Petroleum Underground Storage Tank Release Compensation Board
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**MINUTES OF THE 214th MEETING OF THE
PETROLEUM UNDERGROUND STORAGE TANK
RELEASE COMPENSATION BOARD
June 10, 2026 – 10:00 a.m.**

BOARD MEMBERS IN ATTENDANCE

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

EX-OFFICIO MEMBERS IN ATTENDANCE

Sam Smith, representing Director John Logue, Ohio Environmental Protection Agency
Jason Anthony, representing Director Sheryl Creed Maxfield, Ohio Department of Commerce
Scott Adams, 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
Beth Fligner	Assistant Attorney General
Shawn Cochran	State Treasurer's Office
Ryan Elliott	Vorys, on behalf of OEAC
Bethany Weeder	Atlas Technical Consultants
Chris O'Neil	Crawford Environmental Services, LLC
Dan Adams	Weaver Consultants Group

Minutes submitted by:

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Jonathan Maneval
Assistant Director

Call to Order:

Chairman Rocco convened the two hundred-fourteenth meeting of the Petroleum Underground Storage Tank Release Compensation Board on Wednesday, June 10, 2026.

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

The following members were not in attendance: Larry Burks and Brett Hillyer.

Minutes:

Chairman Rocco asked if there were any comments or questions regarding the minutes from the March 11, 2026 Board meeting. There were none. Mr. Gordon moved to approve the minutes, and Vice-Chairman Fleming seconded. A vote was taken and Ms. Biggs and Messrs. Fleming, Gordon, Miller, Ridi, Smith, Anthony, Adams, and Rocco were in favor. Mr. Bergman abstained. 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 reported that BUSTR currently has two vacant full-time positions: an inspector position in Southeast Ohio and an Environmental Specialist 2 position for Southeast Ohio. He stated that a third vacancy would occur upon the retirement of Jim Feeman, East Region Supervisor for field staff. Mr. Anthony noted that Mr. Feeman's last day with BUSTR would be the next day.

Mr. Anthony reported that BUSTR continues to conduct responsible party searches. He stated that additional funding allowed BUSTR to complete 20 additional searches, with approximately six more approved by fiscal staff. He reported that, for the year, a total of 84 responsible party searches had been completed or initiated. Two vendors had completed all assigned searches, and nine searches remained with one vendor. Mr. Anthony stated that the additional search efforts were funded through supplemental U.S. Environmental Protection Agency (U.S. EPA) Leaking Underground Storage Tank (LUST) program.

Mr. Anthony presented BUSTR's April 2026 statistics. He reported that 42 No Further Action (NFA) determinations were issued during the month, bringing the total issued since October 1, 2025 to 245. He further reported that 1,360 report reviews were completed during April 2026, for a total of 8,963 since October 1, 2025. He reported that 228 on-site inspections were conducted during April 2026. Since the beginning of the current three-year inspection cycle on August 1, 2025, a total of 1,936 on-site inspections had been completed. Of the inspections conducted during April 2026, 178 had identified violations, three resulted in assessed penalties, and 1,479 inspections conducted during the current inspection cycle had identified violations. Mr. Anthony also reported that, since August 2025, 11 sites had been referred for fine or penalty assessment, including the issuance of COSAs (Compliance Orders and Settlement Agreements) or referrals to the Attorney General's Office.

Chairman Rocco asked what the most common compliance violations observed by BUSTR were. Mr. Anthony responded that leak detection violations are the most common. He explained that many violations involve low fuel levels that prevent automatic tank gauging systems from completing required tests and result in inconclusive results. He stated that common piping-related violations include failure to conduct annual line leak detector testing and other required leak detection testing. Mr. Anthony also noted that BUSTR continues to identify paperwork-related violations, including incomplete walkthrough inspection forms, and that BUSTR staff work with owners to help them understand and complete required documentation. He emphasized that many violations involve failure to conduct the appropriate test rather than failure of the equipment itself, noting that automatic tank gauging systems generally identify issues accurately or indicate when testing cannot be completed due to insufficient fuel levels.

Mr. Anthony reported that BUSTR submitted its grant application for the corrective action section and expects funding to be allocated by the end of June or early July 2026. He stated that the UST grant funding for release prevention had already been received for the coming year, which occurred earlier than usual. Mr. Anthony explained that Ohio is the only state in Region 5 operating on a state fiscal year rather than the federal fiscal year for purposes of funding allocation, making Ohio the first state in the region to receive notification regarding funding levels.

