



Petroleum Underground Storage Tank Release Compensation Board

P.O. Box 163188 • Columbus, Ohio 43216-3188
Phone: (614) 752-8963 • Fax: (614) 752-8397
www.petroboard.org

MINUTES OF THE 161st MEETING OF THE PETROLEUM UNDERGROUND STORAGE TANK RELEASE COMPENSATION BOARD November 18, 2015

BOARD MEMBERS IN ATTENDANCE

Jim Rocco
John Hull
Don Bryant
Scott Fleming
Steve Hightower
Cheryl Hilvert
Tom Stephenson

EX-OFFICIO MEMBERS IN ATTENDANCE

Bill Hills, representing Director Jacqueline Williams, Ohio Department of Commerce
Chris Geyer, representing Director Craig Butler, Ohio Environmental Protection Agency
Eric Ochmanek, representing Josh Mandel, State Treasurer of Ohio

OTHERS IN ATTENDANCE

Starr Richmond	Executive Director, PUSTRCB
Madelin Esquivel	Assistant Director, PUSTRCB
Don Leasor	Chief Fiscal Officer, PUSTRCB
Cindy Duann	Claims Supervisor, PUSTRCB
Jonathan Maneval	Administrative Coordinator, PUSTRCB
Val Gatalin	Environmental Claims Analyst, PUSTRCB
Jennifer Croskey	Assistant Attorney General
Michelle Pfefferle	Organ Cole LLP
Doug Cole	Organ Cole LLP
Doug Darrah	ATC Group Services, LLC
Will Latt	Speedway, LLC
Sean Hetrick	BJAAM Environmental, Inc.
Mary Gerding	Hylant

Minutes submitted by:


Jonathan Maneval
Administrative Coordinator

Call to Order:

Chairman Rocco convened the one hundred sixty-first meeting of the Petroleum Underground Storage Tank Release Compensation Board on Wednesday, November 18, 2015.

The following members were in attendance: Jim Rocco; John Hull; Don Bryant; Scott Fleming; Steve Hightower; Cheryl Hilvert; Tom Stephenson; Bill Hills, representing Director Jacqueline Williams, Ohio Department of Commerce; Chris Geyer, representing Director Craig Butler, Ohio Environmental Protection Agency; and Eric Ochmanek, representing Josh Mandel, State Treasurer of Ohio.

Minutes:

Chairman Rocco asked if there were any comments or questions regarding the minutes from the September 9, 2015 Board meeting, and there were none. Mr. Hightower moved to approve the minutes. Mr. Geyer seconded. A vote was taken and all members voted in the affirmative. The minutes were approved as presented.

BUSTR Report:

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

Mr. Hills reported a field inspector that had been on leave for approximately eight months had recently returned to light duty service. He said the inspector has been able to perform some necessary re-inspections of underground storage tank (UST) facilities, and added that having the inspector return to work has been very beneficial to the Bureau given two inspector positions were lost as a result of budget cuts.

Mr. Hills said a third responsible party search program is underway, and about half of the 200 petroleum UST release sites being researched through the program had been distributed to the vendors. This program is used to identify UST owners and operators that are responsible for the investigation and cleanup of petroleum releases from USTs.

Mr. Hills said the State Fire Marshal and Ohio Environmental Protection Agency (OEPA) are working with the Department of Development to create guidelines for the use of \$20 million for the potential cleanup of Class C release sites. He explained that BUSTR determines a site to be a Class C site when a release from a petroleum UST system has been confirmed, and there is no viable owner to undertake or complete the necessary corrective actions.

Mr. Hills reported that grant monies were available for improvements to the OTTER (Ohio Tank Tracking & Environmental Regulations) database. He said the upgrade project is in an expedited bidding process with the Department of Administrative Services as the money is to be expended before June 30, 2016.

Mr. Hills said BUSTR's field inspector supervisors are providing installer refresher courses and other training at classes and workshops. He added that certified installer and certified inspector courses will be held at the State Fire Marshal Academy in the first and last weeks of February 2016.

