



Petroleum Underground Storage Tank Release Compensation Board

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**MINUTES OF THE 208th MEETING OF THE
PETROLEUM UNDERGROUND STORAGE TANK
RELEASE COMPENSATION BOARD
March 19, 2025 – 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

Donna Waggener, representing Director Anne Vogel, 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
Nafeeza Terlecky	Administrative Assistant, PUSTRCB
Beth Fligner	Assistant Attorney General
Ryan Siath	Bureau of UST Regulations
Scott Adams	State Treasurer's Office
Danny Sklenicka	Rea & Associates, Inc.
Leigha Moran	Rea & Associates, Inc.
Nicole Ratliff	Rea & Associates, Inc.
Dan Adams	Atlas Technical Consultants
Michael Baker	BJAAM Environmental, Inc.
Pamela Sherritt	BJAAM Environmental, Inc.
Isabella Roman	BJAAM Environmental, Inc.

Minutes submitted by:


Jonathan Maneval
Assistant Director

Call to Order:

Chairman Rocco convened the two hundred-eighth meeting of the Petroleum Underground Storage Tank Release Compensation Board on Wednesday, March 19, 2025.

The following members were in attendance: Jim Rocco; Steve Bergman; Jessica Biggs; Scott Fleming; John Gordon; Ben Miller; Dan Ridi; Donna Waggener, representing Director Anne Vogel, 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 member was not in attendance: Larry Burks.

Minutes:

Chairman Rocco asked if there were any comments or questions regarding the minutes from the January 8, 2025 Board meeting and there were none. Mr. Bergman moved to approve the minutes and Ms. Waggener 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 reported that BUSTR currently has three open positions but noted that all three positions are being filled. He said two employees will be starting in the next few weeks and an inspector position in the Toledo region will be filled once the individual completes the inspector course in May 2025. Mr. Anthony reported that staff have returned to working in the office full-time.

Mr. Anthony said 60 responsible party searches are being done this fiscal year. He said three vendors are working through them, and 33 searches have been completed.

Mr. Anthony said the fiscal staff is working with the U.S. Environmental Protection Agency (U.S. EPA) Region 5 to start the application process for the UST (underground storage tank) grant, which must be submitted by May 15, 2025. He said the grant request will be for the same amount as the previous year, but commented that they are nervous about what has been going on with the federal government and that it might be trimmed down.

Mr. Anthony reported that Fire Safety Inspector training will be done in April and September 2025, and UST Installer and Certified Inspector courses will be provided in April and May 2025.

Mr. Anthony pointed out that the counts of NFAs (no further action actions) and inspections were provided in the report. He noted that the release prevention inspection cycle ends July 31, 2025, and a new inspection cycle starts August 1, 2025. He said the number of registered tanks continues to increase, while the number of tank owners is going down.

Mr. Anthony said BUSTR's new database will go live on July 28, 2025. He said BUSTR's rules 1301:7-9-04, 1301:7-9-10, and 1301:7-9-20 are ready to be filed with the Joint Committee on Agency Rule Review (JCARR). He said the rule package is currently with the Director of Commerce's Office and Commerce legal. He said once it has their approval, the rules will be filed with JCARR with the intent for rules 1301:7-9-04 and 1301:7-9-10 to become effective on July 27 or 28, 2025. He explained that the new permit fee structure in the rules will coincide with the transition to their new database. He noted that rule 1301:7-9-20 is being rescinded.

Mr. Anthony said BUSTR is creating training content for the new database, and they intend to send emails to owners and other stakeholders with links to YouTube training videos in late spring or early summer. He said the videos will explain how to create an Ohio ID, obtain permits, complete registration, and submit corrective action reports. He mentioned that all historical documents in BUSTR's archives will be available through the new database.

Mr. Anthony reported that the release prevention section completed 6,122 new federal inspections, and 4,157 re-inspections, for a total of 10,279 inspections for the inspection cycle. He pointed out that the corrective action cycle started October 1, 2024, and a total of 180 NFAs had been issued as of March 8, 2025.

