MINUTES
Petroleum Storage Tank Insurance Fund
Board of Trustees Meeting
September 18, 2024

MoDNR, Lewis & Clark State Office Building, LaCharrette Conference Room
Start Time: 9:34 a.m.

Chairman Greer called the meeting to order and thanked those in attendance for being present. He noted Trustee McNutt was participating via speakerphone. Roll was called and Chairman Greer then asked all members of the audience to identify themselves for the record, which they did. He noted that all votes would be taken by roll call.

Trustees Present:

James Greer, Chairman
Jim Ford, Vice Chairman
Nikki Loethen
Ski Mariea
Don McNutt
Kristi Naught
Jacob Westen

Trustees Absent:

Tom Kolb
Danny Opie
Ken Teague

Staff Present:

Lori Gray, Williams & Company Consulting
Diane James, Executive Assistant
Kelley Ogletree, Executive Director
John Taylor, General Counsel
Pat Vuchetich, Williams & Company Consulting

Others Present:

Justin Buckler, Environmental Remediation Program, MoDNR
Daniel Lupton, Taylor & Mulder
Anthony Senevey, Taylor & Mulder

Approval of Minutes – June 18, 2024 – Open Session

Kristi Naught moved to approve the minutes as presented. Ski Mariea seconded. There were no amendments or discussion. A roll call vote was taken. Motion carried with Trustees Mariea, McNutt, and Westen abstaining.

Monthly Reports

Chairman Greer noted that financial statements were currently in draft form only until the FY24 financial audit is complete and asked if there were any questions or comments on any of the financial statements, monthly activity reports, or the large-loss claim summary provided. Ms. Ogletree commented on the monthly activity reports for June and July that the bulk of the drop shown in the number of closed claims was due to old claims for which there is no known beneficiary being removed from that list. There were no other questions or comments on any of these reports or summary.

FY24 Actuarial Analysis – Taylor & Mulder

Chairman Greer introduced Daniel Lupton and Anthony Senevey from Taylor & Mulder to present the FY24 analysis. Mr. Lupton reviewed the draft final analysis for Trustees.

Jim Ford arrived at the meeting.

Ms. Ogletree noted there was a handout provided updating some numbers in Trustees' meeting materials.

Chairman Greer asked if there were any questions on the analysis presented; there were none.

Ski Mariea moved to accept the FY24 actuarial analysis as presented and with the updated information provided. Jacob Westen seconded. There was no further discussion or questions. All roll call vote was taken. Motion carried unanimously.

FY24 Financial Audit

Ms. Ogletree updated Trustees on the delay in getting this report finalized noting the Office of Administration had moved their deadline up and some information had not yet been provided by some State agencies. A discussion ensued and it was decided a conference call open meeting would be set up for the FY24 audit to be presented to Trustees and voted on.

Review/Approve FY26 Departmental Budget Requests and PSTIF Appropriations

Chairman Greer said there are four state agencies (other than the Board of Trustees) that typically request that we approve their moneys from the Fund in their appropriations request to the Governor. We have requests from the AG's office, Department of Revenue, and the MoDNR. OA's Central Services request has not yet been received, but that usually comes a little later in the process.

Attorney General's Office – Chairman Greer stated the AGO's funding request for ½ of an FTE is slightly higher than last year due to state employee pay increases. Nikki Loethen moved to approve the Attorney General's Office FY26 budget request for $34,892, plus payroll taxes, fringe benefits, and any COLA added by the Legislature. Ski Mariea seconded. There were no comments or discussion. A roll call vote was taken. Motion carried unanimously.

Department of Natural Resources – Chairman Greer said next in your books is the request from the Department of Natural Resources (MoDNR). As you recall, in September

2021 we approved funding through the prior sunset date, so technically we approved half of FY26 already. However, MoDNR has provided a request for FY26 through FY28, so if approved, the FY26 request will supersede the previous amount approved for that ½ year.

He noted this is a large request with lots of information provided about how moneys are to be spent, i.e., what the moneys will and will not be used for. He asked Ms. Ogletree to go through this request and any other information Trustees should consider. Ms. Ogletree commented that MoDNR is asking for more money but this includes all the increases that have been approved over the last three years due to COLA, etc.

Chairman Greer invited Justin Buckler to participate in the discussion regarding MoDNR's request. Ms. Ogletree stated that the number of completed cleanups has been trending down for years and that PSTIF staff and Tanks staff have been working together to identify issues that slow cleanups down and prevent them from completing. Recovery of LNAPL to the extent practicable is one of the requirements identified. Ms. Ogletree and Mr. Buckler discussed current efforts to improve the methods of demonstrating recovery to the extent practicable. It is anticipated that new guidance will be issued in the next six months.

Mr. Buckler also informed the Board that communication between MoDNR and PSTIF staff has greatly improved over the past couple of years and that has resulted in cleanups moving forward in a more efficient manner.

Ms. Ogletree noted that federal funding to Tanks has trended down for several years, making a larger portion of their spending coming from the PSTIF. Currently, 67.18% of Tanks' spending is from the PSTIF. Trustee Westen told the Board that the reductions in federal funding have been department-wide and significant.

Ski Mariea moved to set-aside the previous approval for the first half of FY26 and approve the Department of Natural Resources' request to utilize PSTIF moneys in the amount of $1,832,761 plus payroll tax, fringe benefits, and COLA, plus any changes to the HB13 leases, HB5 telecommunications and software, and cost allocation transfers annually for FY26, FY27, and FY28 or until such time as an alternative funding mechanism is identified. Jim Ford seconded. There was no further discussion, comments, or questions. A roll call vote was taken. Motion carried unanimously.

