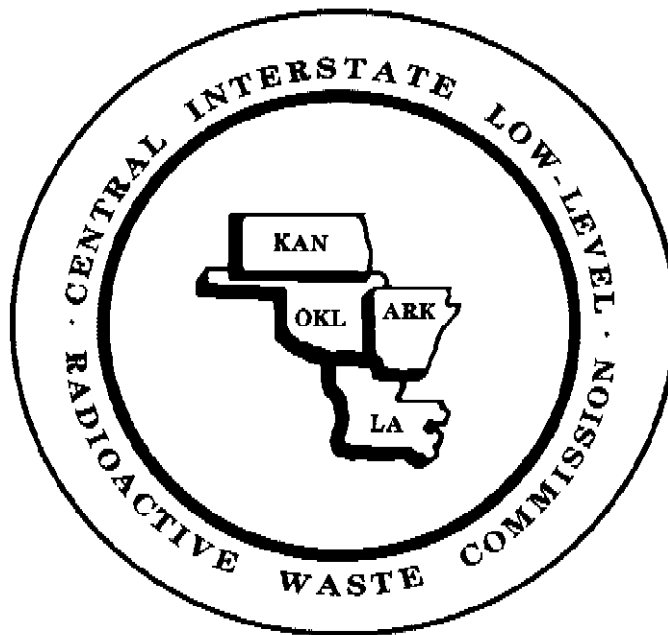


# Central Interstate Low-Level Radioactive Waste Commission



**Annual Report  
2013-2014**



**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.

**TABLE OF CONTENTS**

**TIMELINE** 5

**SIGNIFICANT EVENTS** 6

**WASTE REPORT** 9

**SUMMARY OF LITIGATION** 11

**INFORMATION & EDUCATION** 13

**STATUS OF FUNDS** 14

**AUDIT** 15

Central Interstate Low-Level  
Radioactive Waste Compact  
PO Box 4770, Lincoln NE 68504  
phone 402.476.8247 fax 402.476.8205  
web: [www.cillrwcc.org](http://www.cillrwcc.org)

Commissioners

Arkansas

George Overbey  
Arkansas House of Representatives  
Retired

Alternate

Vacant

Kansas

John W. Mitchell  
Director of Environment  
Kansas Dept of Health &  
Environment

Alternate

Vacant

Louisiana

Richard 'Scott' Blackwell  
Assessment Division  
Radiation Section  
Depart of Environmental Quality

Oklahoma

Jon Roberts  
Land Protection Division  
Depart of Environmental Quality

Nebraska's membership  
ended July 17,2004

Commission Staff

Administrator: Rita Houskie

Commission Consultant

Financial: Richard Kuzelka

---

## Timeline

---

**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, the 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 closed 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.

**2010**— Investment Policy Statement adopted by Commission. Commission began to look at its income stream for future administrative funding.

**2011**— Commission appoints Administrative Funding Committee to review income and expenses.

**2013**— Commissioners look at 12 Options regarding the future of the Commission and its funding. New Auditor chosen. Settlement funds interest to be used for future administrative expenses.

---

## Significant Events

---

### Commission Meetings

- October 3, 2013, Special Teleconference

A special teleconference meeting of the Central Interstate Low-Level Radioactive Waste Commission was held on October 3, 2013. The special meeting was called to take action on routine administrative business matters, the proposal received for auditing services, and to authorize outside legal counsel to contact the major generators of the region regarding the Commission's proposed use of the settlement fund interest as a future funding source.

At the 2013 Annual Meeting, the Commission made the decision to search for a new auditing firm as one of its cost-cutting options (Option 5). An RFP was developed and circulated in August 2013 that resulted in a proposal being made by Cochran Head Vick & Company, P.A.

