

PENNSYLVANIA UNDERGROUND STORAGE TANK
INDEMNIFICATION BOARD

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IN RE: FIRST QUARTER 2024 BOARD MEETING

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BEFORE: J. STEPHEN HIEBER, Chair

MEMBERS: Ben Lorah, Laura Slaymaker,
Stephanie Catarino Wissman, Troy Conrad,
Amy Forbes-Witt, J. Andrew Greiner,
Nila Manning Andrew McMenamin,
Chris Hartman, William Buckfelder
Greg Perry (via phone)

HEARING: Thursday, March 14, 2024
10:00 a.m.

LOCATION: Capitol Associates Building
901 North 7th Street
Forester Room
1st Floor Conference Room
Harrisburg, PA 17102

Reporter: Jessica L. Ashman

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A P P E A R A N C E S

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PRESTON M. BUCKMAN, ESQUIRE
Pennsylvania Insurance Department
901 North 7th Street
Suite 200
Harrisburg, PA 17102
Counsel for Pennsylvania Insurance Department

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DISCUSSION AMONG PARTIES

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P R O C E E D I N G S

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ATTORNEY LORAH: Well, welcome to the Underground Storage Tank Indemnification Fund Board's meeting for the first quarter of 2024. I'm Ben Lorah, the Executive Director of the Underground Storage Tank Indemnification Fund.

So at this point, we'll take a roll call to determine if we have a quorum. So I'll begin with Stephanie Wissman.

MS. WISSMAN: Present.

ATTORNEY LORAH: Kevin Forsyth. Andy Greiner.

MR. GREINER: Present.

ATTORNEY LORAH: Nila Manning.

MS. MANNING: Present.

ATTORNEY LORAH: Troy Conrad. Laura Slaymaker.

MS. SLAYMAKER: I'm here.

ATTORNEY LORAH: Greg Perry. Steve Hieber?

CHAIR: I'm here.

ATTORNEY LORAH: William Buckfelder.

MR. BUCKFELDER: I'm here.

ATTORNEY LORAH: Alex Baloga. Andrew

1 McMenamain. Chris Hartman.

2 MR. HARTMAN: Here.

3 MR. MCMENAMIN: Andrew's here. Sorry.

4 ATTORNEY LORAH: Oh, sorry. Thank
5 you, Andrew.

6 MR. HARTMAN: Chris Hartman is here as
7 well.

8 ATTORNEY LORAH: Okay. Thank you.

9 Okay. We've confirmed we have a
10 quorum.

11 So at this point I'll turn it over to
12 Mr. Hieber to begin the meeting.

13 CHAIR: All right. At this time I'd
14 like to call the March 14th, 2024 meeting of the
15 Underground Storage Tank Indemnification Board to
16 order.

17 Ben, would you like to take it?

18 ATTORNEY LORAH: Sure.

19 So first, we'll start with the Board
20 Member updates. Just so that everyone knows, the
21 USTIF is overseen by a 14-member Board, ten members
22 appointed by the Governor, and four members are
23 appointed by the General Assembly. The terms
24 stagger, so this year we have two Board members whose
25 terms will expire or have expired.

1 The first is Alex Baloga, who had a
2 three-year term. He represents the Pennsylvania Food
3 Merchants Association. Mr. Baloga's term expired on
4 March 2nd.

5 He expressed interest in continuing,
6 so we informed the Governor's Office and are awaiting
7 action on his reappointment.

8 And Mr. Baloga will continue to serve
9 as a Board member until the Governor makes a decision
10 on his reappointment.

11 The other person who has their term
12 expiring this year is Greg Perry, the representative
13 of the Pennsylvania Farm Bureau, Pennsylvania State
14 Grange and the Pennsylvania Farmers Union.

15 That expires December 6, so we'll be
16 addressing that reappointment later in this year. As
17 a reminder to all the Board members, if you have not
18 already done so, please submit your Pennsylvania
19 State Ethics Commission statement of financial
20 interest at your earliest convenience. They're due
21 May 1st this year.

22 And I contacted the Commission. They
23 prefer to receive the statements online or in hard
24 copy, so that they can scan them into their system.

25 So that's all I have on the Board

1 member updates and term renewals.

2 CHAIR: Okay.

3 Ben, would you like to go on with the
4 election?

5 ATTORNEY LORAH: Sure.

6 So next we have the Board elections.
7 Each March the Board conducts elections for Chair and
8 Vice Chair. The Board's current Chair, as you know,
9 is Mr. Stephen Hieber. He represents the Tank
10 Installers of Pennsylvania. And the Board's current
11 Vice Chair is Stephanie Wissman, the representative
12 of the American Petroleum Institute of Pennsylvania.

13 Both have been elected to their
14 position in 2021 and have been reelected each year
15 since.

16 So the way this election will work is
17 that we'll open the floor for nominations and then
18 Board members will vote for approval. All appointed
19 Board members are eligible for Chair and Vice Chair.
20 The Board's ex officio members from DEP and the
21 Insurance Department are not eligible to be officers
22 of the Board.