Department of Revenue – Chairman Greer moved on to the DOR's request, which funds personnel that process the transport load fee and noted the request is slightly higher. Jim Ford moved to approve the Department of Revenue's FY26 budget request for $39,638, plus payroll taxes, fringe benefits, and any COLA added by the Legislature. Jacob Westen seconded. There were no comments or discussion. A roll call vote was taken. Motion carried unanimously.

Petroleum Storage Tank Insurance Fund – And lastly, Chairman Greer drew Trustees attention to the Board's appropriations request and asked Ms. Ogletree to go through her recommendation.

Ms. Ogletree informed trustees that everything would be staying the same except for one New Decision Item (NDI) for an additional $10,000 in appropriations for refunds of Participation Agreement fees, etc. This appropriation is separate from others with no option for flex spending. For the last three years we've run out of money for this appropriation and have had to wait to make payments until the new fiscal year. This appropriation has been at $70,000 since the beginning of PSTIF. Ms. Ogletree also noted that even though unit costs for the Fund Administrator contracts have increased, efficiency has improved to offset the increase and there is no need for additional appropriation in that area.

Chairman Greer asked if there were any other comments or questions; there were none.

Jacob Westen moved to approve the FY26 PSTIF Board of Trustees appropriations budget as presented which includes: $315,991 for salaries, plus associated fringe benefits and any COLA enacted, $2,095,354 for staff and operating expenses, and $20,080,000 for claims and refunds of participation fees, for an estimated total of $22,491,345. Jim Ford seconded. There were no other comments or discussion. A roll call vote was taken. Motion carried unanimously.

Potential 2025 PSTIF Legislation

Chairman Greer commented he hoped all had opportunity to review the memo provided on some potential legislation staff would like us to consider. Ms. Ogletree explained that staff recommends a change to the statutes that would specifically authorize the Board to hire environmental service contractors to conduct a cleanup in those circumstances that there is no viable claimant or beneficiary. The proposed legislation would only give the Board the authority to hire the contractor, but the details of how that authority would be exercised would require a rule change. The legislation also includes two minor changes for clarification.

Some discussion ensued regarding the scenarios that might warrant the Board hiring the contractors directly. Ms. Ogletree stated that she does not anticipate that this legislation would result in a large number of sites utilizing the opportunity and those that do would not likely be costly cleanups.

Jim Ford moved to table legal discussion regarding potential 2025 PSTIF legislation to a Closed Session meeting. Jacob Westen seconded. There was discussion clarifying doing this in Closed Session. A roll call vote was taken. Motion carried unanimously.

Other Information and Administrative Issues

FY25 Proposed PSTIF Operating Budget – Chairman Greer commented staff had prepared an operating budget as they have done for a number of years, which includes details to be used on our monthly income statements. Ms. Ogletree let them know most of the adjustments were specific to Participation Agreement fees, annual inspections where two years are higher in cost than the third year, and legal expenses being dropped as we have a General Counsel now and utilize the Attorney General's Office more effectively.

Ski Mariea moved to approve the PSTIF FY25 operating budget as proposed. Jim Ford seconded. There were no comments or discussion. A roll call vote was taken. Motion carried unanimously.

Advisory Committee Discussion – Chairman Greer said he doesn't recall that the Advisory Committee had ever been reviewed in its entirety and noted a memo had been provided whereby staff looked at the makeup of the Committee, committee members' participation levels, and took note of members who have expressed an interest in leaving the Committee and others who have asked to be added.

James Greer moved to appoint the recommended slate of individuals to serve on the Advisory Committee, and direct staff to notify those who are removed from the Committee with our appreciation for their service. Ski Mariea seconded. A discussion ensued and Ms. Ogletree expanded on the Chairman's comments that some members haven't attended any meetings since 2018. She noted there were 25 Committee members with only a dozen participating regularly and said our statutes specifically list certain expertise for its advisors. In keeping that balanced we've ended up with a list of 16 where we have a good blend of folks and a good balance geographically as well. Trustee McNutt commented that Mark Abel, who is on the updated list of members, sold his business and was no longer active in the industry.

James Greer amended his motion to remove Mark Abel from the original list of 16 members. Ski Mariea seconded the amended motion. There was no further discussion or comments. A roll call vote was taken. Motion carried unanimously.

UC Phone Lines and Email/Website Update – Chairman Greer stated there was no separate memo in their materials regarding this update, but that staff said things are moving slowly so we may be online before the end of the year. He asked if Trustees had any questions; there were none.

Schedule 2025 Board Meeting Dates – Chairman Greer presented the tentative meeting dates for 2025 and asked if anyone had any conflicts that would require changing the schedule as presented. Due to some Trustees not being present for this meeting, no motion was made to approve these meeting dates so they will be brought up again at a conference call meeting in the near future.

Billings – Chairman Greer asked if there were any questions or comments on any of the billings; there were none.

Chairman Greer thanked everyone for attending and announced the next meeting is scheduled for Wednesday, December 4, 2024 at this same location.

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 the matters identified by the Chairman, as authorized by Subsection (1) of Section 610.021, RSMo. Ski Mariea seconded. A roll call vote was taken. Motion carried by a vote of 7-0 in favor.

The open meeting was adjourned at 11:36 a.m.

Respectfully submitted: Approved by:

________/S/______________ _________/S/______________
Kelley J. Ogletree James Greer, Chairman

_______12/04/2024________
Date