Mr. Anthony reported that BUSTR continues to complete required OSHA and Department of Commerce training. He stated that BUSTR provided continuing education to fire safety inspectors in April 2026 and will continue outreach to customers and delegated fire departments. He noted that delegated fire departments have experienced challenges adapting to the OTTER Engage platform, particularly when administrative responsibilities had been assigned to Fire Chiefs with limited availability to perform those duties. Mr. Anthony reported that BUSTR has been working with individual fire departments to assist their staff with access to the platform. He stated that OTTER Engage went live on July 28, 2025, and that BUSTR continues to resolve minor implementation issues, including items related to sponsors of training and related approval letters.

Mr. Anthony reported that, as of May 31, 2026, there were 21,394 registered underground storage tanks (USTs), 3,407 registered owners, and 6,926 registered facilities. He noted that the data reflects an increase in owners and tanks and a decrease in facilities. Mr. Anthony further reported that there were 2,243 active releases, 1,916 active closures, and 33,373 historical program NFA determinations, which he stated ranked second nationally behind California. He reported that, for the federal fiscal year beginning October 1, 2025, a total of 268 NFA determinations had been issued as of May 31, 2026. He also reported that the release prevention inspection cycle began August 1, 2025, and that 2,102 new federal inspections and 1,295 re-inspections had been completed as of May 31, 2026.

<u>Financial Reports:</u>

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

Audit Update
Ms. Deshineni said the Auditor of State released the fiscal year 2025 audited financial statements on May 19, 2026.

February, March, and April Financials
Ms. Deshineni stated that the February, March, and April financial reports were emailed to each Board member. She noted that fiscal year 2026 annualized revenue and expenses would be addressed during the Operating Budget discussion and therefore, would not be reviewed separately. Ms. Deshineni asked whether there were any questions or comments regarding the February, March, or April financial reports and there were none.

Capital Budget
Ms. Deshineni reported that the recommended Capital Budget was provided with the Board meeting materials. She stated that the Capital Budget presents actual expenditures for fiscal year 2025, budgeted and annualized expenditures for fiscal year 2026, and the recommended budget for fiscal year 2027. She reported that furniture and equipment was budgeted at $5,000 for fiscal year 2026, with no expenditures incurred during the year, and that staff recommends maintaining $5,000 for fiscal year 2027 to ensure funds are available, if needed.

Ms. Deshineni reported that data processing and electronics was budgeted at $120,000 for fiscal year 2026, with annualized expenditures of $68,522. She stated that those expenditures included iPads for Board meetings, two Dell Pro Max towers for scanning, document management project development costs, the Automated Clearing House (ACH) module in the STARRS (Statistical Tank and Reimbursement Records System) database, and the purchase and installation of a WatchGuard firewall and a network switch. She reported that $120,000 is recommended for the data processing and electronics line item for fiscal year 2027. She explained that funding approved for fiscal year 2026 was carried forward to fiscal year 2027 for projects that could not be completed during the year, including development of the ACH module in STARRS, which will allow the Fund to pay vendors directly by ACH transfer; continuation of the on-premise document management software, Digitech PaperVision Enterprise; engagement of a Digitech-authorized partner to assist with development and implementation of the eForms and Workflow modules; and the purchase of a file server and miscellaneous information technology equipment and software costing more than $500, if needed.

Chairman Rocco stated that the recommended fiscal year 2027 budget largely mirrors the fiscal year 2026 budget because several anticipated projects are expected to carry over into the next fiscal year. He noted that staff hope to complete the remaining work by the end of fiscal year 2027, particularly with respect to the document management system and ACH functionality. Chairman Rocco further stated that the eForms and Workflow modules are the final components needed to complete the data management system and will support the Board's use of digitized records going forward.

Operating Budget
Ms. Deshineni reported that the Operating Budget presents annualized actual expenditures for fiscal year 2026, the approved fiscal year 2026 budget, and the recommended budget for fiscal year 2027. She reviewed the operating income line items. Ms. Deshineni reported that tank revenue was budgeted at $8.34 million for fiscal year 2026 based on 20,280 USTs. She stated that, with projected June