23 So with that, we'll open up for
24 nominations for Chair of the Board.

25 MR. GREINER: Ben, this is Andy

1 Greiner. I'd like to nominate Steve Hieber to be
2 Chair.

3 ATTORNEY LORAH: Thank you, Mr.
4 Greiner.

5 Are there any other nominations for
6 Chair?

7 Hearing none, is there a second for
8 Mr. Hieber's nomination?

9 MR. BUCKFELDER: I'll second it.

10 ATTORNEY LORAH: Mr. Buckfelder.

11 We have a motion and a second.

12 All those in favor of electing Mr.
13 Hieber as Chair of the Board, please signify by
14 saying aye.

15 AYES RESPOND

16 ATTORNEY LORAH: All opposed, say nay.

17 Hearing none, congratulations, Mr.
18 Hieber, on your election to Board Chair. Your term
19 will run from March 2024 to March 2025.

20 So we'll now move on to the nomination
21 for Vice Chair.

22 Are there any nominations for Vice
23 Chair of the Board?

24 CHAIR: This is Steve Hieber. I would
25 nominate Stephanie Wissman.

1 ATTORNEY LORAH: Thank you, Mr.
2 Hieber.

3 Are there any other nominations for
4 Vice Chair of the Board?

5 Hearing none, is there a second for
6 Ms. Wissman as Vice Chair of the Board?

7 MR. GREINER: This is Andy Greiner. I
8 second that.

9 ATTORNEY LORAH: Thank you, Mr.
10 Greiner.

11 All those in favor of electing Ms.
12 Wissman as Vice Chair of the Board, signify by saying
13 aye.

14 AYES RESPOND

15 ATTORNEY LORAH: All opposed, say nay.

16 Hearing none, congratulations, Ms.
17 Wissman, on your Board Vice Chair nomination and
18 election.

19 Your term will also run -.

20 MS. WISSMAN: Thank you.

21 ATTORNEY LORAH: You're welcome.

22 Your term will also run from March '24
23 to March 2025. And I thank you both for your
24 continued service to the Board.

25 With that, we'll conclude our Board

1 officer elections, and I'll turn it back to Mr.
2 Hieber to continue with the agenda.

3 CHAIR: Very good.

4 At this time, Ben, would you take us
5 into the discussion on the annual report?

6 ATTORNEY LORAH: Yes, sir.

7 So this - the USTIF annual report,
8 this is the cover here. It's prepared each calendar
9 year, and is a joint venture between ICF, USTIF's
10 third-party administrator and the USTIF staff.

11 A draft of the annual report was
12 provided to the Board as part of their packet. And
13 the format of the report has remained the same for
14 the last several years, but next year will be
15 redesigned as part of a regular refresh schedule.

16 So once the Board approves to - votes
17 to approve the report, it will be printed and also
18 posted on the USTIF's website.

19 Does anyone have any questions about
20 the annual report?

21 Hearing none, I'll turn it over to Mr.
22 Hieber for a vote to accept and approve the USTIF's
23 2024 annual report.

24 CHAIR: Do I have a motion to approve
25 the report?

1 MR. BUCKFELDER: I make a
2 motion -.

3 MR. GREINER: I make a -. Go ahead.

4 MR. BUCKFELDER: I make a motion that
5 we approve the report as presented.

6 CHAIR: And a second, please.

7 MR. GREINER: Second. Andy Greiner
8 seconds.

9 CHAIR: Very good.

10 All those in favor, please signify by
11 saying aye.

12 AYES RESPOND

13 CHAIR: Any opposed?

14 Hearing none, I would say the report
15 has been approved.

16 ATTORNEY LORAH: Thank you, Mr.
17 Hieber.

18 I just want to add, if anyone would
19 like a hard copy of the report, please let us know
20 and we'll be sure to get that out to you.

21 CHAIR: Very good. Moving on to
22 administrative items.

23 Amy, if you would tell us about the
24 claim summary.

25 MS. FORBES-WITT: Thank you. And good

1 morning. I'm going to report on the claim summary
2 data and payment information for the calendar year to
3 date.

4 As of February 29th, 2024, we've had
5 23 new claims received and one reopening. Claims
6 closed that were eligible for payments are 26 and 1
7 was closed without a payment. There have been zero
8 denied claims thus far and four claims that were
9 withdrawn. Thirty-one (31) claims have been closed
10 so far this year, and we now have a total of 782 open
11 claims.

12 The dollars paid equals \$4,507,497.53.
13 The cost per closed claim equates to \$274,328.72 on
14 average. Regarding the TIIP Program, no new TIIP
15 claims were received. No claims were closed, and we
16 have two current open TIIP claims. The reserves are
17 set at 1.2 million and we have not made any TIIP
18 payments so far this year.

