



# Petroleum Underground Storage Tank Release Compensation Board

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**MINUTES OF THE 209th MEETING OF THE  
PETROLEUM UNDERGROUND STORAGE TANK  
RELEASE COMPENSATION BOARD  
June 11, 2025 – 10:00 a.m.**

**BOARD MEMBERS IN ATTENDANCE**

Jim Rocco  
Steve Bergman  
Scott Fleming  
John Gordon  
Ben Miller  
Dan Ridi

**EX-OFFICIO MEMBERS IN ATTENDANCE**

Jessica Langdon, representing Director John Logue, Ohio Environmental Protection Agency  
Jason Anthony, representing Director Sheryl Creed Maxfield, Ohio Department of Commerce  
Harold Anderson, representing Robert Sprague, State Treasurer of Ohio

**OTHERS IN ATTENDANCE**

Starr Richmond	Executive Director, PUSTRCB
Jonathan Maneval	Assistant Director, PUSTRCB
Vijetha Deshineni	Chief Fiscal Officer, PUSTRCB
Cindy Stauffer	Compliance Supervisor, PUSTRCB
Hannah Brame	Claims Supervisor, PUSTRCB
John Hickey	Fiscal Specialist, PUSTRCB
Rani Lengade	Collections Specialist, PUSTRCB
Beth Fligner	Assistant Attorney General
Scott Adams	State Treasurer's Office
Dan Adams	Atlas Technical Consultants
Pamela Sherritt	BJAAM Environmental, Inc.

Minutes submitted by:

  
Jonathan Maneval  
Assistant Director

**Call to Order:**

Chairman Rocco convened the two hundred-ninth meeting of the Petroleum Underground Storage Tank Release Compensation Board on Wednesday, June 11, 2025.

The following members were in attendance: Jim Rocco; Steve Bergman; Scott Fleming; John Gordon; Ben Miller; Dan Ridi; Jessica Langdon, representing Director John Logue, Ohio Environmental Protection Agency; Jason Anthony, representing Director Sheryl Creed Maxfield, Ohio Department of Commerce; and Harold Anderson, representing Robert Sprague, State Treasurer of Ohio.

The following members were not in attendance: Jessica Biggs and Larry Burks.

Chairman Rocco announced that Jessica Langdon had been appointed to serve as designee for Director John Logue, Ohio Environmental Protection Agency (Ohio EPA), and Ms. Langdon briefly introduced herself.

**Minutes:**

Chairman Rocco asked if there were any comments or questions regarding the minutes from the March 19, 2025 Board meeting and there were none. Mr. Fleming moved to approve the minutes and Mr. Gordon seconded. A vote was taken, and all were in favor. The minutes were approved as presented.

**BUSTR Report:**

Chairman Rocco called upon Jason Anthony, Bureau Chief, to present the Bureau of Underground Storage Tank Regulations' (BUSTR) report.

Mr. Anthony stated that at the time the BUSTR report was issued one of their 30 positions was open. However, Dave Davis, a Cleveland area inspector, and Dave Biskner were retiring; and an Environmental Specialist II recently resigned. He said job postings for those positions will be going up soon.

Mr. Anthony said, of the 60 responsible party searches to be done this fiscal year, 58 have been completed. He reported that 31 NFAs (no further action actions) were issued in the month of May 2025, and 274 NFAs had been issued for fiscal year 2025. He stated that 1,097 report reviews were completed in the month of May 2025, and 9,777 report reviews had been completed for fiscal year 2025. He said 178 new federal inspections were completed in May 2025, and 6,660 inspections were completed during the inspection cycle. He noted the current inspection cycle ends on July 31, 2025, and the new inspection cycle starts on August 1, 2025. He said there were 120 inspections with violations in the month of May 2025, and 3,727 on-site inspections with violations during the inspection cycle. He said there were 140 sites assessed a fine or penalty.

Mr. Anthony explained there is a leaking underground storage tank grant (LUST grant) and an underground storage tank grant (UST grant) that fund the corrective action and inspection/release prevention sides of the program. He reported that a UST grant application was submitted to the U.S. Environmental Protection Agency (U.S. EPA), and they came back with an award that cut the grant request by about \$100,000 over the next biennium. He said if this trend continues, it may be cut another

10-15% in June or July of next year. He commented that the U.S. EPA annual report showed the lowest number of releases in the history of the program, an indication that release prevention is working. He said the release prevention funding keeps going down, costs keep going up, and the federal mandates must still be met. He said the only way to generate revenue is to increase tank registration or permit fees. Chairman Rocco said it looks like the U.S. EPA will be taking a significant cut in the federal budget and funding is going to be worse. He commented that there currently seems to be a push to shift a lot of federal expenditures to the states.

Mr. Anthony reported their staff is working through OSHA training, fire safety inspector continuing education training, and other training required by the Department of Commerce. He said they will be doing internal training for their staff on the OTTER Engage Platform in June or July 2025.