Mr. Hills reported for the week ending November 9, 2015, there were 54 new inspections performed for a total of 6,435 inspections for the three-year inspection cycle ending June 30, 2016. He noted that about 910 inspections are to be completed by June 30, 2016, and the inspectors are on track to meet the deadline. He said that seven NFAs (no further actions) were generated during this same time period for a total of 46 for the grant cycle ending September 30, 2016.

Mr. Hills stated that, as of November 9, 2015, there were 21,742 registered USTs and 3,676 owners of 7,381 registered facilities. He said since the origination of the BUSTR program, the number of NFAs issued is just under 29,000.

Mr. Hills briefly summarized BUSTR's plans to address the regulatory changes made to the federal UST rules which were released by the U.S. EPA in June of 2015. He explained that BUSTR's personnel are working diligently to review and interpret the intent of the federal rule revisions in order to identify which regulatory changes may require amendments to the State Fire Marshal's administrative rules. He said following the staff's evaluation, a plan will be developed, and any draft rule amendments will be made available to stakeholders for public comment. He said the goal is to update both the release prevention and corrective action rules together, and to file any necessary amendments at the same time.

Chairman Rocco pointed out that because certain provisions of the federal rules became effective on October 13, 2015, tank owners and operators must now comply with both the new federal rules and State Fire Marshal's rules, whichever is more stringent. He said until BUSTR is able to address the differences, it will be a real challenge as there is likely to be some confusion of whether it is appropriate to follow the federal or Ohio rules. Vice-chairman Hull questioned whether a tank owner would be considered to be in compliance by the Board if it only maintained compliance with the State Fire Marshal's rules. Chairman Rocco responded saying his interpretation is that the owner would be considered compliant, because the Board's rules specifically refer only to Ohio statutes and Ohio rules.

Financial Report:

Chairman Rocco called upon Don Leasor, Chief Fiscal Officer, to present the financial reports.

Audit Update

Mr. Leasor said the auditors from Kennedy Cottrell Richards completed their in-house portion of the audit in October, and the goal was to present the audited financial statements at the meeting in order to meet the Auditor of State's December 31, 2015 submission deadline. However, a new standard from the Governmental Accounting Standards Board was implemented which requires significant changes to the financial reporting of net pension liability in the statements, and additional time was needed for its preparation. He said the Auditor of State approved a request to extend the filing deadline to January 29, 2016, and it is expected that the audit will be presented at the January Board meeting. He noted that Kennedy Cottrell Richards would be providing additional services that were outside the scope of the audit in order to address the requirements of the new accounting standard.

August and September Financials

Mr. Leasor said the August and September financials were emailed to each member. He asked if there were any questions or concerns regarding these reports, and there were none.

Mr. Leasor reported that, as of November 17, 2015, the unobligated account balance is about \$24.7 million. He said this amount includes \$16.7 million in STAR Ohio (State Treasury Asset Reserve of Ohio) and the \$8 million invested in U.S. treasuries and U.S. agency callable bonds. He said the obligated account balance for the payment of claims is just under \$6.4 million.

Mr. Leasor said tank revenues would be discussed as part of his fee statement statistics report.

Mr. Leasor said the claims expense for September was approximately \$573,000, and to date, approximately \$2,619,000 had been paid for claims for fiscal year 2016.

Mr. Leasor reported that, as of September 30, 2015, we are one quarter into the fiscal year. He said operating expenses for September were approximately \$142,000. He pointed out that, as of September 30, 2015, postage expenses were 60% of the amount budgeted. He said this was due to postage fees for the final quarter of fiscal year 2015 being paid in July of fiscal year 2016. He said these charges include fees for the annual fee statement mailing which is sent by certified mail.

Mr. Leasor said expenses for office supplies were 33% of the amount budgeted. He noted that the remaining costs of the chairs that were purchased for the Board room had been paid in the month of September, and that new guest chairs would be purchased in the near future.

Mr. Leasor reported that depreciation expenses were 30% of the amount budgeted due to several items becoming fully depreciated during the first half of the fiscal year. This accounts for depreciation expenses of approximately \$590 per month, and therefore, monthly depreciation expense is expected to decline in the coming months.

Mr. Leasor pointed out that some of the expenses were below the amounts anticipated for the end of the first quarter of the fiscal year, including printing and copying which is historically low in the first quarter, but will increase with the publication of the newsletter. He added that the majority of the printing costs are incurred in the fourth quarter as a result of the printing of the annual fee assessment statements.

