

Petroleum Tank Release Compensation Board

Meeting Minutes

Date: July 13, 2022
Location: Summit Conference Room, Golden Rule Building, 85 – 7th Place East, St. Paul, Minnesota
Participants could also attend remotely in accordance with Minn. Stat. §13D.021.

Board Members

Present

- Chair Vern Kelley, Petroleum industry representative
- Jeanne Hankerson, Experience in claims adjustment representative
- Julie Quinn, Public member representative
- Sarah Larsen, Commissioner of the Minnesota Pollution Control Agency (MPCA) delegate
- Vice-Chair Jan Ludwigson, Commissioner of the Minnesota Department of Commerce (Commerce) delegate

Call to Order

Mr. Kelley called the meeting to order at 10:00 a.m.

Ms. Ludwigson announced that she would be retiring from Commerce in September, so the Board's regular meeting in September would be her last serving as the Commerce Commissioner's delegate.

Ms. Hankerson announced that she would not be reapplying to serve as the experience in claims adjustment representative on the Board when her term ends on January 2, 2023. Ms. Hankerson indicated that she had agreed to continue serving on the Board until a new representative has been named by the Governor's Office, as allowed by the laws governing state boards.

Approval of the May 11, 2022 Board Regular Meeting Minutes

Ms. Ludwigson moved, Ms. Quinn seconded, to approve the May 11, 2022 Board regular meeting minutes. The motion passed 5-0.

Minnesota Pollution Control Agency Staff Report and Fund-Financed Summary Report

MPCA Program Administrator Amy Miller reported that the MPCA was reviewing reports within its 120-day statutory requirement, with five exceptions since the last Board meeting. Ms. Miller noted that all five were being overseen by a single staff person and the issue was being addressed by Petroleum Remediation Program (PRP) leadership.

Ms. Miller announced that the PRP's liaison to the Petrofund Program at Commerce, Rachel Kennedy, was leaving the program.

Ms. Miller explained that PRP was being reorganized from three units to two units, with the third unit splitting off into a section focused on brownfields. Ms. Miller noted that the brownfields unit would still be using PRP's guidance documents. Ms. Larsen noted that some brownfields unit staff were transferred to the two remaining PRP units and that some of the staff in the brownfields unit would still be working on leaksite projects.

Ms. Miller reported that PRP had written a total of \$5,280,879 in work orders and invoiced a total of \$2,551,543 for fund-financed work during fiscal year (FY) 2022. Ms. Miller reported that the Emergency Response Unit (ERU) had written a total of \$290,865 in work orders and invoiced a total of \$233,768 for fund-financed work during FY2022. Ms. Miller reported that PRP had written a total of \$1,131,890 in work orders for fund-financed work during fiscal year FY2023, to date. Ms. Miller reported that ERU had written a total of \$656,000 in work orders for fund-financed work during FY2023, to date.

Ms. Quinn moved, Ms. Ludwigson seconded, to approve the MPCA staff report and fund-financed summary report. The motion passed 5-0.

Minnesota Department of Commerce Staff Report and Fund Report

Mr. Fischer notified the Board that Petrofund staff was reviewing initial and supplemental reimbursement applications within 60 and 120 days, respectively, as required by statute. Mr. Fischer noted that as of the date of the Board meeting, initial applications were being reviewed within 45 days of their receipt and supplemental applications were being reviewed within 107 days of their receipt.

Mr. Fischer reported that the following number of applications had been received since his last report to the Board: 15 in May; and 18 in June. Mr. Fischer indicated that a total of \$2,379,126.30 in claims had been approved during FY2022 and that \$86,799.71 in claims had been approved for payment in FY2023, to date.

Mr. Fischer advised the Board that it needed to select its regular meeting dates for calendar year 2023. Mr. Kelley moved, Ms. Quinn seconded, to approve the following schedule: January 11; March 8; May 10; July 12; September 13; and November 8. The motion passed 5-0.

Mr. Fischer asked the Board to consider rescheduling its September 14, 2022 regular meeting to a week earlier. Mr. Fischer noted that the National Tanks Conference was occurring from September 13 - 15, limiting the ability of Commerce and MPCA staff to attend the Board meeting. Ms. Ludwigson moved, Ms. Larsen seconded, to reschedule the Board's regular meeting from Wednesday, September 14 to Wednesday, September 7. The motion passed 5-0.

Mr. Fischer noted that at the Board's May 11, 2022 meeting, Ms. Hankerson asked for descriptions of the cost recovery efforts that had been made, to date, related to the Former Crane Lake Resort and John's Service fund-finance projects. Petrofund Cost Recovery Coordinator Kelly Kangas explained that in the Former Crane Lake Resort case, an environmental lien was filed and subsequently paid off. Ms. Kangas noted that the responsible person (RP) no longer owned the leaksite property, so the cost recovery file has been closed. Ms. Kangas explained that in the John's Service case, the RP had claimed at different times that they had a financial hardship and that they were not actually an RP. Ms. Kangas and Mr. Fischer noted that the cost recovery process had stalled during the transition from former staff to Ms. Kangas taking on those duties, but that staff would get the project back on track.

Mr. Fischer presented the Fund Report, informing the Board that the unencumbered balance of the Petrofund was \$14,504,944 and the cash balance was \$23,586,324. Mr. Fischer noted that the Petrofund fee imposed for the four-month period of February 1, 2022 to May 31, 2022 generated a total of \$23,775,513.

Ms. Hankerson moved, Ms. Quinn seconded, to approve the Commerce staff report and fund report. The motion passed 5-0.

Adjournment

Ms. Ludwigson moved, Ms. Quinn seconded, to adjourn the meeting. The motion passed 5-0. Mr. Kelley adjourned the meeting at 10:37 a.m.

Minutes prepared by: Joel Fischer, Petrofund Director