Mr. Anthony reported that 15 new UST inspectors graduated in May 2025. He mentioned the number of graduates was low and typically there is a waitlist for the course. He noted there are about 168-170 inspectors for the entire state including both BUSTR and private inspectors. He pointed out that this is not a lot of inspectors to cover Ohio's 88 counties. Chairman Rocco asked if this creates a lot of backlogs, and Mr. Anthony said that it can. He said it is a regional problem. He mentioned that there are regions with heavy delegation, like Columbus, Akron, Canton, Cleveland, Cincinnati, and Toledo. He said in other regions like the southeast it is a problem because owners must pay somebody to drive out to do the inspection and it can cost a lot of money.

Mr. Anthony said BUSTR will be providing webinar training on the new OTTER Engage Platform for the regulated community in July 2025, including owners, operators, installers, inspectors, delegated fire departments, and consultants. He said ideally everything is going to be online and forward facing. He mentioned that they ran into a problem concerning an overlay for the redaction of personal identifiable information, such as social security numbers, being maintained while exporting documents. He said they are hopeful to find a solution that keeps the redactions. Chairman Rocco asked when the new database is officially going to be rolled out and Mr. Anthony said it will go live on July 28, 2025, but access to some forward-facing records may be limited initially until a solution for the redaction issue is figured out.

Mr. Anthony reported there are 21,280 registered USTs and 3,327 owners of 6,909 registered facilities. He said there are 2,235 active releases and 1,726 active closures. He said 32,987 NFAs have been issued, which he noted is the second highest number of NFAs in the country. He said 274 NFAs have been issued for fiscal year 2025, which started on October 1, 2024. He reported, for the three year inspection cycle starting August 1, 2022, 6,660 new federal inspections and 4,469 re-inspections were conducted for a total of 11,129 inspections.

Chairman Rocco said ASTM (American Society for Testing and Materials) recently released a new standard known by the acronym MStC (Moving Sites to Closure). He said the standard is an accumulation of the last 15 years' worth of research dealing with LNAPL (light nonaqueous phase liquid) recovery and vapor intrusion issues. He said it is a good document specifically designed to help regulatory agencies deal with sites where it cannot be figured out whether to close them. He said it talks about a variety of technologies that might apply to sites that are not making progress to closure. He said Tom Schruben with the U.S. EPA Office of Underground Storage Tanks sort of drove the

document through ASTM and the hope is the U.S. EPA will endorse the standard as a viable source for the program. Mr. Anthony said there is NWGLDE (National Work Group of Leak Detection Evaluations) to evaluate leak detection systems and new technologies, but the difference is there is no similar type of clearing house for corrective actions. He said if there was something similar, then everyone could accept it. Chairman Rocco said it is the same issue that happened with the RBCA (risk-based corrective action) document back in the day. He said the U.S. EPA ultimately endorsed it, which helped the UST program, brownfields program, and states feel comfortable using it. He said it is a really good document with a lot of new technology in it.

Mr. Bergman said it appears violations are being found at more than 50% of the on-site inspections, and Mr. Anthony confirmed that it is correct. He noted there used to be a technical compliance rate of 75% but the compliance rate took a dive because of new federal requirements like spill bucket and overfill device testing. He noted spill bucket replacement is very costly and they do not last long and overfill devices seize in the risers because of ethanol in the fuel. He said in the first cycle of inspections after the 2015 rules the compliance rate was a disaster. He said in the latest round of compliance inspections they are starting to see a better compliance rate. Chairman Rocco asked what the top four violations being seen are and Mr. Anthony said they are non-passing leak detection, no pressure piping and leak detector tests, and no spill bucket testing.

### **Financial Reports:**

Chairman Rocco called upon Vijetha Deshineni, Chief Fiscal Officer, to present the financial reports.

### ***Audit Update***

Ms. Deshineni stated that the audit reports and financial statements for fiscal year 2024 were publicly released by the Auditor of State's Office on May 29, 2025.

### ***February, March, and April Financials***

Ms. Deshineni said the February, March, and April financials were emailed to each member. She said since fiscal year 2025 annualized revenues and expenses would be discussed as part of the operating budget, she would not review the monthly financial reports. She asked if there were any questions concerning the financials and Chairman Rocco asked how much is anticipated to be paid in claims through the end of June. Ms. Deshineni said the total amount anticipated to be paid for claims for fiscal year 2025 is \$6.69 million.

### ***Capital Budget***

Ms. Deshineni said the proposed capital budget shows the actual fiscal year 2024 expenditures, the budgeted amounts and annualized expenditures for fiscal year 2025, and the recommended budget amounts for fiscal year 2026.

Ms. Deshineni said furniture and equipment was budgeted at \$5,000 for fiscal year 2025 and there were no expenditures for furniture and equipment in fiscal year 2025. She said the recommended furniture and equipment budget for fiscal year 2026 is \$5,000. She said this is to ensure funding is available for any furniture purchases, if needed.