Mr. Leasor stated the legal and professional line item is below the anticipated amount. However, this will increase when the first quarter costs associated with the Assistant Attorney General and auditing services are invoiced. He said there has been minimal travel for legal related matters during the first quarter, which resulted in travel expenses also being below budget. He said the telephone expense was below budget due to September's invoice being paid in October.

Mr. Leasor said all other expenses are where they should be at this time in the fiscal year.

Fee Statement Statistics

Mr. Leasor said, as of November 17, 2015, the per-tank fees collected were approximately \$9.3 million, which represents 97% of the billed amount. He said between July 1, 2015 and November 17, 2015, \$202,000 was collected for prior years' fees, net of refunds of \$35,000.

Mr. Leasor said for the 2015 program year, 15,700 tanks were billed at the standard deductible (\$55,000) per-tank fee and about 5,500 tanks were billed at the reduced deductible (\$11,000) per-tank

fee. Mr. Leasor said, as of November 17, 2015, the fees have been paid at the standard deductible rate for just over 14,700 tanks and at the reduced deductible rate for about 5,600 tanks. He said fees for a total of 20,375 tanks have been paid by 3,197 owners. He said this compares to fees being paid for 20,400 tanks by 3,199 owners for the same period of time in the prior year.

Mr. Leasor said for the program year ended June 30, 2015, fees have been paid for a total of 20,770 tanks by 3,283 owners.

Mr. Leasor said the \$9.5 million collected to date represents 100% of the \$9.5 million budgeted for the current 2015 program year. He said similarly, so far for program year 2015, fees have been received for 100% of the 20,350 tanks budgeted. Chairman Rocco said the percentage of tanks paid is likely the highest it has ever been at this time in the program year. Mr. Leasor agreed and explained that the budget had been built with the anticipation that 250 fewer tanks would be paid in comparison to the prior program year. He said that we did not experience the anticipated reduction in the number of tanks, which is the primary reason for the high percentage of tanks paid.

Compliance and Fee Assessment Report:

Chairman Rocco called on Madelin Esquivel, Assistant Director, to present the compliance and fee assessment report.

Ms. Esquivel reported as of October 31, 2015, refunds totaling \$34,120 have been paid to 36 owners for the 2015 program year, which began July 1, 2015. She said a total of \$31,515 was used to offset prior years' outstanding fees. She said the combined amounts total \$65,635, which represents 29% of the \$225,000 refund goal set for the 2015 program year.

Ms. Esquivel said, as of October 31, 2015, a net total of \$81,386 had been collected by the Attorney General's Office and Special Counsel.

Ms. Esquivel said, as of October 31, 2015, 125 accounts totaling \$394,370 have been certified to the Attorney General's Office for collection. She said that this amount represents outstanding prior years' fees that were identified as a result of account reconciliations. She said the next certification will occur in January 2016 and will include any unpaid 2015 program year's fees.

Ms. Esquivel said 10 Orders Pursuant to Law and two Determinations to Deny a Certificate of Coverage are under appeal. She said one hearing is scheduled, and all other appeals are under review.

Ms. Esquivel said that three Ability to Pay Applications are 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. Esquivel reported that Applications for Certificates of Coverage were mailed to 3,418 owners for program year 2015. She said 2,923 Certificates of Coverage had been issued thus far for program year 2015. She said there are 282 Applications for Certificates of Coverage currently in process. She said Notices of Pending Denial had been issued to 28 owners for the applications for which deficiencies

were identified. She noted, as of October 31, 2015, no Determinations to Deny a Certificate of Coverage had been issued for the 2015 program year.

Ms. Esquivel stated that there are 59 uncashed refund checks that total \$49,307. She said there is \$29,940 in refunds pending for 25 owners from whom more information has been requested.

Vice-Chairman Hull asked whether the financial projections that are used for establishing the annual fee amounts and building the budgets account for the \$1.3 million of pending refunds and the outstanding unpaid fees that have been certified to the Attorney General's Office for collection. Mr. Leasor responded explaining that the financial projections account for an estimate of prior years' tank fees that are anticipated to be received. In addition, the anticipated tank fee revenue is decreased by the amount of refunds that are expected to be paid annually.

