

UNDERGROUND STORAGE TANK INDEMNIFICATION BOARD

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IN RE: THIRD QUARTER BOARD MEETING

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BEFORE: Benjamin Lorah, Member
J. Stephen Hieber, Member
Stephanie Wissman, Member
Troy Conrad, Member
Preston Buckman, Member
Amy Forbes-Witt, Member
Laura Slaymaker, Member
Andrew Greiner, Member
Greg Perry, Member
Stephanie Catarino, Member
Ted Harris, Member
Nila Manning, Member
Bill Buckfelder, Member
Michael Howells, Member
Chris Hartman, Member

Reporter: Allison Walker

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1 HEARING: Thursday, September 19, 2024

2 10:00 a.m.

3 LOCATION: Capital Associates Building

4 Forster Room

5 901 North Seventh Street

6 Harrisburg, PA 17102

7 WITNESSES: None

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MR. LORAH: Welcome to the Underground Storage Tank Indemnification funds meeting for the third quarter of 2024. I'm Ben Lorah, the executive director of USTIB. I just want to alert you, the agenda and Board backup for the meeting are available in the chat, and here are QR codes for them as well if you need them. So at this point we'll take a roll call to make sure that we have a quorum.

Okay. Stephanie Wissman (phonetic).

MS. WISSMAN: Here.

MR. LORAH: Kevin Forsythe?

Watam (phonetic) Patel?

Andrew Greiner?

MR. GREINER: Here.

MR. LORAH: Nila Manning?

MS. MANNING: Here.

MR. LORAH: Troy Conrad?

MR. CONRAD: Here.

MR. LORAH: Laura Slaymaker?

MS. SLAYMAKER: Here.

MR. LORAH: Greg Perry?

MR. PERRY: Here.

MR. LORAH: Steve Hieber?

1 MR. HIEBER: Here.

2 MR. LORAH: Bill Buckfelder?

3 MR. BUCKFELDER: Here.

4 MR. LORAH: Alex Beloga (phonetic)?
5 Michael Howells (phonetic)?

6 MR. HOWELLS: Here.

7 MR. LORAH: Representative Vitaly
8 (phonetic)?

9 MR. MCNEVIN: Andrew McNevin
10 (phonetic), serving as his alternate.

11 MR. LORAH: Okay, thank you.

12 And Chris Hartman?

13 MR. HARTMAN: Here.

14 MR. LORAH: Okay. Do we have a
15 quorum?

16 BOARD MEMBER: We do.

17 MR. LORAH: Okay, we have a quorum.

18 So just so everyone is aware, this meeting is being
19 recorded, and your continued participation in the
20 meeting indicates your consent to being recorded. If
21 you do not wish to be recorded, please exit the
22 meeting. Okay, at this point, I'll turn it over to
23 Mr. Hieber.

24 MR. HEIBER: Thank you. At this time,
25 I'd like to call the third quarter Board meeting,

1 September 19, 2024, of the Underground Storage Tank
2 Identification Board to order. That being said, Ben,
3 I turn back to you.

4 MR. LORAH: Okay, the first item on
5 the agenda is the Board member updates and term
6 renewals. The upcoming expiration of a term is for
7 Mr. Perry. He's the representative of the
8 Pennsylvania Farm Bureau, Pennsylvania State Grange,
9 and the Pennsylvania Farmers Union. His term expires
10 on December 6th of this year. So, Mr. Perry, I'll be
11 in touch later this week to start that process of
12 reappointment moving. Okay. Those are the upcoming
13 Board term expirations. So I'll turn it back to you,
14 Mr. Hieber.

15 MR. HIEBER: Very good. Let's move on
16 to the administrative items. The claim summary, Amy,
17 if you would.

18 MS. FORBES-WITT: Sure. Good morning
19 everyone. I'm going to report on our program's claim
20 summary data and payment information for the calendar
21 year to date. As of August 31st, we've had 89 new
22 claims received and two reopenings. So the total
23 equals 91. Claims closed that were eligible for
24 payments equal 100. And there were six claims closed
25 without a payment. There were ten denied claims so

1 far, and 20 claims that were withdrawn. The program
2 has closed 136 claims so far. The total pending
3 claim count is currently 744. The dollars paid
4 relating to the claims payments equal \$18,459,961.96.

