

MINUTES
Petroleum Storage Tank Insurance Fund
Board of Trustees Meeting
July 21, 2021 **

In Person and Via Conference Call
Start Time: 9:30 a.m.

Chairman Greer called the meeting to order, with some Trustees/staff participating in person and the other Trustees/staff/others participating by conference call. He introduced Cathy Stepp who was recently appointed by the Governor, pending confirmation, as a Public-At-Large representative on the Board. He said her professional background includes experience dealing with environmental regulatory issues and asked if she would like to say anything about herself. Ms. Stepp thanked him for the introduction and said she was looking forward to working with everyone and continuing the good work of the Board.

Chairman Greer also noted that Mark Long was standing in for Nikki Loethen for this meeting, representing Office of Administration, and Jimmy Williams was standing in for Kristi Naught, representing the Department of Agriculture. He thanked them both for taking time to be at this meeting.

Roll was then called to confirm Trustees' participation. Chairman Greer then asked all members of the audience to identify themselves for the record. He noted that all votes would be taken by roll call.

Trustees Present In Person:

James Greer, Chairman
Jim Ford, Vice Chairman
Jimmy Williams (for Kristi Naught)

Trustees Present by Phone:

Tom Kolb
Mark Long (for Nikki Loethen)
Don McNutt
Cathy Stepp
Katie Jo Wheeler

Trustees Absent:

Ski Mariea
Danny Opie

Staff Present or Participating by Phone:

Pat Eriksen, Williams & Company Consulting
Dan Henry, Williams & Company Consulting
Craig Jacobs, Assistant Attorney General
Diane James, Executive Assistant
Dorcee Lauen, Williams & Company Consulting (by phone)
Kelley Ogletree, Executive Director
John Taylor, General Counsel

** Due to the COVID-19 pandemic; this meeting was held with some Trustees/staff participating in person and some Trustees/staff/others participating via conference call.

Others Participating by Phone:

Ken Koon, Tanks Section, MoDNR, Environmental Remediation Program (ERP)
Ron Leone, Missouri Petroleum and Convenience Association
Mike Martin, Tanks Section, MoDNR/ERP
Darryl Slade, Tanks Compliance and Enforcement, MoDNR/ERP
Jacob Westen, MoDNR, General Counsel

Approval of Minutes

May 27, 2021 – Open Session – Jim Ford moved to approve the minutes as presented. Jimmy Williams seconded. There were no amendments or discussion. A roll call vote was taken. Motion carried unanimously.

June 14, 2021 – Open Session via Conference Call – Jim Ford moved to approve the minutes as presented. Jimmy Williams seconded. There were no amendments or discussion. A roll call vote was taken. Motion carried unanimously.

Monthly Reports

Chairman Greer directed Trustees' attention to the financial statements and monthly activity reports; there were no questions on these statements and reports. He then asked Ms. Ogletree to give a brief overview of the large-loss claims summary, which she did. Jim Ford asked how many claims are over 25 years old and what is the reason for a claim going on this long. Ms. Ogletree stated that over 9% of open claims are over 25 years old and that PSTIF staff and Tanks Section staff have frequent conversations regarding how the cleanups can reach completion. Ms. Ogletree stated that claims remain open because the cleanups are not complete and cited several reasons this can drag on including inability to continue on the part of the responsible party; disagreement between the MoDNR, the environmental consultant, and the responsible party as to the path forward; and MoDNR's disagreement with the environmental consultant's conclusions.

Chairman Greer asked if there were any other questions on any of the other reports provided; there were none.

Williams & Company Consulting Presentation

Chairman Greer introduced Pat Eriksen from Williams & Company Consulting and said he would be giving them a presentation on FY21 claims and underwriting data as well as review claims and underwriting processes to remind Trustees who have been on the Board for a while and for newer Trustees to better understand what PSTIF staff and contractors do on a day-to-day basis.

Mr. Eriksen also reviewed Williams & Company Consulting's organization chart which hadn't been provided for some time but showed longevity of staff along with institutional knowledge to help them provide consistent services to the Fund. He then reviewed the underwriting process with Trustees and when done asked if they had any questions; there were none.

Jim Ford left the meeting to attend to another matter.

