

MINUTES
Petroleum Storage Tank Insurance Fund
Board of Trustees Meeting
May 25, 2022

MoDNR, Lewis & Clark State Office Building, LaCharrette Conference Room
Start Time: 9:32 a.m.

Chairman Greer called the meeting to order and roll was called. He asked all in the room attending to introduce themselves.

Trustees Present:

James Greer, Chairman
Jim Ford, Vice Chairman
Tom Kolb
Ski Mariea
Don McNutt
Jacob Westen
Jimmy Williams (for Kristi Naught)

Trustees Absent:

Nikki Loethen
Danny Opie

Staff Present:

Dan Henry, Williams & Company Consulting
Craig Jacobs, Attorney General's Office
Diane James, Executive Assistant
Kelley Ogletree, Executive Director
John Taylor, General Counsel
Pat Vuchetich, Williams & Company Consulting

Others Present:

Hanna Humphrey, Director's Office, MoDNR
Ken Koon, Tanks Section, MoDNR/ERP
Darryl Slade, Tanks Compliance and Enforcement, MoDNR/ERP
Mike Sutherland, Director's Office, MoDNR

Approval of Minutes – March 16, 2022 – Open Session

Jim Ford moved to approve the minutes as presented. Jacob Westen seconded. There were no amendments or discussion. Motion carried unanimously.

Monthly Reports

Chairman Greer directed Trustees' attention to the financial statements and monthly activity reports provided and asked if there were any questions or comments on these reports; there were none.

Chairman Greer asked if there were any other questions or comments on the large-loss claims provided; there were none.

Final Legislative Report

Chairman Greer commented the biggest item to discuss is the PSTIF sunset extension. A bill containing an extension of the sunset to December 31, 2030 was passed by the legislature and awaits the Governor's signature. Chairman Greer encouraged trustees to thank the many legislators who took part in passing the bill and asked Ms. Ogletree to explain the other language in the bill that affects the PSTIF Board of Trustees.

Ms. Ogletree noted that language was included which codifies the fact that the Board's rulemaking is tied to Section 536 which requires rules to be reviewed every five years. The Board was already subject to this requirement, but because the Board's rulemaking authority predates the passage of Section 536, the language change was simply for clarification.

Ms. Ogletree also noted that only 43 non-budget bills passed the legislature, so the passage of the sunset extension was an accomplishment.

Chairman Greer thanked Ms. Ogletree for the legislative report she provided and asked if there were any other questions or comments; there were none.

Transport Load Fee Increase

Chairman Greer moved on to discussion of a possible increase to the Transport Load Fee and noted it's not something the Board wants to do but it is to prepare as this may have been our last sunset extension of the Fund. Chairman Greer asked Ms. Ogletree to review the process for how the Board can increase the fee and her recommendation regarding the amount of increase needed.

Ms. Ogletree discussed the process for increase and the challenge of having enough money at the time the Fund sunsets to reimburse costs for all claims filed. Ms. Ogletree recommended an increase of at least \$10 per transport load, noting that the Board can always lower or raise it again between now and the sunset date as the claims data changes. Further, Ms. Ogletree stated that it is her belief that a strong focus on getting older cleanups completed would make a significant difference in future liabilities and that it is a priority for PSTIF staff to work with claimants and MoDNR to try to accomplish this.

Trustees had a lengthy discussion regarding the amount of increase needed, whether the sunset date will be extended again, and the importance of the program to ensure tank owners and operators have affordable pollution liability coverage. Ms. Ogletree told trustees that later in the meeting she will be asking them to approve funding of a study regarding the availability of private insurance. This report will provide insight on whether or not the program will be needed beyond 2030.

Tom Kolb moved to begin the process to increase the Transport Load Fee to \$32 per load with a public hearing to be held at the Board's July 18, 2022 Board meeting. Ski Mariea seconded. Chairman Greer asked if there is discussion.

Trustee McNutt expressed that he would like to review the report on the availability of private insurance before determining if an increase in the transport load fee was needed, with the thought that the availability of private insurance would have an impact on the likelihood that the Fund will sunset in 2030. Both Trustee McNutt and Trustee Kolb also expressed concern about the danger of the Fund being too flush with money if the increase is higher than necessary to keep up with the current liabilities.