Financial Reports:

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

Audit Report

Ms. Deshineni said Rea & Associates submitted the audited financial statements to the Auditor of State's Office on February 28, 2025, and it is currently under review by that office. She pointed out that the audit report was provided to the Board members with the other meeting materials.

Ms. Deshineni then introduced Danny Sklenicka, a representative from the accounting firm of Rea & Associates and asked him to discuss the financial statements.

Mr. Sklenicka said he is an engagement partner with Rea & Associates and has worked with the Board for several years. He noted the previous audit contract with Rea & Associates expired in 2023 and this is year one of a five-year contract extension granted by the Auditor of State.

Mr. Sklenicka said the Auditor of State is doing its customary desk review of the audit reports and when their review is completed it will be considered final and released publicly. He then introduced Leigha Moran who served as the engagement manager for the audit for several years and Nicole Ratliff who served as the in-charge on the engagement. He asked Ms. Ratliff to go through some of the required communications.

Ms. Ratliff directed members to a letter she distributed related to Rea's audit of the financial statements and stated that the letter is to those charged with governance. She said the letter communicates Rea's responsibilities about the financial statements audit itself and the timing of it. She said there were no significant GASB (Governmental Accounting Standards Board) implementations this year to take into consideration. She commented that GASB Statement No. 100 was implemented but the standard did

not have a major impact on the financial statements of the Board.

Ms. Ratliff said no significant or unusual transactions were identified in the financial statements. She said, as part of the audit, Rea goes over the estimates used for accounts receivable allowances for uncollectible amounts and the reserve for unpaid claims. She said there were no issues noted in Rea's testing of those estimates. She said there were no audit adjustments that needed to be made to the original trial balance that was presented to them and there were no disagreements, and no significant issues discussed with management. She said Rea did talk with management about the deficit in unrestricted net position.

Ms. Ratliff stated that no significant difficulties were encountered during the audit. She pointed out that the issuance of the financial statements was delayed, and the Auditor of State approved extensions so there could be more time to go through everything.

Ms. Moran then directed members to the audited financial statements. She explained that Rea & Associates provides two opinion letters, and the rest of the audit report is prepared by management, which Rea reviewed. She stated that the Independent Auditor's Report is presented in the first two paragraphs of Page 1 of the report, which is Rea's opinion on the financial statements. She said there were no major findings, and the audit resulted in a clean opinion; the highest rating that can be given.

Ms. Moran said the audit was conducted in accordance with auditing standards generally accepted in the U.S. and applicable government auditing standards. She said the letter lays out the auditor's and management's responsibilities for the audit of the financial statements. She pointed out that the letter also mentions required supplementary information. She stated that certain limited procedures were applied to Management's Discussion and Analysis and post-employment benefit schedules.

Ms. Moran pointed out that the final paragraph on Page 3 of the report concerning GAGAS (generally accepted government auditing standards) references Rea's report on internal control over financial reporting and compliance. She noted this report is found on Page 40 of the book and is the second report added to the financial statements. She said this report lays out Rae's opinion over internal controls and the basis for the opinion. She explained that if a deficiency in internal control were to exist that Rea deemed to be a material weakness or significant deficiency, then it would be reported. She said their review did not result in any of those findings, so again a clean report. She asked if there were any questions and there were none.

Mr. Sklenicka thanked the staff for their assistance in the audit process. He noted fiscal year 2024 was a tough year for the Board, because of staff turnover. He said the staff's cooperation and help in the audit process was appreciated.

December and January Financials

Ms. Deshineni directed members to the January 2025 report provided in the meeting materials.

Ms. Deshineni reported, as of March 18, 2025, the unobligated account balance is \$20.54 million, which includes \$4.98 million in STAR Ohio (State Treasury Asset Reserve of Ohio) and \$15.56 million in U.S. treasuries and U.S. agency callable bonds. She said the obligated account balance for the payment of claims is \$4.18 million.