Chairman Greer thanked Mr. Eriksen for putting the presentation together and Ms. Ogletree reiterated if Trustees ever have any questions about any of these processes to call the office anytime.

Advisory Committee Recommendation – Defense Cost Coverage

Jim Ford returned to the meeting.

Chairman Greer commented that Mark Jordan, PSTIF's Advisory Committee Chairman, could not attend today's meeting but he and PSTIF staff put together a recommendation regarding the defense cost coverage required by statute. He asked Ms. Ogletree to fill them in on what the Advisory Committee considered and how they came to this recommendation. Ms. Ogletree reminded Trustees that the statute change retained the requirement that defense costs be covered; required that defense costs be in addition to coverage limits for cleanup costs, and third-party bodily injury and property damage; and allowed the Board of Trustees to set a separate limit for defense costs.

Ms. Ogletree explained the process the Advisory Committee underwent, including the formation of a subcommittee and several meetings. The inclusion of a defense cost limit was considered, but ultimately the Advisory Committee recommended there be no coverage limit for defense costs in the Participation Agreement.

Jim Ford moved that staff issue an amendatory endorsement to all active PSTIF participation agreements which removes the inclusion of defense cost limits from the declarations page and modifies the language within the agreements to reflect this change. Tom Kolb seconded. Trustee Wheeler commented that this absolutely moves in the right direction and that she will work with staff to ensure the language effectuated complies with MoDNR's financial responsibility requirements for tank owners and operators.

A roll call vote was taken. Motion carried unanimously.

Chairman Greer asked Ms. Ogletree to draft a letter to EPA Region 7 updating them of this decision by the Board and noted this should eliminate the only concern the EPA had identified that the Board could resolve on their own. Ms. Ogletree said she would do so.

Other Information and Administrative Issues

Mo DNR FY23 Budget Request Preview – Chairman Greer said MoDNR asked for some time to preview their FY23 Budget request that they will officially make to the Board at its September meeting and gave the floor to Trustee Wheeler.

Ms. Wheeler notified the Trustees that MoDNR intends to request essentially the same base amount as FY22S (plus COLA and fringe). MoDNR is looking at projections for funding needs for the next five years and will present a “not to exceed” multi-year request that will provide consistent funding stability for their petroleum-related activities.

Chairman Greer thanked Trustee Wheeler for the information she provided.

Advisory Committee Member Updates – Chairman Greer directed Trustees to the memo provided by staff regarding a vacancy on the Advisory Committee. Curtis Wall from the Department of Agriculture took another position and is stepping down from the committee and John Albert has volunteered to serve. Chairman Greer moved to appoint John Albert from the Department of Agriculture to serve on the PSTIF Advisory Committee. Katie Jo Wheeler seconded. Jim Ford commented this was a good choice for the committee. A roll call vote was taken. Motion carried unanimously.

John Taylor commented that the Advisory Committee and subcommittee are still working on other parts of the Participation Agreement and will continue over the next year in connection with the regulatory review needed.

Changes to Tennessee Tank Fund – Chairman Greer said this article was for information only but commented it was interesting compared to how Missouri’s Fund works. He asked if there were any questions about this article. There was a brief discussion regarding the changes made in Tennessee and how similar situations are addressed in Missouri’s statutes.

Billings – Chairman Greer asked if there were any questions or comments on any of the billings provided to them. There were no questions or comments on any of the billings.

Chairman Greer thanked everyone for attending and announced the next meeting is scheduled for Wednesday, September 29, 2021 at this same location, the Hampton Inn & Suites Hotel at the University of Missouri in Columbia.

Chairman Greer then asked for a motion to go into closed session to:

- Approve the minutes from our previous closed session; and
- Discuss ongoing and threatened litigation.

Jim Ford moved to go into closed session to discuss matters authorized by Subsection (1) of Section 610.021, RSMo. Jimmy Williams seconded. A roll call vote was taken; motion carried unanimously.

Chairman Greer asked that Trustees participating by phone please hang up and dial back in using the closed session meeting number provided and said the closed session would reconvene in approximately ten minutes or at 10:55 a.m.

The open meeting was adjourned at 10:44 a.m.

Respectfully submitted:

Approved by:

Kelley J. Ogletree

James Greer, Chairman

09/29/2021
Date

DRAFT