Claims Report:

Chairman Rocco called on Cindy Duann, Claims Supervisor, to present the claims report.

Ms. Duann said, as of November 2, 2015, the total maximum liability of in-house open claims is \$30.2 million. She said using the historical claim payout ratio of 75%, the actual anticipated claim liability of unpaid in-house claims is about \$22.7 million.

Ms. Duann reported that, as of November 2, 2015, a total of 2,337 Fund eligible sites had received no further action status with an average cleanup cost of \$130,600 per site. She pointed out that 19% of these sites were cleaned up exclusively under BUSTR's risk based corrective action (RBCA) rules and had an average cleanup cost of about \$72,350 per site.

Ms. Duann said, as of November 2, 2015, a total of 1,557 claims with a total face value above the deductible amount were pending review. She said during the previous two months 38 requests for more information were issued in order to obtain documentation necessary to review and settle the claims. She said this is a much higher number of requests for more information in comparison to previous months, and may be a result of claims being submitted by new consultant personnel who are unfamiliar with the Board's claim documentation requirements.

Ms. Duann reported that 13 claim settlement determinations were under appeal, and in general, the number of claims settlements that are being appealed has been decreasing.

Ms. Duann reported that during the last four months, 290 claim applications were received and 313 claims were either settled or closed. She said the average claim payout ratio has remained at about 76.8% of the net value. She said similarly, the average of claimed costs that are disallowed remains at 18% of the face value.

Ms. Duann said that on average, claims are being reviewed and settled within eight to nine months of being received. Chairman Rocco said the staff has made considerable progress in processing claims at a faster rate, and this represents a fairly substantial reduction to the timeframe for which claim submissions are settled. Mr. Hightower asked if an optimum timeframe for claims to be settled has been established, and whether the wait time could be reduced to five or six months. Ms. Duann

responded explaining that certain uncontrollable factors including the number of claims being submitted and the quality of the claim submissions greatly affect the average wait time. She said the submission of incomplete claims for which missing or additional information must be requested considerably slows down the review process. She noted that for owners that have been granted hardship status, the claims are being settled within one month.

Ms. Duann said that during the last four months, 21 eligibility applications were received and that 30 eligibility determinations were issued. She highlighted that an unusually high number of 14 applications were submitted in the month of August, and a record high number of 13 determinations were issued in the month of October. She said five determinations were for older applications with difficult issues that were denied. She said, as of November 2, 2015, nine applications were pending review, and three determinations to deny eligibility were under appeal.

Ms. Duann said there is a typographical error on the Cost Pre-Approval Statistics Report, and it should be dated November 2, 2015, rather than October 1, 2015. Ms. Duann said, as of November 2, 2015, a total of 43 requests for cost pre-approval had been received in the 2015 program year, and 50 cost pre-approval notifications were issued. There are 30 cost preapproval requests currently pending review. She said the trend is that fewer requests for cost pre-approval are being received in comparison to previous years.

Mr. Hills questioned why the average claim payout for the above and below deductible sites is only about \$23,000, when the average clean-up cost is about \$72,350 per site. Ms. Duann explained that the majority of the amount the Fund does not pay is attributed to the deductible (\$55,000) and reduced deductible (\$11,000). In addition, the tank owner is responsible for any disallowed costs such as late filed costs and claimed costs not associated with corrective actions.

Finance Committee Report:

Chairman Rocco said that prior to the Board meeting the Finance Committee met to review the Fund's five-year financial projections and to discuss the annual per-tank fee and deductible amounts for the upcoming program year. He said that as a result of these discussions, the committee recommended to the Board that no change to the per-tank fee or deductible amounts be implemented for program year 2016. He noted that as a result of the fee decreases in program years 2014 and 2015, the Fund's operating revenues have decreased by about \$4 million annually, and looking into the future it is anticipated that revenues will become less than expected expense projections which will result in a reduction to the unobligated balance.