After discussion concluded, a roll call vote was taken and motion carried by a vote of 6-1 in favor with Trustees Ford, Greer, Kolb, Mariea, Williams, and Westen voting in favor and Trustee McNutt voting against.

Financial Assurance Fund and the Private Insurance Market

Chairman Greer noted this report is required to be done periodically and sent to the Legislature. Don McNutt moved to approve the commission of a study to evaluate the private insurance market in Missouri to be completed by Taylor & Mulder at a cost not to exceed \$15,000. Jacob Westen seconded. After a brief discussion on the cost of this report seeming high, Tom Kolb moved to amend the motion to approve the commission of a study to evaluate the private insurance market in Missouri to be completed by Taylor & Mulder at a cost not to exceed \$10,000. Ski Mariea seconded.

The amendment to the motion passed unanimously.

Motion as amended passed unanimously.

Contracts for Renewal

Chairman Greer commented that there were several contracts that needed to be renewed for FY23 if that is the Board's wishes. He said staff's recommendation is to renew them all and gave specifics of each one to be voted on all at one time:

Jim Ford moved to approve renewal of the:

- 1) Armanino LLP contract for the FY2022 financial audit for year ending June 30, 2022 at a cost not to exceed \$21,475;
- 2) Taylor & Mulder contract for the FY2022 actuarial report for year ending June 30, 2022 at a cost not to exceed \$14,800;
- 3) Williams & Company Consulting Accounting services contract for FY2023 beginning July 1, 2022 at a cost of \$1122 monthly;
- 4) Williams & Company Consulting IT services contract for FY2023 beginning July 1, 2022 at a cost of \$1683 monthly; and
- 5) Williams & Company Consulting Operator Training services contract for FY2023 beginning July 1, 2022 at a cost of \$475 monthly.

Tom Kolb seconded. There were no other questions or comments on any of these renewals. Motion carried unanimously.

Other Information and Administrative Issues

Report to Joint Committee on Administrative Rules (JCAR) – Chairman Greer commented we have to send a report to JCAR to demonstrate we have reviewed our rules and will notify them of any changes being considered. He said a hard copy of the draft report has been provided to Trustees today since it was emailed after meeting materials had been shipped.

Ski Mariea moved to approve the draft report as presented to JCAR. Jim Ford seconded. After a brief discussion, a wording change was made and the motion was amended. Chairman James Greer moved to amend the previous motion to strike the words “The board and its” from Page 4, Claims for Cleanup Costs sections 4 and 5, of the draft before submittal to JCAR. Ski Mariea seconded. Amendment to motion carried unanimously. Motion as amended carried unanimously.

Advisory Committee Member Updates – Chairman Greer said staff had been notified there were some committee members no longer available to serve due to retiring, etc. He noted John Albert from the Missouri Department of Agriculture (MDA) is retiring the end of this month and Phil Farrell from Double Check is semi-retiring and stepping out of day-to-day operations of their company. MDA is working on identifying a new committee member from their organization and he commented that Chris Farrell from Double Check would be an asset to the committee in Phil Farrell’s place.

Chairman Greer moved to appoint Chris Farrell to replace Phil Farrell on the PSTIF Advisory Committee effective immediately. Jim Ford seconded. There were no comments or questions on this motion. Motion carried unanimously.

Chairman Greer then remarked Vicki Cason from Wallis Oil had expressed interest in serving on the committee even though Mark Jordan from Wallis Oil was already on the committee. He noted Mr. Jordan would not be on the committee forever and said if Trustees were comfortable with two people from the same company serving on the committee that Ms. Cason would be an asset to it.

Chairman Greer moved to appoint Vicki Cason from Wallis Oil to the PSTIF Advisory Committee effective immediately. Tom Kolb seconded. After a brief discussion about there being no legal ramifications for two people representing the same company on the committee, motion carried unanimously.

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 Monday, July 18, 2022 at this same location.

