

MINUTES
Petroleum Storage Tank Insurance Fund
Board of Trustees Meeting
January 24, 2018

Governor Office Building, Room 470, Jefferson City, MO
Start Time: 9:32 a.m.

Chairman Greer called the meeting to order. David Walters introduced his claims supervisors: Kaly Erwin from Williams' St. Louis office, Lori Gray from its Kansas City office and Dan Henry from its Jefferson City office.

Trustees Present:

James Greer, Chairman
Don McNutt
Ski Mariea
Tracy McGinnis
Danny Opie
Tom Pfeiffer
Katie Jo Wheeler

Absent:

Jim Ford, Vice Chairman
John Albert
Tom Kolb

Staff Present:

Carol R. Eighmey, Executive Director
Kaly Erwin, Williams & Company Consulting
Lori Gray, Williams & Company Consulting
Dan Henry, Williams & Company Consulting
Craig Jacobs, Attorney General's Office
Diane James, Executive Assistant
Jim Layton, Tueth Keeney Cooper Mohan & Jackstadt
Stephanie Pearson, Williams & Company Consulting
Patrick J. Vuchetich, Williams & Company Consulting
Caleb Wagner, Attorney General's Office
David Walters, Williams & Company Consulting

Others Present:

Justin Buckler, Remediation Unit, Hazardous Waste Program, DNR
Doug Drouare, U.S. EPA – Region 7
John Jurgensmeyer, Hazardous Waste Program, DNR
Ron Leone, Executive Director, MPCA
Heather Peters, Compliance/Enforcement Section, Hazardous Waste Program, DNR
Ryan Rowden, Executive Director, Missouri Petroleum Council
Brian Wiegert, R & A Risk Professionals/PMMIC Insurance

Review and Approval of Minutes – November 29, 2017 Open Session Meeting

Ski Mariea moved that the minutes from the November 29, 2017 Board meeting be approved. Tracy McGinnis seconded. Motion carried.

Monthly Reports and Annual EPA Fund Soundness Review

Chairman Greer asked if there were any questions on the financial reports, EPA Review, activity reports or large-loss claims. Ms. Wheeler asked about the charts referenced in the EPA review; Ms. Eighmey indicated they were identical to charts on the data form submitted to EPA and said she'd email them to Ms. Wheeler.

There were no other questions or comments.

Legislative Report

Upon the chairman's invitation, Ms. Eighmey reviewed the legislative report. She said the Governor had released his budget recently and she thought it included all appropriations from the PSTIF approved by the Board, including the Trustees' request for additional spending authority to add personnel. Ms. Wheeler reported the DNR had reduced its FTE count by 2.0 to facilitate the Board's request for an additional two FTEs; Ms. Eighmey thanked her for doing so.

She also distributed a recent news release indicating Attorney General Hawley is requesting changes to the statutes governing public records.

Supplemental Actuarial Report and Recommendation to Increase Transport Load Fee

Chairman Greer reminded the Trustees two recommendations were received from the Advisory Committee at the prior Board meeting. One was to engage the Board's actuary to do some additional tasks, and the other was to increase the transport load fee. He invited Ms. Eighmey to update the Board on the actuary's work and present her recommendation regarding the fee.

Ms. Eighmey distributed three pages from the actuary's draft report, received the previous day. She read aloud the conclusions regarding private insurance and the Board's contingent liability for insured sites, then recommended that the Board give notice of its intent to increase the transport load fee.

Chairman Greer invited a response to the recommendation. Tom Pfeiffer moved to give notice of the Board's intent to raise the transport load fee. Ski Mariea seconded.

Discussion ensued, during which it was emphasized the Board would have to receive public comments on the proposed increase, then would need to make a decision whether to increase the fee at a future meeting. It was suggested the final decision could be made at either the May 23 or July 25 meeting. Regarding the contingent liability, Trustees asked that the actuary clarify in the report whether the liability includes or excludes the \$10,000 deductible. After considerable discussion, motion carried unanimously.

Proposed PSTIF Rule Amendments

Chairman Greer directed Trustees attention to the proposed schedule in their notebooks; he noted the recommendation is to propose the rule changes for public comment and said if there

are still some unresolved issues or concerns, the Board will have opportunity to resolve them before deciding what the final rules should say. He also noted Governor Greitens' staff had approved publication of the proposed rule amendments.

Ski Mariea moved to publish the proposed amendments. Tom Pfeiffer seconded. Discussion followed, including a brief discussion of Governor Greitens' "No MO Red Tape" initiative. Katie Jo Wheeler suggested the Board first ensure compliance with the Red Tape Initiative and have the opportunity to review the written comments the Department of Natural Resources provided to PSTIF on December 22, but which were not provided to the Board for consideration. Ms. Wheeler indicated the Department continues to have the concerns she raised in the Board's November meeting and the Department raised in its written comments from December.

Regarding the "No MO Red Tape" initiative, Ms. Eighmey responded the Board had complied with all requirements she was aware of and noted the proposed amendments had been submitted to and approved by the Governor's office. She also noted she asked the Department several times to engage in dialogue about the Department's concerns, including shortly after receipt of the December 22 letter, but had received no response from the Department until the night before Board meeting.

Chairman Greer urged Ms. Wheeler to submit the Department's comments during the public comment period and assured her the Board would take the Department's input into account before finalizing the rules. Voting in favor of the motion were: Ski Mariea, Tracy McGinnis, Danny Opie and Tom Pfeiffer. Voting against were: Don McNutt and Katie Jo Wheeler. Motion carried.

Report on Claims and Cleanups

Ms. Eighmey presented her report using a power point presentation, which is filed with these minutes. She reviewed statistics regarding petroleum releases affecting drinking water wells, noting fewer than 100 such instances have been reported in the last 30 years and the incidence of such reports has decreased over time. She reviewed the current status of the "List of 27-Now 14;" Ms. Wheeler distributed the same list with DNR comments added. Ms. Eighmey showed a graph indicating how PSTIF's open claims and DNR's open "release files" continue to shrink in number and indicating more PSTIF-funded cleanups are being completed than ones where the PSTIF is not paying for the cleanup. She projected trendlines forward to 2020.

She then focused on the Board's open claims, showing graphs indicating the number of 25+ year old claim files and 10+ year old claim files has finally begun to shrink, and the number of "stalled cleanups" where no progress is being made toward claim closure has shrunk. She noted DNR's action on the "Liability Shift" site should further accelerate these trends and emphasized that if all claims were closed in ten years or less, which environmental professionals have indicated is a very reasonable goal, the Board would only have 359 open claims at the present time instead of 799.