Chairman Rocco said the committee will monitor how regulatory changes resulting from the new U.S. Environmental Protection Agency (U.S. EPA) rules and any new BUSTR rules might affect the Fund's long-term liability, and they will review the fee and deductible structure again next year to determine whether changes are needed. He asked if there were any questions concerning the recommendation, and there were none.

Chairman Rocco reported that about \$16 million of unobligated monies is currently held in the STAR Ohio account, and the committee discussed investing additional monies outside of STAR Ohio since it would likely yield higher returns. He reminded members that the Board invested \$8 million from the

unobligated STAR Ohio account into U.S. treasuries and U.S. agency callable bonds, and these investments are laddered over a three-year period so that a portion of the investments mature annually.

Chairman Rocco said the committee has asked the State Treasurer's Office to work with the Board's Executive Director and Chief Fiscal Officer to come up with a new comprehensive investment strategy to maximize yields and to present a recommendation at the January Board meeting.

Hardship Applications

Chairman Rocco called upon Ms. Richmond to present the hardship applications.

Ms. Richmond stated 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 acceleration of the review of the claims submitted by the owner. Ms. Richmond noted that granting hardship status does not increase the amount of reimbursement to the tank owner. She stated by accelerating the review of the claim, it reduces the financial burden the owner would experience if the claims were reviewed and settled in the normal course of business. She said, once granted, the hardship status remains in effect for a one-year period and at that time, the owner may reapply for hardship status.

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

Claim # 10574-0001/05/28/15, Owner – Thomas Brewster

Ms. Richmond said Thomas Brewster is the responsible person for a 2015 release that occurred at 1937 Tennyson Road in Piketon, Ohio, and the release was discovered during the removal and replacement of USTs at the facility. She said this is his first request for hardship status.

Ms. Richmond said the corrective action work expected to be conducted over the next year is estimated to cost \$30,000.

Ms. Richmond said that based on the information provided in the hardship application, Mr. Brewster's income from the facility and social security is \$45,000 annually, which only slightly exceeds his household living expenses of \$42,000. She noted the properties listed on the application include two farms with survivorship deeds that are now operated by his sons, and he receives no income from these properties. She said other properties are adjacent to the facility and include a restaurant, which closed over a decade ago, and a storage facility, from which he receives \$1,400 annually. She said at the time the application was completed, Mr. Brewster report cash savings of \$100,000. However, he used a large portion of his savings to pay the cost to replace the UST systems.

Ms. Richmond said the U.S. EPA model indicates he could afford corrective action costs of approximately \$8,300, however this is only 28% of the anticipated costs for the next year, and therefore recommended the Board approve the application and grant hardship status to Mr. Brewster. Mr. Bryant so moved and Ms. Hilvert seconded.

Mr. Stephenson commented that although the model indicates the corrective action work could not be afforded, it is likely that financing is accessible given the considerable expense to replace the UST system. Vice-Chairman Hull added that he had an issue with the applicant foregoing potential income by charging no rent to his sons for the use of the farm properties. Ms. Richmond said she raised similar concerns during the review of the application, and spoke extensively with the Chief Fiscal Officer and Chairman Rocco whether to recommend granting hardship status. She explained that in order to be consistent, a decision was made to apply the same review standards that have historically been used to test the financial capacity of the responsible person's ability to pay the cleanup costs. However, the Finance Committee would discuss the hardship program at its January meeting, and look at the standards used to evaluate the need for hardship status. She said any recommended changes may result in certain applications being denied in the future. Mr. Stephenson and Vice-Chairman Hull were agreeable with this approach.

Chairman Rocco asked if there was any further discussion concerning the application, and there was none. A vote was taken to grant hardship status and all members voted in the affirmative. The motion passed.

Claim # 18752-0001/06/11/08, Owner – Charles Hanrahan

Ms. Richmond said that Charles Hanrahan is the responsible person for a 2008 release that occurred at 3718 Lawrenceville Drive in Springfield, Ohio. She said this is his sixth request for hardship status.

Ms. Richmond said to date, the Fund has reimbursed about \$400,000 to cleanup this release, and one claim with a face value of \$59,000 is pending review. She noted that based on the information provided in the hardship application, the estimated cost of corrective actions for the next year is \$130,000.

