

News from PSTIF Board of Trustees meetings

Risk Management – Because fiberglass tanks manufactured prior to 1981 were not warranted to be compatible with ethanol blends, the Trustees recently authorized letters to insured tank owners storing ethanol-blended gasoline in such tanks. The letters encouraged owners to consider lining or replacing their tanks and informed them PSTIF insurance will no longer be available for such tanks after 2018.

Trustees also expressed concern about underground tanks that have been empty for 5+ years, noting DNR's regulations specify such tanks must be removed or properly closed in place. The Board directed staff not to issue insurance coverage for such tanks.

Fund Finances – An actuarial analysis presented at the Trustees' September meeting projected a cash balance in the Trust Fund of \$31 million on December 31, 2020. The

projections indicated if revenues cease on that date, as currently specified by state law, and there is no unusual increase in the number of claims filed before that date, \$66 million will be needed to pay claims runout after the "sunset date." The Trustees likely will consider next year whether to increase the transport load fee.

The Trustees' annual audit was also presented and contained a "clean" opinion. Both reports are available at <http://www.pstif.org>.

Cleanups – Trustees continue to monitor the number and pace of cleanups, urging their staff, the DNR, owners, and their consultants to work toward closing old claim files. The PSTIF Board has fewer open claim files than any time since 1995 – approximately 870 – but more than half are 10 years old or older.

Annual Loss Review

Each fall, we analyze leaks reported by insured UST and AST owners during the last fiscal year. Results again demonstrate the success Missouri tank owners and equipment vendors have had reducing the frequency and severity of leaks.

In the twelve months ending June 30, 2016, there were only twelve leaks from active USTs – four involved piping or flex connectors, two were dispensers, two involved the submersible pump head, and one tank leaked. Three were human-caused accidents. The majority of other claims were triggered when old UST systems were removed and "legacy pollution" was found.

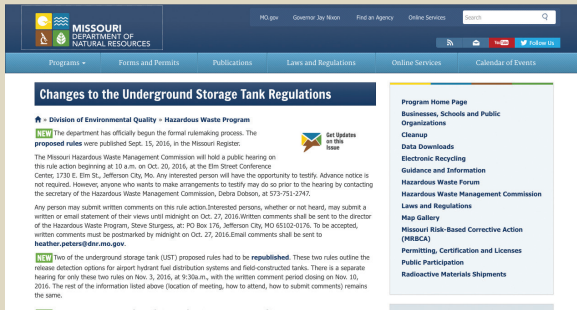
Only six claims involved releases from operating AST systems – all were piping leaks.

Considering the PSTIF insures nearly 10,000 tanks, many with multiple dispensers, every day of the year, this again documents how diligent our insured tank owners and their vendors are. Outstanding job!



UST Rule Changes

As planned, DNR published proposed changes to its UST rules in the September 15 *Missouri Register*. Comments were received through October 27. Final decisions on what the rules will contain will be made by the Hazardous Waste Management Commission on December 15. More information is available at <http://dnr.mo.gov/env/hwp/ustchanges.htm>.



Hooray!

Kudos to these Missourians who are maintaining the long tradition of service to our industry:



Mani Sundaram, Double Check Company, and **Pat Vuchetich**, Williams & Company Consulting, who were recently elected to serve on the Board of Directors of the Petroleum Equipment Institute.

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Latest Leaks is a newsletter of the Missouri Petroleum Storage Tank Insurance Fund.

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