revenues net of refunds, fiscal year 2026 tank revenue is expected to be approximately $8.83 million. She reported that anticipated tank revenue for fiscal year 2027 is $8.47 million. She stated that the fees for the $55,000 and $11,000 deductibles are $350 and $550 per tank, respectively, and that the fiscal year 2027 tank revenue estimate assumes fees will be paid for 20,580 USTs, with 25.5% of all USTs assured at the reduced deductible. She noted that the assumption of 20,580 USTs represents an increase of 300 tanks over the prior year's assumption. Ms. Deshineni further reported that, in April, the Board billed 21,063 USTs for program year 2026 fees, including adjustments for all UST removals and installations provided as of the date of the annual mailing, compared with 20,921 USTs billed for program year 2025. She stated that, based on historical payment data, approximately 98% of billed USTs are paid within the program year for which they are billed. Ms. Deshineni reported that projected property transfer fees are $120,000, including a portion assessed during fiscal year 2026 but expected to be paid in fiscal year 2027. She stated that prior-year fees collected, net of refunded amounts, are projected at $100,000. She reported that fiscal year 2026 actual interest income is approximately $82,000 above budget, primarily due to agency bonds that matured at lower interest rates and the funds were reinvested at higher rates. She stated that anticipated interest income for fiscal year 2027 is $998,000, based on an estimated 3.80% yield in STAR Ohio (State Treasury Asset Reserve of Ohio) and earnings from investments in U.S. Treasuries and U.S. Agency bonds. She noted that the interest rate assumptions were recommended by Mr. Adams from the Treasurer's Office. Ms. Deshineni reported that miscellaneous income received for fiscal year 2026 totaled $970 and consisted of payments for printing and copying public records requests and cash rebates. She stated that the amount budgeted for miscellaneous income for fiscal year 2027 remains at $1,000. Ms. Deshineni concluded that actual total income was approximately $565,000 above the fiscal year 2026 budgeted amount of $9.27 million.

Ms. Deshineni reported that fiscal year 2026 actual claims expense is anticipated to be approximately $6.95 million. She stated that she would request, at the conclusion of her presentation, that the Board obligate $8 million for payment of claims in fiscal year 2027.

Ms. Deshineni reviewed the operating expense line items. She reported that salaries were $99,000 below the budgeted amount for fiscal year 2026 and that the recommended fiscal year 2027 salary budget is $1.91 million, consistent with the biennial budget request and based on a full staff of 16 employees. Mr. Gordon inquired whether the budget reflected an increase in the number of employees. Ms. Deshineni responded that it did not, explaining that the budget is based on 16 full-time employees. Chairman Rocco noted that a portion of the difference between the 2026 and 2027 budgets is attributable to anticipated salary increases. Ms. Deshineni stated that temporary services expenses exceeded the fiscal year 2026 budget due to the use of multiple temporary employees to prepare documents for digitization. A fiscal year 2027 temporary services budget of $40,000 is recommended to assist with organizing files before scanning them into the PaperVision Enterprise document management software. Ms. Deshineni reported that fiscal year 2026 rent expense was $166,000, which was $1,800 above budget, due in part to an anticipated 4% increase in operating expenses beginning in December 2025. She said a reconciliation of the common area maintenance expenses for January through December 2025 resulted in $3,329.04 being billed in March 2026. She stated that, under the six-year lease renewed in fiscal year 2024, the fiscal year 2027 rent budget is $170,000, including an estimated 4% increase in operating expenses beginning in December 2026. She reported that office supplies expenses were $6,000 below budget and that the recommended fiscal year 2027 budget remains at $20,000 for standard office supplies, offsite storage, and information technology hardware or software costing less than $500. She stated that printing and copying expenses were $1,000 below budget for fiscal year 2026 and that the recommended fiscal year 2027 budget remains at $10,000.

Ms. Deshineni reported that legal and professional expenses were consistent with the fiscal year 2026 budget, with annualized costs of $295,076. She stated that the recommended fiscal year 2027 budget for legal and professional expenses is $325,000. She explained that this line item includes Assistant Attorney General legal services, annual audit costs, Attorney General and Special Counsel collection costs for delinquent accounts, the Software Engineering LLC agreement for maintenance of the STARRS database, annual maintenance costs for document management and scanning software, workflow and annual subscription costs, the ACCUNET contract for IT (information technology) monitoring services, the actuarial evaluation for fiscal year-end 2026, and other miscellaneous professional services as needed. Ms. Deshineni reported that fiscal year 2026 travel expenses totaled $19 and that the recommended fiscal year 2027 travel budget was $1,500, a decrease of $1,000 from the fiscal year 2026 budget. She noted that most conference-related travel expenses are reimbursable and noted that Board members may claim mileage for attending Board meetings.

