

**Minutes of PSTIF Advisory Committee Meeting via Zoom/Conference Call
January 27, 2021**

Chairman Jordan called the meeting via Zoom/conference call to order at 10:31 a.m. Roll call was initiated to determine attendance on the conference call. Other attendees introduced themselves after roll call was taken. Chairman Jordan introduced Kelley Ogletree as PSTIF's new Executive Director and John Taylor as PSTIF's General Counsel and let them say a few words of introduction.

Members Present:

Mark Jordan, Wallis Oil Co., CHAIRMAN
Sonny Underwood, Mid-South Steel Products, Inc., VICE CHAIRMAN
Steve Ayers, Ayers Oil Co.
Todd Burkhardt, Neumayer Equipment Co.
Phil Farrell, Double Check Co.
Ken Koon, MO DNR/HWP/Tanks Section
Ron Morton, Town & Country Supermarket
Ryan Rowden, The Rowden Group
Jason Smith, Environmental Works, Inc.
Curtis Wall, MDA/Weights, Measures, and Consumer Protection Division
Brian Wiegert, PMMIC Insurance/Rounds & Associates (R&A Risk Professionals)

Members Absent:

Mark Abel, Abel Oil Co.
Ron Bachman, St. Joe Petroleum
Wayne Baker, Warrenton Oil Co.
Bruce Barnes, Santie Oil Co.
Tracy Barth, MFA Petroleum Co.
Gary Bemboom, Bemboom Enterprises d/b/a BeeLine Snack Shops
Daryl Bowles, DK Environmental, LLC
Paul Cox, Cox Oil Co.
Ron Leone, MO Petroleum Marketers and Convenience Store Assn.
Zarar "Bobby" Lodhi, Lion Petroleum
David Mangelsdorf, Home Service Oil Co.
Stewart McIntyre, Big River Oil
John Roark, Roark and Sutton
Jack Sachs, Hocker Oil Co.
Adam Troutwine, Polsinelli

Staff Present:

Pat Eriksen, Williams & Company Consulting
Diane James, PSTIF Executive Assistant
Dorcee Lauen, PSTIF Compliance/Underwriting Manager
Kelley Ogletree, Executive Director, PSTIF
John Taylor, General Counsel, PSTIF

Others Present:

Vicki Cason, Wallis Oil Co.
Doug Drouare, U.S. EPA – Region 7
Carol Eighmey, Retired
Rich Germinder, MoDNR, Policy and Legislative Affairs
John Jurgensmeyer, MoDNR Environmental Remediation Program
Mike Martin, Tanks Section, MoDNR Environmental Remediation Program
Darryl Slade, Tanks Section, MoDNR Environmental Remediation Program

Review/Approval of Minutes – February 19, 2019 Meeting

Sonny Underwood moved that the minutes be approved as presented. Ron Morton seconded. Motion carried.

Review Financial Information

Chairman Jordan asked Ms. Ogletree to take them through this information.

Financial Statements – December 2020 – Ms. Ogletree said on the current Income Statement, it is notable that the transport load fee revenue is over budget. The Board of Trustees had anticipated revenues from the fee to go down in FY21 due to COVID, but it has not reflected a reduction yet. She asked if there were any questions on any of these financial statements; there were none.

Monthly Activity Reports – November/December 2020 – Next Ms. Ogletree went over the new format on the monthly activity reports provided and noted the information is very close to what's been reported previously, but consolidated on one page so it can be reviewed side-by-side. She asked if there were any questions or comments on this new format or the information provided. Sonny Underwood asked about any trending data on USTs. Ms. Ogletree noted there are fewer tanks in Missouri in general and commented she would be happy to look at UST trending and put something together for the next committee meeting.

FY20 Audit Report – Ms. Ogletree didn't spend a lot of time on this report as it has been posted on the website for a few months. She did note there were no areas of improvement needed or identified by this annual audit.