Mr. David Cochran, a managing member of Cochran Head Vick & Co., told the Commission that the Company had been in business for 38 years and was considered to be the 11th largest firm in the Kansas City area. He explained that they have experience servicing industry, governments, not-for-profits, etc., and that the proposed fee was a blended rate calculated on the hours they felt were necessary to complete the audit for the year ending June 30, 2014. Questions were asked about the Company's licensing in other states since the Commission was considering a move of its office from its current Nebraska location, and a question was raised as to the Company's annual rate review and how that might affect the cost of the audit in future years. Mr. Cochran responded to the Commission's

satisfaction and the decision to authorize a final agreement with the auditing firm was made.

The Commissioners received a historical overview of the bad-faith litigation between the State of Nebraska and the Commission and the resulting litigation brought by the major generators over the remaining \$5 million of the settlement from the Commission's outside legal counsel, Mr. Renner (*See section Summary of Litigation*). Even though the Courts had ruled in the Commission's favor it was still unknown from what position the major generators viewed the issue of the Commission's proposed use of the interest of the settlement fund. It had been suggested that communication with the major generators concerning this issue be made before the Commission's decision was made. The Commissioners voted to give Mr. Renner authorization to open a dialog with the major generators regarding the \$5 million in settlement funds and its interest (Option 1) and to report back to the Commission.

The Commission tabled the adoption of the draft minutes from the June 12, 2013 Annual Meeting to the next meeting. The Chair asked that the minutes be amended to include the Arkansas Commissioner's deferral on a final decision regarding the continued membership to the LLW Forum group (Option 11). The Arkansas Alternate, Mr. Bacquet, asked for clarification at Option 12 relating to personal opinions made regarding the State and Congressional actions needed to dissolve a Compact. He also asked by what criteria it was determined what went into the minutes. The Chair and the Administrator responded similarly; that the minutes were a condensed version of the transcript highlighting topics and actions taken by the Commission.

Discussion continued on topics from the June 2013 meeting regarding the continued LLW Forum membership, the relocation of the Commission's office and a generator survey with no actions being taken.

- November 21, 2013 Special Teleconference

The Commission held a teleconference meeting on November 21, 2013 to take action on routine administrative business and to hear from legal counsel regarding his contact with the major generators, to make a change to By-Law Article VII (E), and to continue movement on the topics of the LLW Forum membership, relocation of the office and the survey of the generators.

The continued membership to the LLW Forum group (Option 11) has been one of the items under consideration by the Commission. In an effort to acquaint the newer commissioners with the group, Mr. Todd Lovinger, the Executive Director of the group, joined the teleconference and gave an overview of the Forum and the benefits of membership. The Commissioners agreed to continue membership to the LLW Forum group.

Mr. Shawn Renner, Commission's Outside Legal Counsel, reported that he had made contact, as instructed at the October 2013 meeting, with the Wolf Creek and Entergy legal counsels. Mr. Renner asked three questions of the organizations: (1) do the major generators claim any right to the interest earned on the settlement funds; (2) do the major generators continue to claim any right to the principle amount in the settlement fund; and (3) do Wolf Creek and Entergy have any position regarding whether the two Nebraska utilities have any right or claim remaining to any part of the settlement fund? Mr. Renner had nothing to report. The Wolf Creek counsel had indicated that she had been unsuccessful in communications with the Entergy attorney, therefore, she did not feel she could speak on the major generators' behalf. The Commission chose to authorize the use of the settlement fund interest to meet future administrative expenses.

Discussion continued on the topic of the relocation of the Commission's office currently located in Nebraska (Option 8). Previously, the Chair had asked the Commissioners to check with their

respective agencies to see if they would entertain the concept of housing the Commission's office. Kansas reported that they were still amiable to the idea but needed more information. Oklahoma indicated that a new executive director was expected and he would have to ask again. Louisiana stated that it would not be possible for his agency and Arkansas said he had inquired but did not have an answer yet.

The Commissioners voted to change the deadline for the publication of the Annual Reports (By-Law Article VII(E)) from September 1st to December 31st. The Annual Audit must be included in the Annual Report and with the September 1st deadline it was found to be difficult to be in compliance. The deadline was changed to give ample time for its completion.