Ms. Deshineni reported that employee expenses for fiscal year 2026 totaled $223 and that the recommended fiscal year 2027 budget remains at $1,000 for refreshments at Board meetings and lunches at committee meetings, if needed. She reported that telephone expenses were $3,400 below budget and that the recommended fiscal year 2027 budget remains at $15,000 for web access, spam and virus filtering, phone service, and third-party website hosting. She stated that postage expenses were $900 below budget and that the recommended fiscal year 2027 postage budget is $40,000, representing a 5% increase from the prior year. She noted the expenses include the annual fee statement mailing, which is sent by certified mail as required by statute. Ms. Deshineni reported that actual depreciation expenses were approximately $9,000 below budget and that the recommended fiscal year 2027 depreciation budget is $35,000, including six months of depreciation for the document management project, the ACH module in STARRS, and the PaperVision Enterprise eForms and Workflow modules. She concluded that fiscal year 2026 operating expenses were $108,000, or 4.5%, below budget and that the recommended fiscal year 2027 operating expenses total $2,567,592, approximately $178,000 above the prior year's budget due to increases in personnel costs, temporary services, and legal and professional expenses.

Mr. Anthony noted that, due to federal budget uncertainty, U.S. EPA required BUSTR to revise its work plan to include conference travel costs in the event reimbursement through NEIWPCC (New England Interstate Water Pollution Control Commission) is unavailable. Chairman Rocco suggested increasing the proposed travel budget to account for potential non-reimbursed conference travel. He noted that travel costs may range from $1,500 to $2,000 per person, depending on the length of the conference. Board members discussed the timing of the National Tanks Conference, which was held the prior year and occurs on a three-year cycle, and the likelihood that only the EPA Region 5 UST Programs All-States Meeting would occur during the fiscal year. Chairman Rocco suggested increasing the proposed fiscal year 2027 travel budget by $1,500. The Chairman stated that the Board could first consider a motion to increase the proposed travel line item and then vote on the Operating Budget as adjusted. He then requested a motion to increase the proposed fiscal year 2027 travel budget from $1,500 to $3,000 and to adjust the Operating Budget accordingly. Mr. Bergman so moved, and Vice-Chairman Fleming seconded. A vote was taken, and all members voted in the affirmative. The motion passed.

Approval of the Capital Budget

Ms. Deshineni requested that the Board approve the recommended fiscal year 2027 Capital Budget as proposed and the Chairman requested a motion to approve the Capital Budget. Mr. Miller so moved and Mr. Ridi seconded. A vote was taken, and all members voted in the affirmative. The motion passed.

Obligate Money for the Payment of Claims

Ms. Deshineni requested a motion to obligate $8 million for the payment of claims during fiscal year 2027. Mr. Ridi so moved and Vice-Chairman Fleming seconded. A vote was taken, and all members voted in the affirmative. The motion passed.

Approval of the Operating Budget

Chairman Rocco requested a motion to approve the Operating Budget as amended. Mr. Bergman so moved and Vice-Chairman Fleming seconded. A vote was taken, and all members voted in the affirmative. The motion passed.

Actuary Contract

Ms. Deshineni reported that actuarial services are proposed to prepare the Estimated Unpaid Claims Liability for fiscal year 2026. She stated that, beginning with the fiscal year 2018 audit, the Board utilized a third-party actuarial firm to evaluate claims placed on hold due to litigation. Beginning with fiscal year 2022, both claims on hold and claims not on hold have been evaluated to estimate unpaid claims liability, and those estimates are incorporated into the year-end financial statements presented to the auditors. Ms. Deshineni reported that the range of fees for the fiscal year 2026 actuarial analysis is $34,500 to $37,500, plus travel and related fees, if any, representing an increase of $1,500 from fiscal year 2025. She requested a motion to authorize the Chairman to enter into an agreement with Milliman, Inc. to develop the estimated claim liability as of June 30, 2026, in an amount not to exceed $37,500, plus travel and related fees, if any. Mr. Ridi so moved, and Vice-Chairman Fleming seconded. A vote was taken, and all members voted in the affirmative. The motion passed.

Hearing Officer's Contract Renewal

Ms. Deshineni reported that Mr. Silver agreed to continue serving under contract as the Board's hearing officer for the next fiscal year under the same terms as fiscal year 2026. She stated that the terms include an hourly rate of $150 as an independent contractor, a minimum of five hours during the term of the agreement, no obligation to provide more than 300 hours, and a maximum of $3,410 per appeal unless otherwise agreed. She noted that Mr. Silver's last rate increase was effective in July 2019. Ms. Deshineni requested a motion to authorize the Chairman to enter into an agreement with Howard Silver for the continuation of hearing officer services for the period of July 1, 2026 through June 30, 2027. Mr. Gordon so moved, and Ms. Biggs seconded. Chairman Rocco stated that Mr. Silver continues to do an excellent job for the Board and noted that the Board has historically had to encourage him to accept periodic rate increases. The Chairman asked whether there was any further discussion. Hearing none, a vote was taken, and all members voted in the affirmative. The motion passed.