5 The cost per closed claim equals \$256,858.99 on
6 average. Regarding the tip program, no new claims
7 were received so far this year. No claims were
8 closed and we have two open tip claims still. The
9 reserves are set at 1.2 million and we haven't made
10 any tip payments this year so far. That concludes
11 the claims and payment information.

12 There are some slides that we wanted
13 to just show you. This is one done in house. I
14 think Ben had created this one. This is the 2024
15 claims year to date and that is shown in the orange.

16 And then versus the five year to date average in the
17 blue just shows that the 2020 Fortran has shown to be
18 typically less than the five year average for each
19 month.

20 Next is a DEP provided graph. It
21 shows the total claims by year. And you can see the
22 uptick in claims in the 1990s so that the height
23 increase, and then it shows the leveling off in the
24 2000s with a little bit of an uptick in the 2019,
25 2020 era after the new regulations. And then a

1 little bit more of a decrease, more in the last
2 couple years.

3 And lastly is the open USTIB claims.
4 So you can see by each year how many claims are still
5 open. With 1994, there are just two claims that are
6 open from that year, but again, we're talking decades
7 ago, but we still have two claims open. And then
8 you'll see from 2022 and beyond, those are where a
9 majority of the claims are still open due to just the
10 eligibility requirements and still being investigated
11 and a little bit more active remediation. But just
12 wanted to show you a few graphs that we see. Does
13 anyone have any questions or comments?

14 MR. HIEBER: It appears not, Amy.
15 Thank you.

16 MS. FORBES-WITT: Thank you.

17 MR. HIEBER: Let's go on to the
18 financial statements, Ben, if you would.

19 MR. LORAH: Sure. Thank you. So I
20 just want to highlight a few things about our
21 financial statements. These are screenshots or snips
22 from our second quarter financials for this year.
23 Our assets stand currently at over \$468 million,
24 which is more than \$50 million since last year, and
25 we're up 12 percent versus our five year average.

1 And the total fund balance is approximately \$447
2 million, which is over \$42 million since last year
3 and up 14 percent over the five year average. And
4 you can see that there was a dip in 2022, but we're
5 continuing to trend upward for our fund assets.

6 On this portion of the financials, I
7 just want to highlight the income. So fees continue
8 to decline over time. We decreased about two percent
9 over the five year average, and year to year we're
10 down about 1.5 percent. So here you can see the
11 income by source. The blue portion is the gallon
12 fee, which is the majority of our income. The
13 capacity fee is the orange, and there's a tiny sliver
14 that's very difficult to see, but that's our tip
15 payment. And then here you can see our fee
16 collection for the year to date. This is based on a
17 calendar year, and although we're kind of at the five
18 year average for year to date, our trends are showing
19 that we're going to hit the 1.5 percent reduction by
20 the end of the calendar year.

21 So this is another portion of our
22 financial statement which shows our funded or
23 unfunded liability. Right now we're standing at an
24 available balance of \$181 million, which is an
25 increase from last year. As our actuarial

1 liabilities continue to decrease over time, we're
2 down 21 percent over the five year average. And this
3 is just a graphical form of that chart. So over time
4 you can see that our surplus or funds available for
5 future claims continues to increase. And that's all
6 I have for the financial statements, if anyone has
7 any questions.

8 Okay, hearing none, I'll turn it back
9 to you, Steve.

10 MR. HIEBER: Very good. Thank you,
11 Ben. At this time, Troy, if you would have present
12 the DEP statistic scores.

13 MR. CONRAD: Absolutely. For the
14 fiscal year ending June 30, 2024, one grant was
15 approved for \$10,000. For the current fiscal year
16 that began on July 1, 2024, one grant has been
17 approved for \$10,000 and there are no applications
18 pending currently. Since the program's inception on
19 January 30, 1998, 1,158 grants have been approved
20 totaling \$5.9 million. Do you have any questions on
21 the -?

22 Steve, should I move to the second
23 one?

24 MR. HEIBER: Please.

25 MR. CONRAD: Okay.

1 Under Environmental Cleanup Program
2 statistics for the fiscal year ending June 30, 2024,
3 DEP expects to expand about \$2.8 of the \$4.9 million
4 the board approved for the environmental cleanup
5 program. As part of that expenditure, 124 heating
6 oil reimbursements were approved, totaling
7 500,628,000.

8 For the current fiscal year, DEP is
9 currently working on 17 sites and has expended
10 \$128,000 of the \$4 million allocation approved by the
11 Board. To date, 24 heating oil reimbursement
12 applications have been approved, totaling \$97,016,
13 and 16 applications are currently pending. And
14 that's -.