The purpose of the generator survey was to find out the status of low-level waste management within the member states before the Commission made decisions on a path forward (Option 12). The Commissioners accepted the final version of the survey and gave approval to send it the region's generators.

Other business completed by the Commission included the acceptance the fiscal year 2012-2013 Annual Audit by KPMG, the audit agreement for fiscal year 2013-2014 by Cochran Head Vick & Company, P.A., and the amended minutes for the June 2013 Annual Meeting as well as the minutes from the October 2013 special teleconference meeting.

- June 10, 2014, Annual Meeting

The Annual Meeting of the Central Interstate LLRW Commission was held in Oklahoma City, Oklahoma. The Commissioners came together to take action on routine administrative business, and to discuss the future of the Commission.

The Administrative Funding Committee, appointed in 2010, had developed Options for the Commission to consider on their path forward. All the Options have been dealt with but two. Option 8 relates to the relocation of the Commission's office from its current location in Nebraska to one of the member states. Option 12 relates to dissolving the Compact or to scale back operations and continue to be a legal entity. To facilitate further discussion on these two topics it had been decided that more information was needed by way of a generator survey and a fact-finding discussion with the Midwest Compact.

The Executive Director, Stan York, of the Midwest Compact had been invited to participate in the ongoing discussion regarding the relocation of the Commission's office from its current location in Nebraska to one of the member states. The Midwest Compact had scaled back their operations several years ago and they utilize the Wisconsin Department of Health to assist with administrative support. Unfortunately, Mr. York was not able to participate via telephone.

Low-level waste generators of the region were surveyed in an attempt to find out if they were having any difficulties with the management or disposal of their waste and to gain perspective on their opinion relating to the relocation of the Commission's office and a reduction of operations to a minimum, or to dissolve the Compact all together. The overall conclusions were that it did not appear that the generators were having significant issues with the management or disposal of their low-level radioactive waste. The generators preferred the maintaining of the Compact structure and relocating the Commission's office to one of the member state agencies over dissolving the Compact.

The Commission adopted the minutes from the November 21, 2013 teleconference. Actions previously taken on export applications throughout the year were ratified. The Financial Consultant's contract for fiscal year 2014-2015 was approved.



The Oklahoma Commissioner was elected to serve as Chair for fiscal year 2014-2015 and the Commission adopted an annual budget for fiscal year 2014-2015 that provided a 5% decrease from the current year's budget. No changes were made to the export application fee schedule for the coming year.

## Actions Taken by Electronic Vote

Amendments to the Rules and By-Laws, that govern the Commission's operations, were adopted at the June 2009, Annual Meeting. Rule 1.4 and By-Law Article IV(D) Allow for the approval of export applications by electronic methods to accelerate the review and approval process.

- July 2013—four major generator applications and nine non-federal applications were approved.
- August 2013—six non-federal applications were approved.
- September 2013—two non-federal applications were approved.
- October 2013—two non-federal applications were approved.
- November 2013—seven non-federal applications were approved.
- January 2014—two non-federal applications were approved.
- February 2014—one non-federal application was approved.
- March 2014—one federal application and five non-federal applications were approved.
- April 2014—two non-federal applications were approved.
- May 2014—two non-federal applications were approved.

---

## Waste Report

---

This year's Waste Survey was included in the Commission's emailing of the 2013-2014 export applications. The survey was also made available to those generators using the Commission's web site.

Thirty-one (31) shippers responded to the survey. Respondents included 5 medical facilities, 8 higher education facilities, 4 utilities, 7 industrial facility and 7 research/other facilities.

Two commercial disposal facilities were available to accept low-level radioactive waste—Energy *Solutions* in Clive, Utah, and the Texas facility, operated by Waste Control Specialists.

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 \$1,000 per year to as high as \$1,800,000 per year. Disposal / processing costs have been increasing at a rate of approximately 5% per year.

One industrial facility indicated that they were evaluating alternative locations outside the Compact for removing Tritium Exit Signs from aircraft.