Ms. Deshineni said, as of January 31, 2025, we are about 58% into the fiscal year and interest income is about 52.4% of the budgeted amount. She said, as mentioned at the January Board meeting, the presentation of interest earnings was changed so that the amounts presented more accurately reflect the actual interest earned during the month as well as the increase/decrease in investments during the month. She said the report now reflects the actual interest earnings on the STAR Ohio accounts including the obligated, unobligated, and unclaimed monies trust accounts, and interest on delinquent accounts collected by the Attorney General's Office. She said the increase or decrease on investments includes the change in the market value of the investments as well as the unearned gain or loss on those investments. She said, in changing the presentation, there is less fluctuation in the interest earned and the total effect of changes in the market is shown as an increase or decrease on investments; the total interest income remains unchanged.

Ms. Deshineni reported that approximately 99% of the budgeted revenues, net of refunds, had been collected, as of January 31, 2025. She said information on refunds and fee collections would be presented as part of the compliance and fee assessment report.

Ms. Deshineni reported the claims expense for the month of January 2025 was \$869,440, and to date, \$3.98 million has been paid for claims in fiscal year 2025. She said this is 49.72% of the \$8 million obligated by the Board for the payment of claims for the fiscal year. She commented that the claims expense in the second half of the fiscal year is expected to exceed that paid in the first half due to a few claims with high face values that are anticipated to be settled in the next few months.

Ms. Deshineni said as of January 31, 2025, salary expenses were 54% of the amount budgeted. She noted that one position remains vacant, and interviews to fill the position are being conducted this month. She stated that rent expenses are on target at 57% of the amount budgeted. She reported that legal and professional expenses were \$162,000, as of January 31, 2025, which is 56% of the amount budgeted. She said these expenses include payments for Attorney General services, the actuarial claim liability study, the hearing officer, and IT consulting services. She pointed out that depreciation expenses were higher in December 2024, due to a catch-up adjustment for the records management project. She reported postage expenses were 80% of the amount budgeted. She said postage expenses were high in September and November 2024 due to the postage fees for the final quarter of fiscal year 2024 being paid in September and the fees for the August mailing of the Orders Pursuant to Law being paid in November. She reported the total operating expenses for January 2024 were \$194,140.

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 information being reported reflects numbers as of February 28, 2025, unless otherwise noted. She reported that refunds totaling \$64,130 had been paid since July 1, 2024. She pointed out that \$37,280 in refunds had been issued in the seven weeks since the January meeting and commented that more activity is starting to be seen now that the Refund Specialist position has been filled and has undergone training. She said there are currently 2,606 pending refunds, which total \$1,439,290. She said \$8,452 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 \$19,799. She reported that 200 accounts totaling \$683,200 were recently certified to the Attorney General's Office for collection.

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 one Ability to Pay Application is 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 March 4, 2025, Certificates of Coverage had been issued to 2,771 owners for program year 2024. She said there are 47 Applications for Certificates of Coverage currently being processed. She said for program year 2024, there are 35 owners with unresolved Pending Denials and 70 owners with unresolved Determinations to Deny a Certificate of Coverage.

Ms. Stauffer stated that there are 28 uncashed refund checks totaling \$39,903. She said there are 16 owners with potential refunds totaling \$85,951 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 39 owners with possible refunds totaling \$63,815 have not responded to the final more information request letters.

Chairman Rocco asked how far back the pending refunds go and Ms. Stauffer said the refunds could go back to 1989. She said the staff are currently going through older refunds to try to get more of them issued. The Chairman said \$1.4 million is a significant amount of money to be sitting out there and for it to go that far back. He asked what the process is to try to find owners. Ms. Stauffer said the staff researches and tries everything they can to locate owners, even reaching out to spouses or children if the owner has passed. In addition, information is published on the Board's website where anyone can see there is a pending refund. The Chairman asked if there is a timeframe where efforts are ended and Executive Director, Starr Richmond, explained that monies for uncashed checks are held for five years. The Chairman asked if the monies end up in the State's Unclaimed Funds, and Director Richmond indicated that they are independent of that. Ms. Stauffer said a new process was started in the last year or two to look at the refunds for which more info has been requested 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 March 3, 2025, the total maximum liability of in-house open claims is approximately \$7.01 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 \$5.4 million.

