Restricted Assets**

Use of the rebate fund is restricted to payment of certain costs incurred in the establishment of a low-level waste facility or mitigate the impact of low-level radioactive waste disposal facilities on the host state.

The composition of restricted assets in the rebate fund at June 30, 2009 and 2008 is set forth in the following table. Investments are stated at fair value.

	2009	2008
Certificates of deposit	\$ 600,000	600,000
Federal investment trust accounts	519,055	487,022
Total restricted assets in the rebate fund	\$ 1,119,055	1,087,022

**(e) Cash and Cash Equivalents**

For purposes of the statements of cash flows, the Commission considers investments with a maturity of three months or less when purchased to be cash equivalents. At June 30, 2009 and 2008, the Commission had \$6,285,085 and \$6,297,826, respectively, invested in cash and short-term federal investment trust accounts backed by the full faith of the federal government.

**(f) Use of Estimates**

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from the estimates and assumptions used in preparing the financial statements.

**(3) Investments**

The Commission maintains investments in federal investment trust accounts totaling \$6,783,703 and \$6,772,701 at June 30, 2009 and 2008, respectively.

**(a) Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Commission does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The federal investment trust accounts are redeemable upon demand and, therefore, are not susceptible to interest rate risk. The certificates of deposit mature in less than two years.

**CENTRAL INTERSTATE LOW-LEVEL  
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**(b) Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Commission has no investment policy that formally limits its investment choices. All of the Commission's investments as of June 30, 2009 and 2008, are obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government.

**(c) Concentration of Credit Risk**

The Commission places no limit on the amount that may be invested in any one issuer.

**(d) Custodial Credit Risk**

Custodial credit risk is the risk that in the event of a bank failure, the Commission's deposits may not be returned to it. The Commission does not have a deposit policy for custodial credit risk. As of June 30, 2009 and 2008, all investments in federal investment trust accounts were uninsured and uncollateralized.

**(4) Capital Assets**

Capital asset activity for the years ended June 30, 2009 and 2008, is shown below:

		<b>2009</b>			
		<b>Balance at beginning of period</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance at end of period</b>
Equipment	\$	41,921	—	—	41,921
Accumulated depreciation		(39,497)	(802)	—	(40,299)
	\$	2,424	(802)	—	1,622
		<b>2008</b>			
		<b>Balance at beginning of period</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance at end of period</b>
Equipment	\$	41,223	2,177	1,479	41,921
Furniture and fixtures		40,813	—	40,813	—
Accumulated depreciation		(80,380)	(1,409)	(42,292)	(39,497)
	\$	1,656	768	—	2,424

**CENTRAL INTERSTATE LOW-LEVEL  
RADIOACTIVE WASTE COMMISSION**

Notes to Financial Statements

June 30, 2009 and 2008

**(5) Commitments**

The Commission leases office space under an operating lease. Future minimum lease payments under this lease with an initial term in excess of one year are as follows:

Fiscal years ending:		
2010	\$	126

Total rent expense charged to operations was \$3,912 and \$9,543 for the years ended June 30, 2009 and 2008, respectively.

**(6) Subsequent Events**

We have reviewed subsequent events through October 7, 2009, the date the financial statements were issued, and concluded there were no events or transactions during the period that would require recognition or disclosure in our financial statements other than those already reflected.

**Independent Auditors' Report on Internal Control over Financial Reporting and  
on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

The Commissioners  
Central Interstate Low-Level  
Radioactive Waste Commission:

We have audited the financial statements of Central Interstate Low-Level Radioactive Waste Commission (the Commission) as of and for the years ended June 30, 2009 and 2008, and have issued our report thereon dated October 7, 2009. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control over Financial Reporting**

In planning and performing our audits, we considered the Commission's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over financial reporting.

A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purposes described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Commissioners and the Commission management, and is not intended to be and should not be used by anyone other than these specified parties.

**KPMG LLP**

Omaha, Nebraska  
October 7, 2009