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

- Availability—Class B & C waste disposal options
- 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 non-exempt Du counter weights
- Access to disposal sites at a reasonable cost
- Potential liability associated with storage
- Inability to dispose of LLRW in the Central Compact, and the unavailability of suitable recycling facilities for tritium in the U.S.
- Current status of the importation of waste to along with costs for disposal in the State of Texas going up

commercial low-level radioactive waste. (<http://mims.doe.gov>)

The Commission approved 43 export applications for this reporting period: 9 from Arkansas, 15 from Kansas, 9 from Louisiana, and 10 from Oklahoma

The generators used Energy *Solutions* facility in Clive, Utah, during this reporting period., as well as the Texas facility operated by Waste Control Specialists. The chart below only shows the MIMS information for Clive, Utah. A method to monitor volumes and activity going to Texas has not been established yet.

Disposal Information

The Manifest Information Management System (MIMS) is a database, developed in 1986 by DOE to be used to monitor the management of

## Volume and Activity Summary by State

### Energy *Solutions*, Clive, Utah

Year Received	State	Volume (ft3)	Activity (curies)
2013	Arkansas	15,993.52	2.18
2013	Kansas	8,896.75	14.91
2013	Louisiana	37,514.73	50.68
2013	Oklahoma	66.04	.02
<b>Total:</b>		<b>20,731.10</b>	<b>98.17</b>

---

# Summary of Litigation

---

During the Commission's existence, it has been in litigation many times, and has been successful in defending its legal position. Most recent 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.

**ENTERGY 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 FY14-15 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, 2014

**Rebate Funds**

**\$829,461**<sup>Principal</sup>

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 2013-2014 and Budget for Fiscal Year 2014-2015**

Expense	FY11-12	FY12-13	FY13-14 Budget	FY13-14 Actual	FY14-15
Salaries & Benefits	82,071	79,972	83,708	76,479	79,433
Rent	3912	3,912	4,200	3,912	4,200
Telephone	2843	2,827	3,000	2547	3,000
Postage	277	423	400	290	400
Copy & Printing	26	0	400	0	400
Machine Lease & Maintenance	0	0	700	0	700
Meeting Transcriptions	787	1,257	1,500	530	1,500
Dues & Subscriptions	8816	8,500	9,500	8,500	10,500
Office Equipment & Supplies	906	1,054	4,000	1,038	5,000
Travel & Meeting Expense	1620	2,692	7,000	2,287	7,000
Insurance	3370	4,218	5,000	4,434	5,000
Accounting	14,500	17,000	20,000	17,000	15,000
Legal Fees	1,151	1,975	7,000	4,359	7,000
Miscellaneous	0	0	500	0	500
Cash Reserve / Recover Shortfall	0	0	0	0	0
<b>Total</b>	<b>120,279</b>	<b>122,830</b>	<b>146,908</b>	<b>121,376</b>	<b>139,633</b>

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

**BASIC FINANCIAL STATEMENTS  
Together with Independent Auditor's Report**

**FOR THE YEARS ENDED  
June 30, 2014 and 2013**



# COCHRAN HEAD VICK & CO., P.A.

*Certified Public Accountants*

1333 Meadowlark Lane  
Kansas City, KS 66102  
(913) 287-4433  
(913) 287-0010 FAX

## Independent Auditor's Report

To the Commissioners  
Central Interstate Low-Level  
Radioactive Waste Commission

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Central Interstate Low-Level Radioactive Waste Commission (the Commission) as of and for the year ended June 30, 2014, and the related notes to the basic financial statements, as listed in the table of contents.

### **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 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 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 Commission'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 Commission'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, 2014 and the changes in financial position and cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

### **Other Offices**

1251 NW Briarcliff Pkwy  
Suite 125  
Kansas City, MO 64116  
(816) 453-7014  
(816) 453-7016 FAX

400 Jules Street  
Suite 416  
St. Joseph, MO 64501  
(816) 364-1118  
(816) 364-6144 FAX

6700 Antioch Rd, Suite 460  
Merriam, Kansas 66204  
(913) 378-1100  
(913) 378-1177 FAX



***Prior Period Financial Statements***

The financial statements of the Commission as of June 30, 2013, were audited by other auditors whose reported dated September 13, 2013, expressed an unmodified opinion on those statements.

