

MINUTES
Petroleum Storage Tank Insurance Fund
Board of Trustees Meeting
March 19, 2018

The University Club, University of Missouri Campus, Columbia, MO
Start Time: 9:32 a.m.

Chairman Greer called the meeting to order. He introduced Jim McAdams as OA's designated representative for this meeting, noting Tracy McGinnis was unable to attend.

Trustees Present:

James Greer, Chairman
John Albert
Tom Kolb
Jim McAdams (for Tracy McGinnis)
Don McNutt
Danny Opie
Tom Pfeiffer
Katie Jo Wheeler

Absent:

Jim Ford, Vice Chairman
Ski Mariea

Staff Present:

Jeff Blaylock, Ford, Parshall & Baker
Carol R. Eighmey, Executive Director
Dan Henry, Williams & Company Consulting
Craig Jacobs, Assistant Attorney General
Diane James, Executive Assistant
Stephanie Pearson, Williams & Company Consulting
Patrick J. Vuchetich, Williams & Company Consulting

Others Present:

Kelly Campbell, Spencer Fane
Doug Drouare, U.S. EPA – Region 7
John Jurgensmeyer, Hazardous Waste Program Director, DNR
Ken Koon, Chief, Tanks Section, Hazardous Waste Program, DNR
Ron Leone, Executive Director, MPCA
David Pate, Industrial and Petroleum Environmental Services
Heather Peters, Compliance/Enforcement Section, Hazardous Waste Program, DNR
Jim Price, Spencer Fane
Baerbel Schiller, Spencer Fane

Public Meeting to Receive Comments on Potential Increase in Transport Load Fee

Chairman Greer opened the public meeting to receive comments on whether to increase the transport load fee. He explained the Board voted in January to consider increasing the fee and reported all fee payers had been notified in writing of that decision and the opportunity to comment. He said comments will be accepted through May 1, then asked if anyone in attendance wanted to make a comment to the Trustees on this matter. No one in attendance responded. Chairman Greer then closed the public meeting on the matter.

Review and Approval of Minutes – January 24, 2018 Open Meeting

Tom Pfeiffer moved that the minutes from the Trustees' January 24, 2018 meeting be approved. Don McNutt seconded. Katie Jo Wheeler asked the Trustees to amend the minutes in two places. After discussion, Chairman Greer asked Ms. Wheeler to provide her amendments in writing prior to the next meeting and tabled action on the minutes.

Monthly PSTIF Reports and Quarterly DNR Report

The financial statements, activity reports, large-loss claims information, and DNR's quarterly report were reviewed without comment or question.

Legislative Report

Chairman Greer asked Ms. Eighmey to present the legislative report. Ms. Eighmey briefly reviewed the budget process. She explained the Board's request for an increase in its personal services appropriation had been recommended by the Governor, but was not included in the bill filed by the House Budget Chairman. She said the additional spending authority was added in Committee but mistakenly added in such a way the expenditure for the new staff members would come from Department of Agriculture's Petroleum Inspection Fund instead of the PSTIF. She said she anticipates the mistake will be corrected during floor debate in the House of Representatives.

[Jim Price, Baerbel Schiller, and Kelly Campbell arrived at the meeting.]

Ms. Eighmey then reviewed the rest of the Legislative Report. She reported multiple bills contain a 10-year extension of the PSTIF's sunset date. She also detailed HB2257, which contains several provisions that would affect the Board's operations and the PSTIF. Trustee Wheeler asked what services the Board is contracting with other agencies to perform; Ms. Eighmey responded she knows of no such contracts. Ms. Wheeler opined the written summary is misleading regarding language in the bill related to coverage; other Trustees differed. After a brief discussion, Chairman Greer intervened, noting counsel had advised against a discussion on coverage issues in open session due to the potential impact on various lawsuits. Ms. Eighmey reiterated her offer to Trustee Wheeler to have a private discussion on the matter.

Tom Pfeiffer inquired about a provision in HB2257 expanding the circumstances under which the Board can require site assessments prior to issuing coverage, asking whether

private insurance companies do this and whether it affects the cost of coverage. Ms. Eighmey said some insurers require site assessments in certain or all circumstances; doing so does impose a cost on the tank or property owner. Don McNutt remarked he doesn't support that provision in the bill.

Ms. Eighmey suggested the Board not take a position on any of the bills relating to PSTIF; she noted there are both positive and negative financial consequences from each bill, so from a fiduciary standpoint, there's no clear position for the Board to take. She also noted the bills involve public policy decisions about the program which are properly made by the General Assembly. She noted she had testified "for information only" after questions arose at the House hearing on the bill.

Ms. Wheeler asked what she testified about. Ms. Eighmey recalled her testimony was related to the One-Call System and the Board's remedial claim benefits.

Ms. Eighmey then briefly reviewed the other bills contained in the Legislative Report.

Claims and Cleanups

Chairman Greer noted the Board is still monitoring the "List of 27" and it appears the list may shrink to about seven claims by the fall. Regarding sites subject to the 12/31/2017 "Liability Shift," he asked Ken Koon to share the Department's plan for getting the stalled cleanups started and asked if the plan could be provided for the Trustees' next meeting. Mr. Koon said he expects to send a communication to the Board's staff soon regarding the list of those sites.

Chairman Greer asked Ms. Eighmey to explain the pie chart distributed in the meeting materials. She did so, explaining various sections of the chart show the Fund's prior payments and actuarial estimates for current and future liabilities, assuming the program's sunset date is extended ten years. Don McNutt observed that, at the current rate, transport load fee revenues over the next twelve years would seem to be sufficient to cover all liabilities. Ms. Eighmey noted the projection does not include administrative costs, but concurred it may be possible to maintain the Fund's solvency without an increase in the fee if the sunset date is extended.

Updates and Administrative Issues

PSTIF Rule Amendments – Chairman Greer said the proposed rule amendments have been published and the Trustees will make final decisions on them at the May meeting.

Revisions to Software and Underwriting Documents – Ms. Eighmey recognized the efforts of Thais Folta and Dorcee Lauen, noting this project was more labor-intensive than anticipated, as numerous underwriting documents had not been reviewed or updated for many years. Ms. Wheeler asked whether the Participation Agreement had been revised; Ms. Eighmey responded it had not.