Ms. Deshineni reported that data processing and electronics were budgeted at \$120,000 for fiscal year

2025, and the actual expenditures for this line item were \$33,934. She said these expenditures included the replacement of the current in-office workstations, document management setup costs, a new vendor tracking module in the STARRS (Statistical Tank and Reimbursement Records System) database, and the purchase of a UPS (uninterruptable power supply) battery pack for the server room. She said [\$120,000] is recommended for the data processing and electronics line item for fiscal year 2026. She explained that the approved fiscal year 2025 funding was carried forward to fiscal year 2026 for several projects that could not be completed during the year due to staffing issues. She said these projects include the design and development of a new website to align with other state websites and meet the Americans with Disability Act requirements for websites; the development of the automated clearing house (ACH) module in the STARRS database, which will allow the Fund to pay vendors directly using ACH transfers; the continued development of the document management software, and interfacing the software with the Board's existing database; and miscellaneous IT equipment and software costing more than \$500. She said the total recommended for the fiscal year 2026 capital budget is \$125,000.

### ***Approval of the Capital Budget***

Chairman Rocco asked if there were any questions concerning the capital budget and there were none. He said a lot of projects had to be put off because of tough staffing issues, but the hope is to get these projects done this year. He then requested a motion to approve the capital budget as proposed. Mr. Bergman so moved, and Mr. Fleming seconded. A vote was taken, and all were in favor. The motion passed.

### ***Operating Budget***

Ms. Deshineni said the proposed operating budget presents the approved budget and actual annualized expenditures for fiscal year 2025, and the recommended budget for fiscal year 2026.

Ms. Deshineni reported that tank revenue for fiscal year 2025 was budgeted at \$8.429 million for 20,270 USTs, and actual projected revenues net of refunds should be at \$8.59 million. She recommended tank revenue for fiscal year 2026 be budgeted at \$8.343 million. She said the per-tank fees are \$350 and \$550 for the \$55,000 and \$11,000 deductibles, respectively. She explained that the tank budget revenue estimate was built on the assumption that fees will be received for 20,280 tanks, and 25.5% of these USTs will be assured at the reduced deductible. She stated this is an increase of 10 tanks over last year's assumption. She noted that fees were billed for 20,910 USTs for the annual mailing in April, which includes adjustments for all UST removals and installations provided as of the date of the annual mailing. She said, based on historical payment data, approximately 98% of USTs billed are paid within the program year for which they are billed. She said tank fee revenue includes property transfer fees, which are projected to be \$110,000 for fiscal year 2025. She said a portion of the transfer fees were assessed during the current fiscal year but are anticipated to be collected in fiscal year 2026. She stated that collection of prior years' fees, less anticipated fee refunds, are projected to be \$100,000 in fiscal year 2026.

Ms. Deshineni stated that interest income was \$188,000 above the budgeted amount for fiscal year 2025 due to agency bonds maturing at lower interest rates being reinvested at higher rates. She said the projected interest income for fiscal year 2026 is \$923,000. She said this anticipated interest income is based on an estimated interest rate of 3.75% in STAR Ohio (State Treasury Asset Reserve of Ohio)

and 4% yield from reinvesting \$4 million treasury notes and bonds maturing on June 30, 2025 and 3.25% coupon from reinvesting the \$2 million treasury notes maturing on March 31, 2026. She commented that the estimated interest rates were recommended by Scott Adams from the State Treasurer's Office.

Ms. Deshineni reported that miscellaneous income totaled [\$454]. She explained that miscellaneous income comes from payments for printing and copying of materials for public record requests, and cash rebates on purchases. She recommended that miscellaneous income be budgeted at \$1,000 for fiscal year 2026.

Ms. Deshineni stated the actual total income was \$355,000 above the \$9.08 million budgeted for fiscal year 2025.

Chairman Rocco said it is interesting the \$8.6 million in tank fee revenue was significantly above the amount budgeted to be received last year, and the \$8.3 million budgeted for fiscal year 2026 is even less. Ms. Deshineni said the tank fee revenue was above the amount budgeted because only \$100,000 in refunds were paid last year due to staff vacancies and the tank fee revenue budgeted for fiscal year 2026 is based on at least \$200,000 in refunds being paid.

Mr. Anthony asked if the interest earned on the Fund's accounts will be affected by the budget bills in the statehouse. Chairman Rocco said he was not aware of anything affecting interest earnings on the Fund's investments. Mr. Anderson said the interest on money for a particular fund typically stays with the fund, but the Senate budget proposal diverts some interest earnings. He said the Board will have to see what comes out of the conference committee.

Ms. Deshineni reported the fiscal year 2025 actual claims expense is anticipated to be approximately \$6.69 million.

Ms. Deshineni said the salary line-item expense was \$136,000 below the amount budgeted for fiscal year 2025. She said this was due to staff vacancies. She recommended the fiscal year 2026 budget for employee salaries be set at \$1.778 million. She said this is the amount requested in the biennial budget and assumes a full staff of 16 employees.

Ms. Deshineni reported that temporary services expenses were on target with the budgeted amount as multiple temporary employees were used to fill vacancies during the year. She recommended the 2026 budget for temporary services be \$30,000. She said temporary services are expected to be used to help organize files for scanning into the document management system.