***Other Matters***

***Required Supplementary Information***

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2014 on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant 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* in considering the Commission's internal control over financial reporting and compliance.



Kansas City, Kansas  
November 5, 2014

**Central Interstate Low-Level  
Radioactive Waste Commission**  
Statements of Net Position  
June 30, 2014 and 2013

	<b>2014</b>	<b>2013</b>
<b><u>Assets</u></b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 6,031,755	\$ 6,113,785
Restricted cash and investments - rebate fund	1,013,547	1,009,560
Total current assets	7,045,302	7,123,345
<b>Noncurrent Assets</b>		
Capital assets	41,977	41,977
Accumulated depreciation	(41,977)	(41,977)
Total capital assets, net	-	-
<b>Total Assets</b>	<b>7,045,302</b>	<b>7,123,345</b>
<b><u>Liabilities</u></b>		
<b>Current Liabilities</b>		
Accounts payable	1,648	3,743
Accrued expenses	23,934	21,742
<b>Total Liabilities</b>	<b>25,582</b>	<b>25,485</b>
<b><u>Net Position</u></b>		
Restricted	1,013,547	1,009,560
Unrestricted	6,006,173	6,088,300
<b>Total Net Position</b>	<b>\$ 7,019,720</b>	<b>\$ 7,097,860</b>

See accompanying notes to the financial statements.

**Central Interstate Low-Level  
Radioactive Waste Commission  
Statements of Revenues, Expenses and  
Changes in Net Position  
For the Years Ended June 30, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
<b>Operating Revenues</b>		
Commission member fees	\$ 20,000	\$ 20,000
Export application fees	18,375	21,700
Other operating revenue	288	525
<b>Total Operating Revenues</b>	<u>38,663</u>	<u>42,225</u>
<b>Operating Expenses</b>		
Salaries and benefits	78,141	77,310
Professional fees	21,889	20,232
Office and administrative	15,582	18,249
Rent	3,912	3,912
Travel	2,287	2,692
Depreciation	-	508
<b>Total Operating Expenses</b>	<u>121,811</u>	<u>122,903</u>
<b>Operating (Loss)</b>	<u>(83,148)</u>	<u>(80,678)</u>
<b>Nonoperating Revenue</b>		
Interest	5,008	6,195
<b>Total Nonoperating Revenue</b>	<u>5,008</u>	<u>6,195</u>
<b>Change in net position</b>	(78,140)	(74,483)
<b>Net position, beginning of year</b>	<u>7,097,860</u>	<u>7,172,343</u>
<b>Net position, end of year</b>	<u>\$ 7,019,720</u>	<u>\$ 7,097,860</u>

See accompanying notes to the financial statements.

**Central Interstate Low-Level  
Radioactive Waste Commission  
Statements of Cash Flows  
For the Years Ended June 30, 2014 and 2013**