Assistant Attorney General Memorandum of Understanding

Ms. Deshineni reported that the proposed fiscal year 2027 Memorandum of Understanding (MOU) for legal services to be provided by the Attorney General's Office includes a not-to-exceed amount of $125,310. She stated that the amount includes salary and fringe benefit costs associated with 35% of the Assistant Attorney General's time and 35% of the paralegal's time, consistent with the prior fiscal year. She reported that indirect costs related to support services, including telephone, supplies, and office space, increased from 17.75% to 18.62%, representing a 0.87% increase. She further reported that salaries increased by 3%, and fringe costs decreased from 47.27% to 45.15% of salaries. Ms. Deshineni noted that the legal assistant position changed, resulting in an anticipated fiscal year 2027 hourly rate of $37.12 compared with the fiscal year 2026 hourly rate of $39.01. She stated that the language of the agreement is the same as the fiscal year 2026 MOU, but the not-to-exceed amount represents a slight decrease of 0.722% from fiscal year 2026. Ms. Deshineni requested a motion to 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 $125,310 for the period of July 1, 2026 through June 30, 2027. Mr. Gordon so moved, and Vice-Chairman Fleming seconded. A vote was taken, and all members voted in the affirmative. The motion passed.

Database Consulting Contract

Ms. Deshineni presented a request to renew the Board's consulting and maintenance agreement with Software Engineering LLC for the STARRS database. She explained that the database is used to manage tank owner accounts, process claims, issue warrants, and prepare monthly financial statements. She stated that the annual maintenance retainer provides for ongoing support, including assistance with annual fee statements and claim liability studies, report development and modification, specialized SQL queries, updates resulting from procedural or regulatory changes, and installation and troubleshooting of the database on client workstations. She noted that added work involves development of the database or internet-related software requested by the Director that requires more than 20 hours to complete and must be authorized through a Change Order Form.

Ms. Deshineni reported that the proposed agreement is for a two-year term, from July 1, 2026, through June 30, 2028, with a monthly retainer increasing from $1,650 to $1,800 (9%) and the hourly rate for added work increasing from $121 to $130 (7.4%). She noted that the agreement permits annual increases of up to 10%. She requested the Board authorize the Chairman to execute the agreement with Software Engineering LLC in an amount not to exceed $43,200, with added work billed at $130 per hour. Mr. Gordon asked whether the agreement is typically executed for a two-year term. Ms. Deshineni responded that the Board began using a two-year agreement in June 2023 after previously using one-year agreements. She stated that John Hull, a former Board member, recommended the change. Chairman Rocco explained that the Board adopted a two-year contract term to provide continuity for ongoing database development projects, which generally require more than one year to complete. The Chairman asked if there were any additional questions. Hearing none, he requested a motion to authorize the Chairman to execute the agreement. Mr. Bergman so moved and Vice-Chairman Fleming seconded. A vote was taken, and all members voted in the affirmative. The motion passed.

Fee Statement Statistics
Ms. Deshineni stated that the Fee Statement Statistics for program year 2026 were provided with the Board meeting materials.

Ms. Deshineni reported that program year 2026 fee statements were issued on April 29, 2026, and that $8.38 million was billed to 3,067 owners for 21,063 USTs. She stated that this compares with 3,095 owners and 20,921 tanks billed for program year 2025. As of May 31, 2026, per-tank fees collected totaled $2.58 million, or 30.8% of the budgeted amount. She reported that collections for program year 2025 during the same period totaled $3.15 million, meaning program year 2026 collections were approximately $568,000 less than collections received during the same period of the prior year. She stated that the decrease was primarily due to fewer medium-sized owners making payments by this point in the program year. Ms. Deshineni further reported that, between the fee statement mailing and May 31, 2026, $8.47 million had been collected for program year 2025 fees and approximately $309,000 had been collected for prior-year fees, net of refunds paid totaling $144,000.

Ms. Deshineni reported that, for program year 2026, 16,002 tanks were billed at the standard deductible, and 5,061 tanks were billed at the reduced deductible. As of May 31, 2026, fees had been paid for 3,967 tanks at the standard deductible and 2,120 tanks at the reduced deductible, for a total of 6,087 tanks paid by 1,251 owners. She stated that this compares with 7,577 tanks paid by 1,389 owners during the same period of the prior year. As of May 31, 2026, approximately 9.9% fewer owners and 24.5% fewer tanks had been paid compared with the same prior-year period. Ms. Deshineni further reported that, for program year 2025, fees had been paid by 2,886 owners for 20,582 tanks through May 31, 2026, and that the amount would increase before June 30, 2026.