Ms. Deshineni stated rent expense for fiscal year 2025 was \$156,000, which is \$7,000 below the amount budgeted. She said a 4% increase in operating expenses was anticipated starting in December 2024. However, the operating expenses decreased by 2% and a credit of \$3,609 was received in April 2025 for payments made in excess of the actual 2024 operating expenses. She said the lease for the office space was renewed in fiscal year 2024 for a period of six years. She said, based on this lease, the rent expense for fiscal year 2026 is budgeted at \$164,000, which includes a 4% estimated increase in operating expenses in December 2025, as permitted within the lease.

Ms. Deshineni reported the actual office supplies expenses were about \$10,000 less than the budgeted amount. She said the amount budgeted for office supplies for fiscal year 2026 is \$20,000; a decrease of \$6,000 from the fiscal year 2025 budget. She explained that this amount includes standard office supplies, offsite storage, and any IT hardware or software under \$500.

Ms. Deshineni stated that actual printing and copying expenses for fiscal year 2025 were on par with the budgeted amount. She said the amount requested for printing and copying expenses for fiscal year 2026 is the same as last year at \$10,000.

Ms. Deshineni said legal and professional actual expenses were \$30,000 below the budgeted amount. She said the amount requested for legal and professional expenses for fiscal year 2026 is \$295,000. She explained that these expenses include the costs for the services of the Assistant Attorney General; a hearing officer; the annual audit; attorney general and special counsel fees related to the collection of delinquent accounts; database maintenance services; maintenance costs for the document management and scanning software; a contract to provide IT monitoring services; an actuarial services contract for the claims study; and other miscellaneous professional services.

Ms. Deshineni said travel expenses for fiscal year 2025 were \$210 and the recommended travel expense budget for fiscal year 2026 is \$2,500; a decrease of \$2,500 from the fiscal year 2025 budget. She noted this includes Board member travel expenses.

Ms. Deshineni reported employee expenses for fiscal year 2025 were \$385 and the recommended employee expenses for fiscal year 2026 are \$1,000. She said this is to cover the cost for refreshments at Board meetings and lunches at committee meetings, if needed.

Ms. Deshineni said telephone expenses were \$2,400 below the budgeted amount. She said telephone expenses include web access, spam/virus filtering, phone service, and third-party hosting of the Board's website. She said the anticipated telephone expenses for fiscal year 2026 are \$17,000.

Ms. Deshineni reported that postage expenses were \$2,700 below the budgeted amount. She said the recommended budget for postage for fiscal year 2026 is \$38,000.

Ms. Deshineni said actual depreciation expenses were below the amount budgeted by approximately \$10,000, largely because planned capital projects were unable to be completed in fiscal year 2025 due to staff vacancies. She said the anticipated depreciation expense for fiscal year 2026 is \$33,000, which includes 12 months depreciation for the document management project and the ACH module in the STARRS database; and three months depreciation on the new website.

Ms. Deshineni reported that overall operating expenses were \$205,000 or 9% below the amount that was budgeted for fiscal year 2025. She said the recommended fiscal year 2026 operating expenses total \$2,389,094, which is an increase of approximately \$145,000 from the prior year's budget due to increases in personnel costs, including salaries, healthcare, and other related costs.

Mr. Bergman asked if it is typical for the amount budgeted for expenses to be above the anticipated income. Chairman Rocco said the budget is generally set with deficit spending. He said it does look strange because it appears the proposal is to lose money but what is not seen in the budget is the reserve

amount of money and, in the long run, the objective is to cut into the reserves. He said the idea is to push out as much claims payments as we can.

Mr. Fleming asked if anyone would be attending the National Tanks Conference this year and if there was enough money in the budget for the people that might be going. Executive Director Starr Richmond noted the costs of sending the Fund's representative will be reimbursed.

#### ***Obligate Money for the Payment of Claims***

Ms. Deshineni requested a motion to obligate \$8 million for the payment of claims during fiscal year 2026. Mr. Bergman so moved, and Mr. Fleming seconded. A vote was taken, and all were in favor. The motion passed.

#### ***Approval of the Operating Budget***

Ms. Deshineni requested a motion to approve the recommended fiscal year 2026 operating budget as proposed. Chairman Rocco reminded members the budget is proposed at \$2,389,094. Mr. Ridi moved to approve the recommended fiscal year 2026 operating budget as proposed, and Mr. Fleming seconded. A vote was taken, and all were in favor. The motion passed.

#### ***Actuary Contract***

Ms. Deshineni said the staff is proposing to use Milliman Inc. to prepare the estimated unpaid claims liability for fiscal year 2025. She explained that, starting with the fiscal year 2018 audit, Milliman has been used to evaluate the claims that were on hold and develop an estimate of the unpaid claims liability for that group. She said beginning in fiscal year 2022, Milliman was contracted to evaluate both the claims on hold and not on hold to develop an estimate of the unpaid claims' liability. She explained that these estimates are incorporated into the year-end financial statements presented to the auditors. She said for fiscal year 2025, Milliman's range of fees for the contract is between \$33,000 and \$36,000 plus travel and related fees, if any. She noted this is an increase of \$1,500 from fiscal year 2024. Chairman Rocco said the analysis of the estimate of potential liability for either in-house or anticipated future claims was done internally, but it was suggested that an outside third party be brought in to give its opinion on what the value of the liability should be. Director Richmond added that doing the analysis internally was very time intensive and it was creating issues with productivity and trying to get the audits done. The Chairman said the estimated balance of liability is used for purposes of budgeting, income decisions, spending decisions, and setting fees. He then requested a motion to authorize the Chairman to enter into an agreement with Milliman, Inc. to assist the Fund in developing the estimated claim liability as of June 30, 2025, in an amount not to exceed \$36,000 plus travel and related fees, if any. Mr. Anderson so moved, and Mr. Miller seconded. A vote was taken, and all were in favor. The motion passed.

