

Meeting with the UST Fund Program Sunset Working Group

Thursday, May 15, 2014

12:00 – 3:30 PM

Petroleum Marketer's and Convenience Stores of Iowa (PMCI) offices

10430 New York Avenue, Urbandale IA

Attendees:

Dale Cira	Aon	Fund Administrator
James Gastineau	Aon	Fund Deputy Administrator
David Steward	IA Attorney General's Office	
Jill Reams- Widder	Casey's	
Anita Maher-Lewis	PMCI	
Steve Reinders	Cunningham Lindsey	
Tom Norris	PMMIC	
Darren Binning	Seneca	
Joe Barry	IA Dept of Management	Fund Board Member
Elaine Douskey	IDNR	
Randy Meyer	Kum & Go	
Jeff Hove	PMCI	
Eldon Meyers	K&H Cooperative	
Jeff Robinson	LSA	Fund Board Member
Dawn Carlson	PMCI	Fund Board Member
Doug Beech	Casey's	Fund Board Member
Jennifer Likes	PMIC	
Darren Fife	Barker Lemar	
Brian Wiegert	PMMIC	
Mark Cobb	Cobb Oil Company	

The second working group of stakeholders was held to follow-up on the initial meeting held April 24th to build on options identified and discussed at that time. Those four options included:

1. Maintain the Fund/ Board until all claims are complete;
2. Conduct Individual settlements with claimants prior to Sunset Date;
3. Establish Loss portfolio transfer (LPT) option involving all remaining claimants, and
4. Transfer Fund to DNR (or other State Agency)

The focus of this session was to revisit the original objectives of the Fund and to identify the key objectives of the Fund Program that should be considered after the 2016 sunset date. To accomplish this, we queried the attendees for their objectives. Each objective was then "weighted" as to its importance to the mission of the Fund. By consensus, and with applied weight factors, those objectives were:

1. Achieve NFA/Regulatory Closure of Sites (weight factor: 5)
2. Achieve Program Claim Closure (weight factor: 5)

3. Respond to and Fund New Identified Site/Re-Opener Coverage (weight factor: 5)
4. Meet the Sunset Date of June 30, 2016 (weight factor 5)
5. Provide funding resource for Tank Removals (weight factor 4)
6. Provide funding resource for Eminent Domain (weight factor 4)
7. Provide funding for Operator Training (weight factor 3)

One of the original and ongoing objectives of the Fund was identified as “Maintaining Rural Petroleum Retail Infrastructure”. This objective was a topic for considered debate and discussion. Certain stakeholders felt it to be critical to be included in any discussion of the Fund beyond 2016 and that there is great value in ensuring that the rural retail system can be competitive and technologically up to date. Others felt these objectives were better met through alternative resources and programs. This particular topic was not included in the ranking at this time because it was considered to be the purview of the Iowa legislature to determine.

Each of these objectives was ranked for each of the four options listed above as its ability to meet the stated objective. Each objective was assigned a value from 5 to 1; with “5” indicating highly likely to achieve the objective to “1” indicating no ability to achieve the objective. The total score was tabulated and the highest collect score indicated the option most likely to achieve the overall objectives identified. See the table below.

Based on this assessment, the ideal options that best meet the objectives of the stakeholders appear to be to either: #1 Maintain the Fund Until All Claims are Settled, or #4 Transfer the Fund to the IDNR or other State Agency to Administer. However, neither of these options achieves the goal of meeting the sunset date. Therefore, a realistic option will likely be a mix of individual claim settlements, loss portfolio transfer and return responsibility for remaining claims to the IDNR or State for ultimate resolution.

Next Steps:

A final meeting will be held the first two weeks of June – exact date to be determined. This next meeting will focus on further identifying the specific benefits, impacts and challenges associated with each option with the goal of presenting the best options to move forward.

MEETING NOTES | 2nd Meeting of Iowa UST Sunset Working Group

Sidebar – Actions needed to reduce final claim count

- Changes are needed within IDNR to renew urgency and process claims
- Rule changes are likely needed to provide IDNR and others more authority and teeth to enforce, gain access, push for closure
- Site access authority by IDNR (process change to existing structure).
- Board should be aggressive with innovation and/or quick closure opportunities
- More transparency from the Fund Admin re: remediation proposals and approval/denial of suggested plans
- Tank dedicated resources by IDNR
 - could be improved, restructured
- Forfeiture of Eligibility
 - Push owners/claimants to take action
- Spend More money on site activity and closure
 - Claim Processing to Closure
- Need to see a renewed urgency from all stakeholders, particularly IDNR

Options for Further Consideration:

- Continue to Operate Fund (until all outstanding claims are paid)
- Settle Claims with Existing Claimants ahead of Sunset Date
- Loss/Claim Portfolio Transfer (all or selected)
- Transfer Fund to DNR or other State Agency

Objectives for Post- Sunset Program

- Initially Meet FR Requirements mandated by EPA (since transitioned to private insurance; i.e., PMMIC)
- Achieve NFA Closure for Remaining Outstanding Claims
- Achieve Claim Closure as determined by the Fund
- Maintain Rural Retail Infrastructure and Availability
- Funding Resource for Operator Training
- Funding Resource for tanks/line/system upgrades (fuels, materials)
- Funding Resource for Tank pulls
- Funding source for eminent domain by counties/municipalities
- New Sites /Reopeners Coverage
- Meet 2016 Sunset Provision

Matrix for Selecting Post Sunset Options					
Weight	Objective	#1	#2	#3	#4
5	Achieve NFA Closure	5	1	3	4
5	Claim Closure	5	5	5	5
Legislature	Maintain rural Retail Avail				
3	Resource for OPR Training	5	1	1	5
Legislature	Resource for upgrade tanks				
Legislature	Resource for technology (tank /lines)				
4	Resource for Tank pull	5	1	1	5
4	Funding source for eminent domain	5	1	1	5
5	New Sites /Reopeners	5	1	1	5
5	Meet 2016 Sunset Provision	1	5	5	5
Total Score		135	71	81	150