

MINUTES
Petroleum Storage Tank Insurance Fund
Board of Trustees Meeting
September 27, 2018

Governor Office Building, Room 470, Jefferson City, MO
Start Time: 9:34 a.m.

Chairman Greer called the meeting to order.

Trustees Present:

James Greer, Chairman
Tom Kolb
Don McNutt
Ski Mariea
Tracy McGinnis
Danny Opie
Justin Smith (for John Albert)
Katie Jo Wheeler

Absent:

Jim Ford, Vice Chairman

Staff Present:

Carol R. Eighmey, Executive Director
H. Patrick Eriksen, Williams & Company Consulting
Dan Henry, Williams & Company Consulting
Craig Jacobs, Attorney General's Office
Diane James, Executive Assistant
Patrick J. Vuchetich, Williams & Company Consulting

Others Present:

Dave Epema, Hazardous Waste Program, DNR
Lindsay Graves, Graves and Associates, CPAs
John Jurgensmeyer, Hazardous Waste Program, DNR
Ken Koon, Tanks Section, Hazardous Waste Program, DNR
Ron Leone, Executive Director, MPCA
Daniel Lupton, Taylor & Mulder
David Pate, Industrial and Petroleum Environmental Services
Darryl Slade, Compliance/Enforcement Section, Hazardous Waste Program, DNR

Review and Approval of Minutes – July 25, 2018 Open Session Meeting

Ski Mariea moved that the minutes from the July 25, 2018 Board meeting be approved. Don McNutt seconded. Katie Jo Wheeler asked that changes be made, but since her proposed amendment had not been distributed, Chairman Greer tabled the motion.

Monthly Reports and Annual EPA Fund Soundness Review

Chairman Greer invited questions or comments on the financial reports, activity reports, or large-loss claims; there were none.

Ms. Eighmey remarked on the two large-loss claims that were recently closed, noting both were old Amoco releases on properties subject to the “12/31/17 liability shift.”

Audit Report – Graves and Associates

Chairman Greer introduced Lindsay Graves, from Graves and Associates, who reviewed the FY18 audit report.

Tracy McGinnis moved to postpone the vote on the FY18 Audit report so Trustees would have more time to review it; a conference call or email vote was suggested instead. Katie Jo Wheeler seconded. Motion carried.

Actuarial Report – Taylor & Mulder

Chairman Greer introduced Daniel Lupton, from Taylor & Mulder, who presented the FY18 actuarial analysis; his presentation is filed with the meeting materials.

Ski Mariea moved to accept the FY18 Actuarial Report as presented. Tom Kolb seconded. Motion carried.

Decision Whether to Increase Transport Load Fee

Ms. Eighmey reported Taylor & Mulder projects an increase from \$20 to \$28 per 8,000-gallon load would generate enough additional revenue that income and expenses would be approximately equal for the next few years. She recommended this approach, noting it should preserve adequate cash reserves.

Tom Kolb moved to increase the transport load fee to \$28 per 8,000 gallons with an effective date of January 1, 2019. Ski Mariea seconded. Mr. Lupton explained how he had arrived at this figure. It was noted the Board can adjust the fee again in the future if needed. After discussion, the motion carried.

Ms. Eighmey noted the Department of Revenue would send letters to all licensed distributors and take such other actions as are necessary to implement this change.

Review/Approve FY20 Budget Requests

Chairman Greer reminded Trustees each request would be considered individually and that the requests are for the fiscal year that begins next July; he further noted the figures are

base appropriations for salaries and expenses and costs for fringe benefits and salary increases would be added to the amounts approved by the Board.

Department of Revenue – The chairman reported the Department is again requesting funding for one person to collect the transport load fee. Tom Kolb moved to approve the Department of Revenue's FY20 request of \$29,812 for salary, expenses and equipment, plus payroll taxes, fringe benefits and any COLA added by the Legislature. Ski Mariea seconded. Motion carried.

Attorney General's Office – Chairman Greer reported the AGO is requesting the same amount of funding for ½ FTE. Katie Jo Wheeler moved to approve the Attorney General's Office FY20 request of \$27,887 for salary, expenses and equipment, plus payroll taxes, fringe benefits and any COLA added by the Legislature. Ski Mariea seconded. Motion carried.

Department of Natural Resources – Chairman Greer noted DNR's request was not in the meeting notebook, but had recently been sent separately from the Department to each Trustee via email. He moved to table a decision on the request until the November meeting and emphasized he wants to engage in dialogue with the Department about its request; he said he would provide possible meeting dates to Ms. Eighmey so she can send them to DNR and schedule the meeting. He emphasized he wants to meet with the Department "sooner rather than later." Tom Kolb seconded. A brief discussion followed, during which John Jurgensmeyer summarized the Department's request and indicated the additional funding provided by the Board a year ago is being used to hire a geologist to oversee cleanups. Voting in favor were: James Greer, Tom Kolb, Ski Mariea, Don McNutt, and Danny Opie. Voting against were: Tracy McGinnis, Justin Smith, and Katie Jo Wheeler. Motion carried.

PSTIF Board of Trustees – The chairman noted Ms. Eighmey had recommended the same two appropriations for FY20 as the Board received for FY19 and invited a motion. Ski Mariea moved to request \$252,550 for salaries, plus associated fringe benefits and any COLA enacted, noting this allows the Board to add staff as planned; he further moved to request \$2,348,699 for staff and operating expenses and \$20,070,000 for claims and refunds of participation fees, for an estimated total of \$22,671,249. Tom Kolb seconded. Motion carried.

Review of FY18 Leaks

Chairman Greer invited Ms. Eighmey to summarize the report on leaks from insured facilities. She did so, noting the PSTIF's loss experience continues to be excellent.

Updates and Administrative Issues

Status of Pre-1981 USTs Storing Ethanol Blends – Chairman Greer asked Trustees to take note of the update in their notebooks, observing the majority of tank owners have made plans to address the compatibility issue.