#### ***Hearing Officer's Contract Renewal***

Ms. Deshineni said Mr. Silver has agreed to continue as the Board's hearing officer for the next fiscal year under the same terms as fiscal year 2025. She said those terms include an hourly rate of \$150 as an independent contract; a minimum of five hours during the term of the agreement, but he is not bound to supply more than 300 hours; and a maximum of \$3,410 per appeal, unless otherwise agreed. She said, due to the Ohio Supreme Court's recent changes to rules regarding bank accounts for retainer fees and malpractice insurance, Mr. Silver is considering moving to an inactive attorney registration

status. She explained that if Mr. Silver should move into an inactive status, the Attorney General's Office has advised that Mr. Silver will be unable to continue as the Board's hearing officer. She noted that Paragraph 7 of the agreement requires Mr. Silver to notify the Board in writing if he is no longer qualified to perform the duties under the agreement, and at that time, the contract will automatically terminate.

Chairman Rocco said the Supreme Court rule changes may be significant because it likely means the Board could lose Mr. Silver as its hearing officer. The Chairman said he and Director Richmond just became aware of the issue and they want to sit down with Mr. Silver to better understand the implications of the requirements and see if there is a way to resolve the issues. He pointed out that Mr. Silver has been the Board's hearing officer since the mid-1990s, he is very familiar with the Board's rules and statutes, and he has done a great job at a relatively low cost. He said rather than trying to approve the renewal of the contract which may only extend Mr. Silver's services through the end of August, he proposed an option to authorize the Chairman to negotiate and come to an agreement with Mr. Silver to modify the contract in order to address the issues so that he can continue on as the Board's hearing officer. He said it will ultimately be up to Mr. Silver to decide if he is willing to comply with whatever the requirements are that he needs to comply with. Mr. Bergman noted it will be awhile until the next Board meeting and asked if a motion was needed to allow for potentially posting the position. Chairman Rocco said if they cannot come to an agreement that is suitable to Mr. Silver, it could be discussed at the Board's September meeting, and a decision could be made then as to what the Board wants to do. After some further discussion, Chairman Rocco requested a motion to authorize the Chairman to negotiate an agreement with Howard Silver for the continuation of hearing officer services for the period of July 1, 2025 through June 30, 2026. Mr. Fleming so moved, and Mr. Ridi seconded. A vote was taken, and all members present were in favor<sup>1</sup>.

#### ***Assistant Attorney General Memorandum of Understanding***

Ms. Deshineni stated that the fiscal year 2026 Memorandum of Understanding (MOU) for legal services to be provided by the Attorney General's Office is at a not-to-exceed amount of [\$126, 221]. She explained that this includes salary and fringe benefit costs associated with 35% of the Assistant Attorney General's time, which is the same as the previous fiscal year. It also includes 35% of a paralegal's salary and fringe benefits; and 17.75% for indirect costs related to support services, such as telephone, supplies, and office space, which is a 3.49% increase from the previous year. She noted the language of the agreement is the same as the previous year. However, the not to exceed amount is a 14.6% or \$16,117 increase from fiscal year 2025. She said this includes a 4.5% increase in salaries and a 5.4% increase in fringe costs, and a 3.49% increase in indirect costs. She then requested the Board authorize the Chairman to execute the MOU with the Attorney General's Office for the continuation of legal services in an amount not to exceed \$126,221 for the period of July 1, 2025 through June 30, 2026. Mr. Anderson so moved, and Mr. Fleming seconded. A vote was taken, and all were in favor. The motion passed.

#### ***Database Consulting Contract***

Ms. Deshineni said the Board's database is used for managing tank owners' accounts, tracking and

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<sup>1</sup> Jessica Langdon was no longer in attendance at the meeting and was not present for subsequent voting.

processing claims, writing warrants, and preparing the monthly financial statements. She explained that the Board has historically executed an annual maintenance contract with a monthly retainer so that any glitches, defects, and expansion of the database can be addressed without delay. She said the work covered by the retainer includes assistance with the annual fee statements and claim liability study; alteration of existing reports and creation of new reports, as needed; specialized SQL queries to retrieve data; updates required due to changes in procedures or rules; and installation and troubleshooting of the database on client workstations. She explained that added work is work related to the creation and development of the database and internet-related software that is requested by the director as a result of the change in the Board procedures, policies, or rules that will exceed 20 hours to complete; and a change order is required. She said Paragraph 18 of the current contract provides the Board with the option to extend the contract for an additional 12 months at the same terms and conditions with the maximum of 10% increase in fees. She explained the 10% increase will increase the monthly retainer fee from \$1,500 to \$1,650 per month and the added work rate increases from \$110 to \$121 per hour.