	<b>2014</b>	<b>2013</b>
<b>Cash Flows From Operating Activities</b>		
Cash received from customers	\$ 38,375	\$ 41,700
Cash paid to employees	(75,949)	(77,310)
Cash paid for professional services	(21,889)	(20,232)
Other receipts	288	525
Other payments	(23,876)	(22,882)
<b>Net Cash Used in Operating Activities</b>	<b>(83,051)</b>	<b>(78,199)</b>
<b>Cash Flows From Investing Activities</b>		
Interest received	5,008	6,195
<b>Net Cash Provided by Investing Activities</b>	<b>5,008</b>	<b>6,195</b>
<b>Decrease in Cash and Cash Equivalents</b>	(78,043)	(72,004)
<b>Cash and cash equivalents, beginning of year</b>	6,523,345	6,595,349
<b>Cash and cash equivalents, end of year</b>	6,445,302	6,523,345
Certificates of deposit	600,000	600,000
<b>Total Cash and Investments reported on the statement of net position</b>	<b>\$ 7,045,302</b>	<b>\$ 7,123,345</b>
<b>Reconciliation of Cash to the Statement of Net Position</b>		
Cash and cash equivalents	\$ 6,031,755	\$ 6,113,785
Restricted cash and investments - rebate fund	1,013,547	1,009,560
<b>Total Cash and Investments</b>	<b>\$ 7,045,302</b>	<b>\$ 7,123,345</b>
<b>Reconciliation of net operating loss to net cash from operating activities</b>		
Operating (loss)	\$ (83,148)	\$ (80,678)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	-	508
Increase/(Decrease) in:		
Accounts payable	(2,095)	1,971
Accrued expenses	2,192	-
<b>Net Cash Used in Operating Activities</b>	<b>\$ (83,051)</b>	<b>\$ (78,199)</b>

See accompanying notes to the financial statements

**Central Interstate Low-Level  
Radioactive Waste Commission  
Notes to the Financial Statements  
June 30, 2014 and 2013**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of the Central Interstate Low-Level Radioactive Waste Commission (the Commission) is presented to assist in understanding the Commission's financial statements. The financial statements and notes are representations of the Commission's management, which is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to generally accepted accounting principles (GAAP) and have been consistently applied in the preparation of the financial statements.

Nature of Operations

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 State of Nebraska withdrew from the Compact effective August 28, 2004. The current member states of the Compact are Arkansas, Kansas, Louisiana and Oklahoma.

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.

Basis of Accounting

The Commission accounts for its activities as a governmental enterprise fund. The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting, under which revenues are recognized when earned and expenses are recorded when liabilities are incurred.

Operating Revenue and Expenses

The Commission's statement of revenues, expenses and changes in net position distinguishes between operating and non-operating revenues and expenses. Operating revenues result from exchange transactions associated with providing services. These include export application fees which range from \$50 to \$4,000 and annual membership fees paid by each member state in the amount of \$5,000 each. Interest earned on the Commission's cash and investments is reported as a non-operating revenue. All expenses of the Commission are reported as operating expenses.

Cash and Cash Equivalents

The Commission considers demand deposits and investments purchased with an original maturity of three months or less, which are not limited as to use, to be cash and cash equivalents.

Capital Assets

Capital assets 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  
Radioactive Waste Commission  
Notes to the Financial Statements  
June 30, 2014 and 2013**

**Compensated Absences**

Compensated absences consists of accrued vacation and sick time. All vacation time is paid to employees upon termination of employment. Sick time is forfeited upon termination, unless that terminations is the result of retirement or death, in which case 25% of accrued sick time is paid to employees.

**Net Position**

In proprietary fund financial statements, net position is displayed in three components as follows:

*Net Investment in Capital Assets* – This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

*Restricted* – This consists of net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

*Unrestricted* – This consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Sometimes the Commission will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the statement of net position, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Commission's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts 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 could differ from those estimates.

**NOTE 2: CASH AND INVESTMENTS**

At June 30, 2014 and 2013, the carrying values of deposits are summarized as follows:

	2014	2013
Cash deposits	\$ 8,271	\$ 16,270
Certificates of deposit	600,000	600,000
Investment in Short Term Federal Investment Trust (STFIT) Accounts	6,437,031	6,507,075
Total cash and investments	<u>\$ 7,045,302</u>	<u>\$ 7,123,345</u>

**Cash and investments as reported on the Statement of Net Position:**

Cash and cash equivalents	\$ 6,031,755	\$ 6,113,785
Restricted cash and investments - rebate fund	1,013,547	1,009,560
Total cash and investments	<u>\$ 7,045,302</u>	<u>\$ 7,123,345</u>

**Central Interstate Low-Level  
Radioactive Waste Commission  
Notes to the Financial Statements  
June 30, 2014 and 2013**

*Investment Policy*

The Commission's policy is to invest funds in either direct obligations of the United States Government or obligations that are fully insured by the United States Government. In addition, the terms of initial investments are not to exceed sixty months.