Ms. Brame reported, as of March 3, 2025, a total of 425 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 August 2024. She stated that, as of March 3, 2025, nine claim determinations were under appeal. She stated that additional information provided is under review for four appeals and the staff is awaiting supporting information for the remaining five appeals. She commented that three appeals had been closed since the January 2025 meeting and five new appeals had been received.

Ms. Brame stated that, as of March 3, 2025, a total of 278 claims were received and a total of 402 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. She said the average payout per claim application this program year is \$11,069 and the average claim payout is 58.7% of the net claim value (face value – deductible). She noted that on average 34.7% 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 and that settlement agreement was for claims with a total face value of \$1.4 million was disallowed. She explained that when those Ashland claims are removed from the assessment and average percentage, this disallowed cost is only about 22.3% and the average payout per claim is \$12,192, which is about 72.5% of the net claim value.

Ms. Brame reported so far for program year 2024, a total of 64 eligibility applications were received and 38 eligibility determinations were issued. She said of these eligibility determinations, 35 were approved and three were denied. She said the reasons for denial included one for no release demonstrated, one for a lack of a valid Certificate of Coverage, and one for no corrective actions being required by BUSTR. She reported that, as of March 3, 2025, a total of 154 eligibility applications were open. She noted that 27 applications were unreviewable until the necessary reports are received, and more information has been requested for three applications. She noted that, as of March 3, 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 and one appeal had been closed since the January 2025 Board meeting.

Ms. Brame reported, as of March 3, 2025, a total of 99 cost pre-approval requests were received. She said the cost pre-approval requests include 10 requests for new remedial action plans; 41 requests for annual costs for remedial action plans or free product recovery; two requests for an interim response action requiring BUSTR approval; 29 requests for either Tier 3, monitoring or calibration plans; 11 cost exceedance notifications; and six voluntary requests for cost pre-approval. She said as of March 3, 2025, a total of 107 cost pre-approval notifications had been issued and 46 cost pre-approval requests were pending review.

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 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 12 owners of the 41 facilities included on the program year 2023 Certificates issued list.

Mr. Anderson moved to ratify the issuance of the 2023 Certificates of Coverage for the facilities listed. Mr. 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 2023 Certificates of Coverage for the 59 USTs located at the 23 facilities included on the program year 2023 Certificates denied list.

Mr. Bergman moved to ratify the denial of the 2023 Certificates of Coverage that were listed. Mr. 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 2024 Certificates of Coverage for the 58 owners of the 102 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. Ms. Waggener 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 97 USTs located at the 41 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 Mr. Anderson seconded. A vote was taken, and all members were in favor. The motion passed.

Announcement:

Chairman Rocco announced that Ms. Waggener will be retiring, and this would be her last meeting. He expressed his appreciation for her participation on the Board. Ms. Waggener said it was a pleasure getting to know the Board members and to learn about what the Board does. She said Ohio EPA is still working to find a replacement for her, and Chairman Rocco wished her well in her retirement.

Executive Session:

Chairman Rocco stated that an executive session was needed and requested a motion to enter executive session with counsel pursuant to Ohio Revised Code 121.22(G)(3) to discuss matters of pending or imminent court action. Mr. Anderson so moved, and Mr. Bergman seconded. The Chairman called for a roll call. The following members voted in the affirmative: Mmes. Biggs and Waggener and Messrs. Bergman, Fleming, Gordon, Miller, Ridi, Anderson, Anthony, and Rocco. There were no nays. The motion passed.

Reconvene Meeting

The Board adjourned the executive session and reconvened the public meeting.

Confirm Next Meeting and Adjourn:

Chairman Rocco said the next Board meeting will be held on Wednesday, June 11, 2025, at 10:00 a.m.

Ms. Waggener made a motion to adjourn the meeting and Mr. Fleming seconded. All members were in favor.