2018 Legislation

Chairman Jordan asked Ms. Ogletree to explain the reason for the PSTIF bill and summarize it for those in attendance.

SB 310 and HB (TBD) – PSTIF Defense Cost Coverage – Ms. Ogletree gave an overview of the bill that had been introduced and noted that this statutory change is necessary so the Board of Trustees can modify the PSTIF Participation

Agreement to exclude defense cost from the \$1M coverage limit currently offered. This is particularly important as the change is necessary in order for the MoDNR to continue recognizing PSTIF coverage as full financial assurance for tank owners to meet MoDNR's financial responsibility (FR) regulation. Without the change, tank owners who participate in PSTIF may be required by MoDNR to purchase supplemental insurance or provide other proof of FR to remain in compliance.

The committee discussed how changing the PSTIF Participation Agreement would impact current claims. Ms. Ogletree explained that third-party claims are rare, and those including defense costs are even rarer. However, the Board of Trustees had purchased an excess insurance policy that was effective October 1, 2020 as a "temporary fix" to MoDNR and the EPA's concerns regarding PSTIF's defense cost coverage and that any third-party claim filed after that date would be covered by the excess policy. However, this legislation will allow the Board to modify the Participation Agreement and the new coverage limits will apply to all active agreements. This change will make the excess policy unnecessary.

Proposed Draft Language for MoDNR Tanks and PSTIF Bill – Ms. Ogletree outlined the draft language presented by MoDNR to the PSTIF Board of Trustees that would direct a portion of the transport load fee to the MoDNR for petroleum-related activities. This is a significant change in the funding mechanism for the MoDNR's Tanks Section as it would essentially eliminate the Board's oversight of a portion of the transport load fee. Ms. Ogletree reported that the Board had voted to support the measure in concept, but that the amount of funding was not supported by the Board. Ms. Ogletree asked Rich Germinder to provide a summary of MoDNR's position and why they believe this statutory change is necessary. Mr. Germinder reported that this language addresses EPA's concern that the funding of MoDNR's tanks program is approved by the PSTIF Board of Trustees. The proposed language would remove that approval by the Board, but the funding would still be through the transport load fee. Mr. Germinder also went over the other provisions in the draft bill, including the same PSTIF defense cost language as is in SB310, and an extension of PSTIF's sunset date. Mr. Germinder expressed MoDNR's commitment to work with PSTIF staff and other interested parties to find compromise language regarding the amount of funding.

Rich Germinder disconnected from the Zoom meeting.

PSTIF Participation Agreement

Chairman Jordan noted Ms. Ogletree's and Mr. Taylor's recommendation that a Participation Agreement Review Subcommittee be formed and asked how getting SB 310 approved changes the PSTIF participation agreement. Ms. Ogletree explained that if the statutory change passes the legislature, PSTIF's Participation Agreement will need to be endorsed to exclude defense costs from the \$1M coverage limit and to set a separate limit for defense cost coverage. Chairman Jordan agreed with the concept of creating a subcommittee to work on those changes and asked for volunteers. Ken Koon, Sonny Underwood, and Chairman

Jordan all volunteered to work with Mr. Taylor on reviewing the PSTIF Participation Agreement.

Underwriting/Compliance Issues

2020 UST Rules – Ms. Ogletree went over these issues briefly with the Committee informing them that new applicants and participants applying for renewal are now being asked to demonstrate compliance of the “new” UST regulations that went into effect January 1, 2020.

EPA Proposed Rules regarding E15 – Ms. Ogletree noted this information was being provided for information purposes only to make sure everyone is aware of EPA’s proposed rules on E15.

Other Business

There being no other business to discuss, Sonny Underwood moved that the meeting be adjourned. Curtis Wall seconded. Motion carried.

Chairman Jordan thanked everyone for attending and adjourned the meeting at 11:55 a.m.

Respectfully submitted:

/S/
Kelley J. Ogletree

07/06/2021
Date