*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 to mitigate the impact of low-level radioactive waste disposal facilities on the host state.

*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's investment policy limits the term of investments to sixty months. The STFIT accounts are redeemable on demand and the Commission's certificates of deposit have original maturities of less than 2 years.

*Credit Risk*

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the Commission. The Commission's investment policy limits investments to those that are either issued or fully insured by the United States Government to reduce this risk.

*Concentration of Credit Risk*

Concentration of credit risk is the risk of loss that may be attributed to the magnitude of the Commission's investment in a single issue. The Commission has no specific policy regarding the amount that may be invested in any one issuer. At June 30, 2014 and 2013, all of the Commission's STFIT balances were held at the same financial institution.

*Custodial Credit Risk*

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Commission will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the Commission will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. At June 30, 2014 and 2013, the Commission's cash and certificates of deposit were insured by Federal depository insurance and the balances held in STFIT accounts were uninsured and uncollateralized.

**NOTE 3: COMMITMENTS**

The Commission leases storage space under a month to month operating lease. Total rent expense was \$3,912 for the each of the years ended June 30, 2014 and 2013.

**Central Interstate Low-Level  
Radioactive Waste Commission**  
Notes to the Financial Statements  
June 30, 2014 and 2013

**NOTE 4: CAPITAL ASSETS**

A summary of changes in capital assets for the years ended June 30, 2014 and 2013 are as follows:

	2014			
	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Furniture, fixtures & equipment	\$ 41,977	\$ -	\$ -	\$ 41,977
Accumulated depreciation	(41,977)	-	-	(41,977)
Total capital assets, net	\$ -	\$ -	\$ -	\$ -
	2013			
	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Furniture, fixtures & equipment	\$ 41,977	\$ -	\$ -	\$ 41,977
Accumulated depreciation	(41,469)	(508)	-	(41,977)
Total capital assets, net	\$ 508	\$ (508)	\$ -	\$ -

**NOTE 5: SUBSEQUENT EVENTS**

The Commission has evaluated subsequent events through November 5, 2014, the date the financial statements were available to be issued. There were no subsequent events that require recognition or disclosure in the financial statements.



---

COMPLIANCE REPORT

---



COCHRAN HEAD VICK & CO., P.A.

*Certified Public Accountants*

1333 Meadowlark Lane  
Kansas City, KS 66102  
(913) 287-4433  
(913) 287-0010 FAX

**Independent Auditor's 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**

To the Commissioners  
Central Interstate Low-Level  
Radioactive Waste Commission

We have audited, in accordance with the auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Central Interstate Low-Level Radioactive Waste Commission (the Commission) as of and for the year ended June 30, 2014, and the related notes to the financial statements, and have issued our report thereon dated November 5, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

*A deficiency in internal control* 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Commission's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Other Offices**

1251 NW Briarcliff Pkwy  
Suite 125  
Kansas City, MO 64116  
(816) 453-7014  
(816) 453-7016 FAX

400 Jules Street  
Suite 415  
St. Joseph, MO 64501  
(816) 364-1118  
(816) 364-6144 FAX

6700 Antioch Rd, Suite 460  
Merriam, Kansas 66204  
(913) 378-1100  
(913) 378-1177 FAX

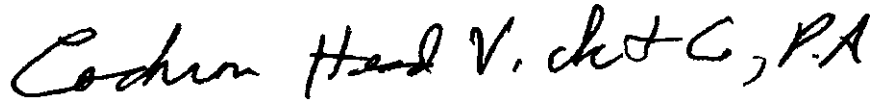
## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from 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 audit, 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*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kansas City, Kansas  
November 5, 2014

A handwritten signature in black ink that reads "Cochran Hand V. de G., P.A." The signature is written in a cursive, flowing style.