Ms. Richmond said the tanks were removed in June of 2008, and soil tests performed at the time of removal revealed contamination at the site. She noted that Mr. Hanrahan currently leases the facility to an automotive repair shop for \$600 per month. She said Mr. Hanrahan's household income is \$67,000, which exceeds his living expenses and debt payments by \$20,000 per year.

Ms. Richmond said that earlier this year, Mr. Hanrahan sold a property increasing his cash on-hand. However, the proceeds he received from the sale are insufficient to cover the anticipated corrective action costs. Further, the U.S. EPA model indicates he can only afford additional costs of \$13,000, which, again, is insignificant in comparison to the anticipated costs of \$130,000. She recommended the Board approve the application and grant hardship status to Mr. Hanrahan. Vice-Chairman Hull so moved and Mr. Geyer seconded. A vote was taken and all members voted in the affirmative. The motion passed.

Claim # 19104-0001/10/30/14 Owner – American United Oil Inc.

Ms. Richmond said American United Oil Inc. is the responsible party for a 2014 release that occurred at 342 East Main Street in Ashland, Ohio. She said, as an owner of 50% of American United Oil Inc., Steve Najar is requesting the Board grant hardship status to American United Oil Inc. She said this is the first request for hardship status.

Ms. Richmond said American United Oil Inc. currently has seven unsettled claims in-house with a face value of \$157,000. Additionally, the cost of corrective action work expected to take place over the next

twelve months is \$80,000. She said the corporation's net income is \$30,000 annually, which is 37% of the anticipated costs for the next year. Based on the information provided in the hardship application, the U.S. EPA financial model for corporations, known as ABEL, estimates a less than 50% probability the corporation can afford \$80,000 in corrective actions costs.

Ms. Richmond recommended the Board approve the application and grant hardship status to American United Oil Inc. Vice-Chairman Hull so moved and Mr. Stephenson seconded. A vote was taken and all members voted in the affirmative. The motion passed.

Claim # 21011-0001/04/21/09, Owner – New Vulco Manufacturing & Sales Co. II, LLC

Ms. Richmond said New Vulco Manufacturing and Sales Co. II, LLC is the responsible person for a 2008 petroleum release that occurred at 298 West Main Street in Lynchburg, Ohio. She said, as a member of the LLC, Kurt Maurer submitted the hardship application requesting the Board grant hardship status to New Vulco. She said this is its second request for hardship status.

Ms. Richmond said to date, the Fund has reimbursed \$23,500 for the costs of corrective action for this release, and the corrective action work expected to be conducted over the next year is estimated to cost \$75,000.

Ms. Richmond said the tanks were removed in April of 2009 and the business was closed at that time. She noted that New Vulco has not generated any income since that time, and it has been unable to find a party interested in purchasing the property. She said the company has no revenue or other assets, and the only available source of funding is another corporation owned by the members of the LLC. She explained that each is a separate legal entity, and only the income and assets of the corporation submitting the hardship application may be used as part of the review of the hardship application.

Ms. Richmond said based upon the information provided in the hardship application, the ABEL model estimates a probability of less than 50% that New Vulco could afford \$75,000 in corrective action costs.

Ms. Richmond recommended the Board approve the application and grant hardship status to New Vulco. Vice-Chairman Hull so moved and Mr. Bryant seconded. A vote was taken and all members voted in the affirmative. The motion passed.

Claim # 22239-0001/08/03/15 – Harjasneet, LLC

Ms. Richmond said Harjasneet, LLC is the responsible party for a 2015 release that occurred at 4871 Dixie Highway in Fairfield, Ohio. She said, as a member of the LLC, Harmit Singh is requesting the Board grant hardship status to the LLC, and this is its first request for hardship status.

Ms. Richmond said in August of 2015 the USTs at the facility were destroyed by a lightning strike and were subsequently removed. She said the corrective action work expected to be conducted over the next year is estimated to cost \$220,000, of which \$108,000 has already been incurred.

Ms. Richmond stated that Harjasneet, LLC's only source of revenue is the rent paid by the operator of the facility, Nekleen Inc. She noted that Mr. Singh is also one of the owners of Nekleen Inc. However,

each LLC is a separate legal entity, and only the income and assets of the entity eligible to submit claims may be used as part of the review of the hardship application.