Ms. Deshineni reviewed actual versus projected collections. She reported that the $2.58 million collected to date represented [30.48%] of the $8.47 million budgeted for program year 2026. She stated that the 6,087 tanks with fees paid for program year 2026 represented 29.6% of the 20,580 tanks budgeted to apply for certificates during the program year.

Chairman Rocco questioned whether the lower collections could indicate a broader trend. Mr. Gordon agreed that he had the same concern. Mr. Anthony stated that BUSTR was experiencing a similar issue and noted that payments are due July 1. Chairman Rocco observed that reduced-deductible payments were approximately consistent with the prior year, while standard-deductible payments were significantly behind. He stated that the Board would continue to monitor the issue.

<u>Compliance and Fee Assessment Report:</u>
Chairman Rocco called on Cindy Stauffer, Compliance Supervisor, to present the compliance and fee assessment report.

Ms. Stauffer reported that the totals in the program year 2025 column reflect information from the start of the program year, July 1, 2025, through May 31, 2026, unless otherwise noted. She stated that owners may be eligible for refunds of Financial Assurance Fund fees for various reasons, including payments made for aboveground or otherwise exempt tanks, removed tanks, duplicate payments, and the difference in the per-tank fee amounts. She reported that there are currently 2,562 pending refunds totaling $1,451,141, representing refunds due to 513 owners, noting that multiple refunds may be associated with a single owner. She further reported that refunds totaling $144,328 had been issued to 80 owners since July 1, 2025.

Ms. Stauffer reported that $44,775 of pending refunds had been applied to offset outstanding tank and late fees during the current program year. She noted that this typically occurs when an owner is due a refund for one program year but owes fees for a different year. She further reported that, since July 1, 2025, fees collected by the Attorney General's Office and Special Counsel, net of collection costs, totaled $106,000. She stated that 231 accounts totaling $736,900 had been certified to the Attorney General's Office for collection. Ms. Stauffer said the staff is in the process of finalizing the next certification for submission to the Attorney General's Office and anticipates submitting it in the near future.

Ms. Stauffer reported that, as of May 31, 2026, one Order Pursuant to Law was under appeal. She explained that no sooner than 60 days after the assessment of fees, if payment is not received, an order is issued directing the owner to remit payment and assessing late fees. She said information to support the appeal is expected. Ms. Stauffer further reported that two Determinations to Deny a Certificate of Coverage are currently under appeal. She stated that information has been received and is under review for one appeal, and the other appeal was recently withdrawn.

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, 2026, Certificates of Coverage had been issued to 2,779 owners for program year 2025. She stated that 34 Applications for Certificates of Coverage are currently being processed. She further reported that, for program year 2025, there are 10 owners with unresolved Pending Denials and 112 owners with unresolved Determinations to Deny a Certificate of Coverage.

Ms. Stauffer reported that there are 31 owners with uncashed refund checks totaling $41,058. She stated that $26,550 of this amount represents unclaimed funds and is held in the unclaimed trust account for five years, after which unclaimed funds are returned to the unobligated account balance. She reported that the remaining $14,508 is in payment-pending status. Ms. Stauffer further reported that additional information has been requested from 12 owners with potential refunds totaling $67,596. She stated that a second request for information will be sent to these owners. She said 43 owners with $68,140 of possible refunds have not responded to the final more information letters. She noted that a final review of these refunds will be conducted and, if possible, a partial refund will be issued, with any remaining undocumented amounts reapplied to the owner's account.

Claims Reports:

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

Ms. Brame reported, as of June 1, 2026, the total maximum liability of in-house open claims was approximately $6.7 million. She stated that using the claim payout ratio of 74%, which is the average ratio over the past five years, the anticipated payout of unpaid in-house claims is about $4.96 million.

Ms. Brame reported that, as of June 1, 2026, a total of 439 claims with face values above the deductible amount were pending review. She noted that claims staff are currently reviewing claims received prior to September 2025. She further reported that, as of June 1, 2026, seven claim determinations were under appeal, pertaining to four release sites, with multiple appeals associated with two sites. She stated that supporting information has been received and is under review for these appeals.