Chairman Rocco said it makes a lot of sense to exercise the one-year extension as opposed to trying to negotiate a new contract this year. He noted that the contractor has been doing this work for the Board since the mid-90s and is the author of the software. He then requested a motion to authorize the Chairman to extend the current agreement with Software Engineering LLC for the continuation of consulting and maintenance services of the existing STARRS database for the period of July 1, 2025 through June 30, 2026; and pursuant to Paragraph 18 of the agreement, the total amount shall not exceed \$19,800 with an added work rate of \$121 per hour. Mr. Ridi so moved, and Mr. Fleming seconded. A vote was taken, and all were in favor. The motion passed.

### ***Fee Statement Statistics***

Ms. Deshineni stated that the Fee Statement Statistics report provided in the members' notebooks had a typo at the bottom of the page. She said the recommended budget for the number of paid tanks for program year 2025 should reflect 20,280 tanks and not 20,270 tanks.

Ms. Deshineni said program year 2025 fee statements were issued on April 28, 2025, and \$8.34 million was invoiced to [3,092] owners of 20,921 USTs. She said this compares to 3,103 owners and 20,758 tanks billed in program year 2024. She said as of May 31, 2025, the per-tank fees collected were approximately \$3.15 million, which represents 38% of the budgeted amount. She said the program year 2025 fees collected to date are approximately \$261,700 above the \$2.89 million in payments received during the same period of the prior year. She explained that this is due to 86 more owners having paid and 664 more tanks paid this program year than at this time last year.

Ms. Deshineni said between the fee statement mailing in April 2024 and May 31, 2025, \$8.42 million was collected for program year 2024 fees, and \$107,000 was collected for prior years' fees net of refunds paid of \$101,430.

Ms. Deshineni reported for program year 2025 a total of 15,822 tanks were billed at the standard deductible (\$55,000) per-tank fee and 5,099 tanks were billed at the reduced deductible (\$11,000) per-tank fee. She said as of May 31, 2025, fees had been paid at the standard deductible rate for 5,216 tanks and at the reduced deductible amount for 2,361 tanks. She said, in total, fees had been paid for 7,577 tanks by 1,389 owners. She said this compares to fees being paid for 6,913 tanks by 1,303 owners for

the same period of time in the prior year. She noted that in comparison to the previous year, the number of tanks paid increased by 9.61% and the number of owners that have paid increased by 6.6%. She reiterated this is 664 more USTs paid, and 86 more owners paid this year as compared to the same period last year.

Ms. Deshineni reported, as of May 31, 2025, the program year 2024 fees were paid for a total of 20,425 tanks by 2,934 owners.

Ms. Deshineni said the \$3.15 million collected to date is 37.77% of the \$8.34 million budgeted for program year 2025. She said the 7,577 tanks with fees paid for program year 2025, reflect 37.36% of the 20,280 tanks budgeted to apply for certificates this year.

Chairman Rocco said the fees are due by July first every year and hopefully the other \$5 million dollars will be paid by then. He added that if an owner wants their tanks to be covered as of July first, their fees must be received by then.

#### **Compliance and Fee Assessment Report:**

Chairman Rocco called on Cindy Stauffer, Compliance Supervisor, to present the compliance and fee assessment report.

Ms. Stauffer stated that the Refunds Analyst position was vacant from November 2023 to July 2024 and has been vacant for a second time since May 2025. She announced that a new Refunds Analyst was hired, and he will begin employment on June 30, 2025. She explained that these vacancies affected the processing and payment of refunds during the last two fiscal years.

Ms. Stauffer stated that the information being reported reflects numbers as of May 31, 2025, unless otherwise noted. She reported that refunds totaling \$101,430 had been paid since July 1, 2024. She said there are currently 2,548 pending refunds, which total \$1,430,570. She said \$17,452 of pending refunds had been used to offset outstanding fees during this program year. She said since July 1, 2024, the fees collected by the Attorney General's Office and Special Counsel less collection costs total \$83,530. She reported that 200 accounts totaling \$683,200 were certified to the Attorney General's Office for collection this program year.

Ms. Stauffer said three Orders Pursuant to Law are currently under appeal and information to support those appeals is expected. She said two Determinations to Deny a Certificate of Coverage are under appeal and information to support one appeal is expected and information has been received and is under review for the other appeal.

Ms. Stauffer stated that currently there are no Ability to Pay Applications pending review. The Ability to Pay program allows former UST owners experiencing financial difficulty to apply for and receive a determination of their ability to pay delinquent fees.

Ms. Stauffer reported that, as of June 2, 2025, Certificates of Coverage had been issued to 2,834 owners for program year 2024. She said there are 36 Applications for Certificates of Coverage currently being processed. She said for program year 2024, there are 16 owners with unresolved Pending Denials and

85 owners with unresolved Determinations to Deny a Certificate of Coverage.

