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## MEMO

TO: PSTIF Board of Trustees

FROM: Kelley J. Ogletree, Executive Director

DATE: October 25, 2024

SUBJECT: PSTIF Open Session Board Meeting via Zoom/Conference Call on October 30, 2024 beginning at 9:00 a.m.

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### 2025 BOARD MEETING DATES

Tentative dates for next year's Board meetings are attached to this email. The usual meeting room at the Lewis & Clark State Office Building is available, as noted, in 2025 for PSTIF Board meetings if you so desire.

***Board Action: Determine Board meeting dates and location for 2025 Board meetings requested.***

### POTENTIAL LEGISLATION

There are a number of cleanups eligible for moneys from the PSTIF for which MoDNR has not identified a viable responsible party. The most common reasons for the absence of a viable responsible party is the death of the original participant or a determination of the responsible party's inability to pay for the cleanup (including the cost of a PSTIF deductible). When there is no viable responsible party, the cleanup cannot proceed and an NFA may never be obtained. These cleanups stay "on the books" unless MoDNR determines there is no unacceptable risk and administratively closes them, which is rare.

In an effort to facilitate a resolution to this issue, PSTIF staff recommends proposing legislation to authorize the Board of Trustees to contract with environmental service providers. If this legislation passes, the Board would then have the authority to directly contract with service providers to complete a cleanup. I would recommend that this be done only in situations where there is no viable responsible party and the current property owner requests the cleanup be done and voluntarily grants access.



**Petroleum Storage Tank Insurance Fund**

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The attached draft change to Section 319.129.10, RSMo, does the following:

1. Clarifies that the authority to hire or contract granted in this section is not specifically for the purpose of “fiduciary management” but for the Board’s broader purpose of “general administration and proper operation” of the fund.
2. Adds “geotechnical services and environmental services” to the list of persons the Board can hire or contract with.
3. Deletes the term “to defend third party claims” with regard to legal counsel that can be hired by the Board to clarify that the Board has the authority to hire legal counsel for a variety of purposes.

It is important to note that this statutory change is only the first step, which is for the Board to have the authority to directly hire environmental service providers. The specific circumstances under which the Board would exercise that authority would be outlined in regulation.

***Recommendation: That the Board of Trustees authorize PSTIF staff to seek the Governor’s approval of the proposed statutory change and identify sponsors to introduce legislation which would give the Board the authority to hire or contract with providers of geotechnical services and environmental services, as well as modify the statute to clarify the purpose of the authority granted in Section 319.129.10, RSMo.***

### **FY24 Financial Audit Report**

Armanino LLP has completed its audit report, which is attached to this email. A representative of Armanino will be online for this Board meeting to present their findings and answer questions.

***Board Action: Acceptance of the report and management letter is recommended.***

## ATTACHMENT

319.129.10. In order to carry out the ~~[fiduciary management]~~ **general administration and proper operation** of the fund, the board may select and employ, or may contract with, persons experienced in insurance underwriting, accounting, the servicing of claims and rate making, **geotechnical services, environmental services**, and legal counsel ~~[to defend third party claims,]~~ who shall serve at the board's pleasure. Invoices for such services shall be presented to the board in sufficient detail to allow a thorough review of the costs of such services.