Mr. Ridi inquired about the difference between the average gross value per release and the average net value per release. Ms. Brame explained that the difference is generally attributable to the applicable deductible. She stated that the gross value represents the face value of the amount submitted, while the net value reflects the submitted amount less the deductible.

Ms. Brame reported that, as of June 1, 2026, a total of 411 claim applications had been received, and 501 claim determinations had been issued. She noted that six determinations involved claims below the deductible amount that had received NFA status and therefore were not eligible for payment. She reported that the average payout per claim application for program year 2025 is $12,607 and that the average claim payout was 64.4% of the net claim value (face value less the deductible). She further reported that the average percentage of claim face value disallowed was 29.4% and stated that staff continues to monitor the percentage of costs being disallowed, as discussed in previous Board meetings.

Chairman Rocco asked whether the decrease in the percentage of claim costs reimbursed, including the 64.4% average payout reported for program year 2025, was attributable to settlement agreements. Ms. Brame responded that settlement agreements were a contributing factor. She stated that other factors discussed at previous Board meetings included the impact of major oil claims, changes in the consultants performing work, and a recent increase in costs disallowed for items such as new tank installation, repairs, site upgrades, and other costs not necessary for or associated with corrective action. Chairman Rocco stated that he was particularly concerned about the increase in disallowed costs because the Fund had made progress in reducing disallowances over time.

Ms. Biggs asked whether consultants and owners routinely submit costs that are not eligible for reimbursement, resulting in staff excluding those costs during the claims review process. Ms. Brame explained that staff encourage consultants and owners to submit all available cost information so staff can determine whether the costs are reimbursable. She noted that, when corrective action costs such as disposal of impacted soil are intermingled with non-reimbursable costs, such as tank removal, staff review the information and determine which costs may be paid. She stated that this process can result in a higher percentage of costs being disallowed while also helping ensure that all reimbursable costs are identified. Ms. Biggs observed that a higher disallowance percentage may not necessarily be negative if the overall submission includes a larger amount of potentially reimbursable costs. Ms. Brame agreed. Chairman Rocco stated that UST system replacements often present the greatest challenge because some work may be related to corrective action, while other work may involve upgrades such as replacing islands, installing new piping, or improving areas around the tank, which would be disallowed.

Ms. Brame reported that, as of June 1, 2026, a total of 82 eligibility applications had been received for program year 2025 and 74 eligibility determinations had been issued. She stated that of the 74 determinations issued, 48 were approved and 26 were denied. She reported that reasons for denial included five for no release demonstrated, nine for late filing of the application, three for lack of a valid Certificate of Coverage, four for tanks being out of compliance with BUSTR's rules at the time of the release, and five for no corrective actions being required by BUSTR. Ms. Brame further reported that, as of June 1, 2026, 163 eligibility applications were open. She noted that 18 applications were unreviewable pending receipt of required reports and that additional information had been requested for 19 applications. She also reported that, as of June 1, 2026, five eligibility determinations were under appeal. She said additional information was received and is under review for four appeals and a hearing was held for one appeal.

Ms. Brame reported for program year 2025 a total of 106 cost pre-approval requests were received. She said the cost pre-approval requests included 22 requests for new remedial action plans (RAPs); 41 requests for annual costs for RAPs or free product recovery; five requests for an interim response action (IRA) requiring BUSTR approval; 23 requests for either Tier 3 or monitoring/calibration plans; four cost exceedance notifications; and 11 voluntary requests for cost pre-approval. She said as of June 1, 2026, a total of 103 cost pre-approval notifications had been issued and 29 cost pre-approval requests were pending review.

<u>**New Business:**</u>

Hardship Application

Chairman Rocco called on Vijetha Deshineni, Chief Fiscal Officer, to present the hardship application.

Ms. Deshineni explained that the Board's rule 3737-1-08 provides for an owner experiencing financial hardship to apply for hardship status with the Fund. She said granting hardship status allows for the accelerated review of the claims submitted by the owner. She noted that granting hardship status does not increase the amount of reimbursement to the tank owner. She stated that accelerating the review of a claim reduces the financial burden an owner would experience if the claims were reviewed and settled in the normal course of business. She stated that once granted, the hardship status remains in effect for a two-year period, after which the owner may reapply for hardship status.

Ms. Deshineni stated that, in determining hardship status, the application and a minimum of two years of income tax records are reviewed. She added that a U.S. EPA financial capacity test is also used to evaluate the owner's cash flow and determine whether the owner is able to carry debt, in which case, the owner could finance the costs of corrective actions over time.