Ms. Stauffer stated that there are 31 uncashed refund checks totaling \$43,921. She said there are 13 owners with potential refunds totaling \$88,021 to whom more information request letters had been sent notifying them that additional information is needed before the refund may be issued. She said a second more information request letter will be issued to these owners. She said 43 owners with possible refunds totaling \$68,095 have not responded to the final more information request letters.

Chairman Rocco asked if the monies show up in the State's Unclaimed Funds listing, and Director Richmond indicated that the money turned over to Unclaimed Funds are from private entities and State agencies get to keep theirs. Mr. Gordon asked how long the staff will keep trying to contact the owners about potential refunds. Ms. Stauffer said after the second attempt the staff usually does another review of the account to determine if the money should be reapplied to the account, so they can be closed and not counted as a pending refund.

### **Claims Reports:**

Chairman Rocco called on Hannah Brame, Claims Supervisor, to present the claims reports.

Ms. Brame reported, as of June 2, 2025, the total maximum liability of in-house open claims is approximately \$8.75 million. She said using the claim payout ratio of 77%, which is the average ratio over the past five years, the anticipated payout of unpaid in-house claims is about \$6.74 million.

Ms. Brame reported, as of June 2, 2025, a total of 442 claims with face values above the deductible amount were pending review and noted that review of two claims is being held pending receipt of requested information. She reported that the claims staff are currently reviewing claims received prior to October 2024. She stated that, as of June 2, 2025, six claim determinations were under appeal. She stated that additional information provided is under review for two appeals and the staff is awaiting supporting information for the remaining four appeals. She commented that four appeals had been closed, and one new appeal had been received since the March 2025 meeting.

Ms. Brame stated that, as of June 2, 2025, a total of 423 claims were received and a total of 534 claim determinations were issued this program year. She mentioned that this includes 37 claim determinations that were closed as part of a settlement agreement with Ashland and five claims were closed because the total face values of the claims were below the deductible amount and the releases had received NFA status, meaning no additional corrective actions were required, and therefore no payment could be issued. She said the average payout per claim application this program year is \$11,448 and the average claim payout is 62.2% of the net claim value (face value – deductible). She noted that on average 31.7% of the claim face value was disallowed as non-reimbursable. She said, as discussed in previous board meetings, the staff is monitoring the percent of the claim face value being disallowed as non-reimbursable and as indicated previously, the month of November 2024 includes the settlement agreement for 37 Ashland claims totaling \$1.44 million with a percentage of disallowed costs of 100%. She explained that when those Ashland claims are removed from the assessment and average percentage, this disallowed cost is only about 22% and the average payout per claim is \$12,309, which is about 73.1% of the net claim value.

Chairman Rocco said it is interesting the percent of costs disallowed as non-reimbursable continues to consistently be around 20%, which is a significant amount in the claims. Mr. Anthony said it is something the U.S. EPA brings up quite a bit and they want to know why. The Chairman said there is an assumption the Fund will just pay the bill and commented that a lot of states have had issues with solvency because of them just paying the bill. He said the Board is generally not disallowing things that are needed to do cleanup. He said if a claim is denied or a particular cost is denied, in most cases, it is for totally unrelated or unnecessary work. Director Richmond said, based on her conversations with the U.S. EPA, they are talking about eligibility and not costs. Chairman Rocco said eligibility is a big issue and said there is an assumption that if there is a Fund, it should pay for any UST-related cleanup. He said it is different if tax money is used to pay for it, but in our case, it is the tank owners that are paying for the Fund, and eligibility comes down to participation in the Fund and following the rules.

Ms. Brame reported so far for program year 2024, a total of 87 eligibility applications were received and 76 eligibility determinations were issued. She said of these eligibility determinations, 63 were approved and 13 were denied. She said the reasons for denial included two for no release demonstrated, one for late filing of the application, four for a lack of a valid Certificate of Coverage, two for being out of compliance with BUSTR's rules at the time of the release, and four for no corrective actions being required by BUSTR. She reported that, as of June 2, 2025, a total of 141 eligibility applications were open. She noted that 23 applications were unreviewable until the necessary reports are received, and more information has been requested for 22 applications. She noted that, as of June 2, 2025, five eligibility determinations were under appeal. She said additional information is expected for two appeals and information for three appeals has been received and is under review. She said no new appeals had been received since the March 2025 Board meeting.

Chairman Rocco pointed out the denial reasons for the 2013 through 2023 program years are provided in the Eligibility Statistics Report. He said the largest percentage of the denials are related to no corrective actions being required by BUSTR and no release being demonstrated. He said no Certificate of Coverage in place at the time of the release is an issue and late filing of the applications continues to be a challenge. He said the late filing issue accounts for about 11% of the denials and it is something the Board has closely held the line and not allowed for exceptions. He said the denials are for very specific eligibility-related requirements. He commented that owners are encouraged to file eligibility applications to ensure the application is recorded as timely filed in the event corrective actions are required by BUSTR.