Ms. Richmond said based upon the information provided in the hardship application and the U.S. EPA financial capacity test, the ABEL model estimates a probability of less than 50% that Harjasneet, LLC could afford \$220,000 in corrective action costs.

Ms. Richmond recommended the Board approve the application and grant hardship status to Harjasneet, LLC. Vice-Chairman Hull so moved and Mr. Stephenson seconded. A vote was taken and all members voted in the affirmative. The motion passed.

Certificates of Coverage – Ratifications:

Chairman Rocco called upon Ms. Richmond to present the lists of owners who have either been issued or denied a Certificate of Coverage for ratification by the Board.

Ms. Richmond said the lists behind Tabs 8 and 9 are listings of facilities that, since the November Board meeting, had been issued or denied a program year 2014 or 2015 Certificate of Coverage.

Ms. Richmond 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 underground storage tanks. She said if these requirements are met 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, then a Certificate of Coverage is issued.

Ms. Richmond explained that if deficiencies or compliance issues are identified, notice is provided to the owner in accordance with the Board's rules. The owner is provided 30 days to respond to the notice with information to correct the deficiency or compliance issue. If correcting information is not received within this time, a determination denying the Certificate of Coverage is issued to the owner.

She said the Board's rules and the Revised Code make provisions for an appeal of the determination. Ms. Richmond said that throughout this process, the Board's staff works with the owner to correct the fee statement record and if necessary, refers the owner to BUSTR to correct the registration record.

Ms. Richmond requested the Board ratify her actions with respect to the issuance of the 2014 program year Certificates of Coverage for the eight facilities included on the list behind Tab 8.

Mr. Hightower moved to ratify the issuance of the 2014 Certificates of Coverage for the facilities listed. Mr. Bryant seconded. A vote was taken and all of the members were in favor. The motion passed.

Ms. Richmond requested the Board ratify her actions with respect to the denial of the 2014 program year Certificates of Coverage for the 16 facilities included on the list behind the Tab 8 green divider page.

Mr. Hightower moved to ratify the denial of the 2014 Certificates of Coverage that were listed. Mr. Bryant seconded. A vote was taken and all of the members were in favor. The motion passed.

Ms. Richmond requested the Board ratify her actions with respect to the issuance of the 2015 program year Certificates of Coverage for the 88 owners of 552 facilities included on the list behind Tab 9.

Mr. Geyer moved to ratify the issuance of the 2015 Certificates of Coverage for the facilities listed. Mr. Fleming seconded. A vote was taken and all of the members were in favor. The motion passed.

Ms. Richmond requested the Board ratify her actions with respect to the denial of the 2015 program year Certificate of Coverage for the facility listed behind the Tab 9 green divider page.

Mr. Bryant moved to ratify the denial of the 2015 Certificate of Coverage that was listed. Mr. Hightower seconded. A vote was taken and all of the members were in favor. The motion passed.

Executive Session:

Chairman Rocco requested a motion to enter into executive session with counsel pursuant to Ohio Revised Code 121.22(G)(3) to discuss matters of pending or imminent court action. Mr. Hills so moved. Vice-Chairman Hull seconded. Chairman Rocco called for a roll call. The following members voted in the affirmative: Ms. Hilvert and Messrs. Bryant, Fleming, Geyer, Hightower, Hills, Hull, Ochmanek, Stephenson and Rocco. There were no nays. The motion passed.

Prior to moving into executive session, Chairman Rocco and Mr. Fleming requested to be recused from the executive session. Chairman Rocco turned the meeting over to Vice-Chairman Hull.

Reconvene Meeting

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

Confirm Next Meeting and Adjourn:

Chairman Rocco stated that the next Board meeting will be held on Wednesday, January 13, 2016, at 10:00 a.m. The Finance Committee will be meeting at 9:00 a.m. prior to the Board meeting.

Chairman Rocco said given the decision to make no changes to the fee or deductible amounts for program year 2016, the meeting that had been tentatively scheduled for February 10, 2016, would not be necessary.

Mr. Bryant made a motion to adjourn the meeting and Mr. Hightower seconded. All were in favor.