15 MR. HIEBER: Any questions?

16 Hearing none, I will move on to the
17 unfinished business. Preston, if you would.

18 MR. BUCKMAN: Yes, sir.

19 Good morning, everyone. Hopefully you
20 all received a copy of the latest amendments to the
21 USTIB regulations. And just to refresh everyone's
22 memory and set the stage for this morning, at the
23 June meeting, the Board looked at what was then the
24 latest version of the amendments to the USTIB
25 regulations. Regulations and those amendments had

1 addressed a couple of good comments or questions that
2 we had received from the Storage Tank Advisory
3 Committee and the Board reviewed those, seemed to be
4 okay with those. And during the conversation, Scott
5 Hafer raised a good question that wasn't related to
6 the stack amendments. He raised a good question,
7 which was whether we intended to only include tanks
8 that are regulated by DEP, and that, in fact, was not
9 our intention.

10 And so we have added the heating oil
11 tanks to be clear and avoid any ambiguity whatsoever.
12 And you'll see that those additions in the definition
13 section there at the very end of the sentence, the
14 acronym HOT, small s, and then again, it was added in
15 subsection one of the eligibility requirements
16 provision. You'll see the acronym there, HOT.

17 And so, other than that, other than
18 those two additions, this is the same reg in sum and
19 substance that the Board reviewed in June. Now, I
20 will mention that we had a lawyer who does a lot of
21 regulatory work, take a peek at this amendment to
22 make sure that we are in compliance with the writing
23 requirements, if you will, from the PA code and the
24 PA bulletin style manual.

25 And those are technical issues, such

1 as making sure your citations are correct, making
2 sure you have parentheses where you should have
3 parentheses, or you don't have parentheses where you
4 should not have parentheses, things like that. So
5 there were a couple technical tweaks to be in
6 compliance with how these regulations need to be
7 written. But other than that, the only substantive
8 change, as I mentioned, was the addition of the
9 heating oil tanks in those two places. So hopefully
10 that addressed Scott's question, which was a good
11 one.

12 And with that, I would open up the
13 floor to any questions or comments about this latest
14 version of the amendments. And if we don't have
15 questions or comments, then we would seek a vote from
16 the Board approving these amendments, which would
17 then allow the fund to take the next steps in
18 regulatory approval process.

19 MR. HEIBER: Do we have any questions?
20 Could we get a motion to approve?

21 BOARD MEMBER: I make a motion that we
22 approve the amendments as presented.

23 MR. HIEBER: A second?

24 MR. GREINER: Andrew Greiner seconds.

25 MR. HIEBER: So moved. At this point,

1 we'll take a vote. All those in favor say aye.

2 AYES RESPOND

3 MR. HIEBER: Opposed say no.

4 Motion carries.

5 Preston?

6 MR. BUCKMAN: Thank you, sir. We will
7 go forth accordingly. The next step will be to send
8 this version of the amendments to the office of
9 General Counsel with a regulatory analysis form and a
10 preamble. And after that, we'll take the next steps
11 beyond that. And, of course, we'll provide you with
12 updates as we move along. We'll provide updates at
13 the December meeting. Other than that, that's all I
14 have on this. Thank you.

15 MR. HIEBER: Thank you, Preston.

16 Okay, Ben, I'll turn it back over to
17 you.

18 MR. LORAH: Okay. Thank you.

19 So, just a reminder, our final meeting
20 for the 2024 calendar year will be December 12, 2024,
21 and that will be Thursday at 10:00 a.m. as well. So
22 - and then at that meeting, we'll have our actuarial
23 report presented, and we'll set our dates for the
24 upcoming 2025 Board meetings. Thank you. That's all
25 I have on that.

1 MR. HIEBER: Very good. Do I have a
2 motion for adjournment?

3 BOARD MEMBER: So moved.

4 MR. HIEBER: All righty. At this
5 time, the meeting is adjourned. Thank you.

6 MR. LORAH: Thank you, everyone.

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8 MEETING CONCLUDED AT 10:19 A.M.

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CERTIFICATE

I hereby certify that the foregoing proceedings, a board meeting was reported by me on September 19, 2024 and that I, Allison Walker, read this transcript and that I attest that this transcript is a true and accurate record of the proceeding.

Dated the 25th day of September, 2024



Allison Walker,

Court Reporter