Ms. Brame reported, as of June 2, 2025, a total of 126 cost pre-approval requests were received. She said the cost pre-approval requests include 13 requests for new remedial action plans; 49 requests for annual costs for remedial action plans or free product recovery; three requests for an interim response action requiring BUSTR approval; 37 requests for either Tier 3, monitoring or calibration plans; 16 cost exceedance notifications; and eight voluntary requests for cost pre-approval. She said as of June 2, 2025, a total of 153 cost pre-approval notifications had been issued and 28 cost pre-approval requests were pending review.

**New Business:**

***Personnel Compensation***

Chairman Rocco said the pay of the Board's Executive Director, Starr Richmond, is outside of union contracts and any automatic increases for state employees do not apply to her. He explained that it is up to the Board to approve pay increases. He said this year state union employees are being given a 4.5% cost of living increase and suggested Director Richmond be given a salary increase of at least 4.5%. Mr. Ridi said that seems to be fair given what is going on with the economy. The Chairman noted the Board can set whatever rate it would like. He said Director Richmond does a great job for the Board, that it would not run without her, and that he really appreciates the work she does. He then proposed a salary increase of 6% for this year and asked if anyone had any objections. In response to a question from Mr. Ridi, Chairman Rocco clarified that union employees will receive a 4.5% cost of living increase, but his suggestion is for the Board to provide Director Richmond with a 6% increase. Mr. Ridi said he agreed with a 6% increase considering the job that she does. The Chairman then requested a motion to approve a 6% salary increase for Starr Richmond, with an effective date of June 29, 2025. Mr. Bergman so moved, and Mr. Ridi seconded. A vote was taken, and all members were in favor. The motion passed.

**Certificates of Coverage – Ratifications:**

Chairman Rocco called on Cindy Stauffer, Compliance Supervisor, to present the lists of owners who have been issued or denied a Certificate of Coverage for ratification by the Board.

Ms. Stauffer said the process used to review the fee applications and issue or deny a Certificate of Coverage includes a review for completeness to determine full payment was received; financial responsibility for the deductible has been demonstrated; and the owner has certified with his signature that he is in compliance with the State Fire Marshal's rules for the operation and maintenance of petroleum USTs; and, if the tanks existed in previous years, a Certificate for the subject tanks has been issued to the owner in at least one of the prior two years. She said if a Certificate has not been issued in one of the prior two years and the tanks existed during those years, the owner must comply with rule 3737-1-04.1 by demonstrating the tanks are in compliance with the State Fire Marshal's rules for the operation and maintenance of USTs.

Ms. Stauffer stated that, if the requirements are met, a Certificate is issued. She said if the requirements are not met, the Certificate is denied. She explained that if the Certificate is denied, the owner is provided with an opportunity to appeal the denial. She said that, throughout the denial process, the Board's staff works closely with the owner to resolve any deficiencies. She stated that all processes within the Board's rules and Revised Code were followed to make a determination to issue or deny the Certificates of Coverage.

Ms. Stauffer requested the Board ratify the Director's actions with respect to the issuance of the program year 2023 Certificates of Coverage for the eight owners of the 10 facilities included on the program year 2023 Certificates issued list.

Mr. Fleming moved to ratify the issuance of the 2023 Certificates of Coverage for the facilities listed. Mr. Bergman seconded. A vote was taken, and all members were in favor. The motion passed.

Ms. Stauffer requested the Board ratify the Director's actions with respect to the denial of the program year 2023 Certificates of Coverage for the 32 USTs located at the nine facilities included on the program year 2023 Certificates denied list.

Mr. Fleming moved to ratify the denial of the 2023 Certificates of Coverage that were listed. Mr. Bergman seconded. A vote was taken, and all members were in favor. The motion passed.

Ms. Stauffer requested the Board ratify the Director's actions with respect to the issuance of the program year 2024 Certificates of Coverage for the 90 owners of the 202 facilities included on the program year 2024 Certificates issued list.

Mr. Anderson moved to ratify the issuance of the 2024 Certificates of Coverage for the facilities listed. Mr. Bergman seconded. A vote was taken, and all members were in favor. The motion passed.

Ms. Stauffer requested the Board ratify the Director's actions with respect to the denial of the program year 2024 Certificates of Coverage for the 40 USTs located at the 16 facilities included on the program year 2024 Certificates denied list.

Mr. Fleming moved to ratify the denial of the 2024 Certificates of Coverage that were listed, and Mr. Bergman seconded. A vote was taken, and all members were in favor. The motion passed.

Ms. Stauffer requested the Board ratify the Director's actions with respect to the issuance of the program year 2025 Certificates of Coverage for the 282 owners of the 330 facilities included on the program year 2025 Certificates issued list.

Mr. Fleming moved to ratify the issuance of the 2025 Certificates of Coverage for the facilities listed. Mr. Anderson seconded. A vote was taken, and all members were in favor. The motion passed.

**Confirm Next Meeting and Adjourn:**

Chairman Rocco said the next Board meeting will be held on Wednesday, September 10, 2025, at 10:00 a.m.

Mr. Bergman made a motion to adjourn the meeting and Mr. Ridi seconded. All members were in favor.

Note: Numbers in brackets [ ] were incorrectly stated at the meeting. The numbers as written reflect the correct numbers from the report materials provided at the meeting.