Claim # 18344-0001/10/26/98, Owner – Red Stripe Associates

Ms. Deshineni reported that Red Stripe Associates is the responsible party for a 1998 release discovered at 50708 National Road, St. Clairsville, Ohio. She stated that Gary Glessner, as a member of the limited liability company, requested that the Board grant hardship status to Red Stripe Associates. Ms. Deshineni reported that this is Red Stripe Associates' twenty-first hardship request and that its current hardship status expires on June 11, 2026. She stated that the Fund has reimbursed $455,300 for this release to date, that there are currently no claims pending review, and that the cost of corrective action work expected to be conducted over the next 24 months is estimated at $58,000. Ms. Deshineni further reported that the property and business were sold to Sober Systems LLC at a loss in

November 2008 and that Red Stripe Associates provided financing to the new owner. She stated that Mr. Glessner reported Red Stripe Associates received the final payment from Sober Systems LLC in November 2013 and that the mortgage on the property was paid in full at that time. She noted that Red Stripe Associates is not generating additional funds but remains responsible for corrective action costs. Based on the information provided in the 2023 through 2025 tax forms, ABEL estimates less than a 50% probability that Red Stripe Associates can afford the estimated $58,000 in corrective action costs. Ms. Deshineni stated that Red Stripe Associates is not in a position to acquire financing or manage its cash flow to self-finance ongoing corrective actions. Therefore, the Director recommended that the Board approve the application and grant hardship status to Red Stripe Associates LLC. Chairman Rocco mentioned that it appeared to be a site with free product recovery ongoing for a long time. He asked if there were any questions. Hearing none, he requested a motion to approve the hardship application. Ms. Biggs so moved, and Vice-Chairman Fleming seconded. A vote was taken, and all members voted in the affirmative. The motion passed.

Personnel Compensation
Chairman Rocco stated that the Board is required to set the Executive Director's salary because the position is not tied to the automatic increases for state employees. He noted that the negotiated union contract rate for the year was a 3% increase and suggested that amount as the starting point for discussion. Ms. Biggs asked whether the 3% increase represented a cost-of-living adjustment. Chairman Rocco responded that it was the negotiated union rate, which is generally a cost-of-living adjustment. Mr. Ridi stated that the Executive Director should receive at least the same increase as the union rate. Mr. Gordon noted that the prior year's increase had been greater than 3% and said that it should be part of the discussion. Chairman Rocco agreed and recommended that the Board consider an increase greater than 3%, noting Director Richmond's performance and leadership. Ms. Biggs stated that Director Richmond's work during the past year in managing the electronic transfer process supported consideration of additional pay. Chairman Rocco recommended using the same rate approved the prior year. After discussion, the Chairman requested a motion to approve a 5% salary increase for Director Richmond, effective June 28, 2026. Mr. Gordon so moved, and Vice-Chairman Fleming seconded. A vote was taken, and all members voted in the affirmative. The motion passed.

<u>Certificates of Coverage – Ratifications:</u>
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 2024, 2025, and 2026 Certificates issued lists and the 2024 and 2025 determinations issued lists represent the 2024, 2025, and 2026 program year Certificates of Coverage that have been issued or denied since the March Board meeting. She said the process used to review the fee applications and issue or deny a Certificate of Coverage includes a review for completeness to determine whether full payment was received; financial responsibility for the deductible has been demonstrated; 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 2024 Certificates of Coverage for the four owners of the four facilities included on the program year 2024 Certificates issued list.

Ms. Biggs moved to ratify the issuance of the 2024 Certificate of Coverage for the facilities listed. Mr. Miller 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 81 USTs located at the 25 facilities included on the program year 2024 Certificates denied list.

Mr. Bergman moved to ratify the denial of the 2024 Certificates of Coverage that were listed, and Vice-Chairman Fleming 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 101 owners of the 353 facilities included on the program year 2025 Certificates issued list.

Ms. Biggs moved to ratify the issuance of the program year 2025 Certificates of Coverage for the facilities listed. Vice-Chairman Fleming 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 2025 Certificates of Coverage for the 258 USTs located at the 105 facilities included on the program year 2025 Certificates denied list.

Mr. Bergman moved to ratify the denial of the 2025 Certificates of Coverage that were listed, and Vice-Chairman Fleming 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 2026 Certificates of Coverage for the 145 owners of the 174 facilities included on the program year 2026 Certificates issued list.

Ms. Biggs moved to ratify the issuance of the program year 2026 Certificates of Coverage for the facilities listed. Mr. Miller 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 9, 2026, at 10:00 a.m.

Mr. Ridi made a motion to adjourn the meeting and Mr. Miller 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.