19 That concludes the claims information.

20 Does anyone have any questions?

21 Okay, I will send this back to Ben.

22 CHAIR: Thank you, Amy.

23 Okay, Ben, if you would tell us about
24 the financial statements.

25 ATTORNEY LORAH: Sure.

1 So we'll review USTIF's financial
2 statements for the fourth quarter of 2023. Just as a
3 reminder, USTIF's financial statements are presented
4 on a fiscal year basis. So it's the first six months
5 of the fiscal year, which is July to December.

6 So we're going to review three parts
7 of them, just to highlight some of the things that
8 have been going on this fiscal year. And to put
9 things in a little bit more context, we took the five
10 year average of our December statements to compare.

11 So the first sheet you're seeing is a
12 presentation of the funds assets and liabilities, and
13 it also provides the funds balance. The funds
14 balance currently is \$430,801,614. And that's up ten
15 percent compared to the five year average. Our
16 liabilities are close to the five year average, at
17 \$16,197,282.

18 So next we'll move to a look at our
19 revenues, expenditures and change in fund balances.
20 So the majority of the USTIF's fund program comes
21 from throughput fees. And throughput fees are down
22 two percent as compared to this point in 2022 and
23 2023 fiscal year, and down three percent compared to
24 the five year average.

25 However, the net increase of the fair

1 market value of investments turned around the loss
2 from last fiscal year and is at the highest point in
3 the last six years.

4 So finally we'll look at the actuarial
5 liabilities. So they continue their downward trend.
6 They're down 13 percent from last year and 28 percent
7 since 2018. And USTIF continues to be fully funded
8 and has had no unfunded liability since 2020, when
9 the general fund loan was repaid.

10 So does anyone have any questions
11 about USTIF's financial statements?

12 Okay. Hearing none, I'll turn it back
13 to you, Mr. Hieber.

14 CHAIR: All right. At this time,
15 Troy, are you ready to present the program
16 statistics?

17 MR. CONRAD: I am, Steve. Good
18 morning.

19 CHAIR: Please do, sir.

20 MR. CONRAD: So for the Pollution
21 Prevention Grant, current fiscal year that began on
22 July 1st, 2023, no grants have been approved and one
23 application is pending for \$2,500. Since the
24 program's inception, on January 30th, 1998, 1,156
25 grants have been approved, totaling over 5.9 million.

1 Do I have any questions on the
2 pollution prevention grant? If not, I'll move on to
3 environmental cleanup.

4 Okay. For environmental cleanup, for
5 the current fiscal year that began on July 1st, 2023,
6 DEP has expended approximately \$9,060 - I'm sorry,
7 \$963,000 of the approved allocation. DEP is
8 currently working on 16 sites. To date, 65 heating
9 oil reimbursement applications have been approved,
10 totaling \$257,000, and seven applicants are currently
11 pending.

12 Steve, that's all I have for you.

13 CHAIR: Very good. Thank you, Troy.

14 Okay, moving on to unfinished
15 business, if you would, Preston, take us into Chapter
16 977 Regulation.

17 ATTORNEY BUCKMAN: Thank you, Steve.

18 Since the December meeting, when the
19 Board approved the proposed amendments to the USTIF
20 regulations, those proposed amendments have been put
21 out for public comment. It's called an exposure
22 draft, and comments are due no later than April 1st,
23 so a little over two weeks from now. We haven't thus
24 far received any comments, but we'll see what we get
25 over the next couple of weeks.

1 And then based on the comments we
2 receive, if any, we will prepare a draft for the
3 Board's review at the June meeting, and we can
4 obviously discuss any changes that were necessitated
5 by comments received.

6 So, more to come on this process at
7 the fiscal meeting.

8 Any questions?

9 CHAIR: Thanks, Preston.

10 ATTORNEY BUCKMAN: Sure.

11 CHAIR: Okay. At this time, I would
12 accept a motion for adjournment.

13 MR. BUCKFELDER: I make a motion
14 meeting.

15 MS. WISSMAN: So move.

16 CHAIR: All those in favor, say aye.

17 AYES RESPOND

18 CHAIR: All right. Thank you very
19 much, everyone. That adjourns the meeting.

20 * * * * *

21 MEETING CONCLUDED AT 10:16 A.M.

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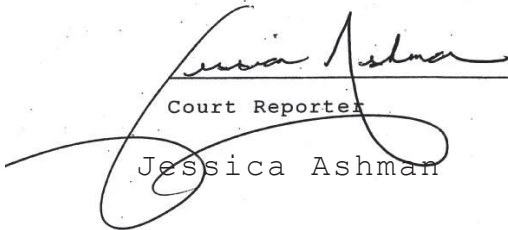
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CERTIFICATE

I hereby certify that the foregoing proceedings, hearing held before Chairman Hieber was reported by me on 3/14/24 and that I, Jessica Ashman, read this transcript and that I attest that this transcript is a true and accurate record of the proceeding.

Dated the 3rd day of April, 2024



Court Reporter
Jessica Ashman