

THE UST PIPELINE

News from the Petroleum UST Release Compensation Board

James R. Rocco, Chairman

Starr J. Richmond, Executive Director

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Board Approves Investment of Unobligated Funds



The Board has historically invested monies in the Fund in the State Treasury Asset Reserve of Ohio (STAR Ohio). STAR Ohio is a highly-rated public investment pool administered by the State Treasurer. However, over the past several years, the return on STAR Ohio investments has significantly decreased. This past year, the Board worked with the State Treasurer's office to come up with new investment strategies to maximize the return on monies held in the unobligated fund.

At its January meeting, the Board approved the investment of \$6 million of the unobligated fund – \$3 million in U.S. Treasury Bonds and an additional \$3 million in U.S. Agency Callable Bonds. The investments are planned to have maturities

laddered over a three-year period so that \$2 million of the investments will mature annually. Upon maturity, these funds will either be reinvested in similar investments or if needed to meet other obligations or expenses, returned to the unobligated fund.

By June 30, 2013, it's anticipated the Fund will have an unobligated balance of about \$16 million, which includes the invested monies. Since the Board annually obligates money for claim payments anticipated to be made in the coming year, \$9 million of this amount will be obligated on July 1, effectively reducing the unobligated balance to about \$7 million as the Board heads into the 2014 fiscal year.

GSA Reimbursement Rate Update

Effective October 1, 2012, the Fund's reimbursable mileage rate is based on the General Services Administration's (GSA) privately owned vehicle reimbursable mileage rate in effect at the time of travel; currently that rate is \$0.565 per mile. Mileage costs incurred prior to October 1, 2012 are reimbursed by the Fund at the rate in effect at the time of travel. View the GSA's mileage rates at www.gsa.gov/mileage.

In addition, the Fund's reimbursable lodging rates are based on the GSA's per diem rates. "Per diem" is the allowance for lodging (excluding taxes), meals and incidental expenses. GSA establishes per diem rates for destinations within the Continental United States. In Ohio, per diem rates are set for Akron, Canton, Cincinnati, Cleveland, Columbus, Dayton/Fairborn, Hamilton, Medina/Wooster, Mentor and Youngstown. A standard rate is set for all locations without specified rates. View the GSA's per diem rates at www.gsa.gov/perdiem.



Unclaimed Monies / Refunds Pending

The Board's staff identifies and tracks owners and operators who may be entitled to a refund of fees. If attempts to contact the owner are unsuccessful, the owner's name is added to an Unclaimed Monies / Refunds Pending List, which is included with this Newsletter. If you or someone you know is on this list, please contact Nicole Waits at 614-752-8963 or 800-224-4659 (Ohio only) for information on how to claim the refund. You may also check the list on the Board's website at www.petroboard.org/unclaimed.htm.

Long-time Board Employee Retires



Ellen Mitton retired effective December 28, 2012 after serving the Board for 12 years.

As the Administrative Coordinator, Ellen had been an integral part of the Board's staff. She served as the Board's secretary by preparing and distributing all documents for meetings, scheduling committee meetings and sending public notices. Ellen also acted as

the Board's officer for all matters related to ethics, public records, and employee benefits.

Ellen began her state service just three months after her high school graduation at the then-Department of Liquor Control. She spent the next 19 years "climbing the administrative ladder" at the Departments of Education, Transportation,

Highway Safety, and Development, the Ohio Senate, and the Office of the Lieutenant Governor. Eventually, Ellen went to the private sector, where she spent the next 10 years, eventually venturing to Tampa, Florida. She returned to Ohio in January 2000, and was assigned to the Board by a temporary services agency and, in April 2000, was hired as a permanent employee.

About her co-workers, Ellen said, "The fact that I have been with the Board for 12 years, I believe, speaks volumes for the class of professionals I have had the pleasure of working with. The memories and friendships made while here will keep me smiling for years! It also has been an honor to work with the appointed members of the Board and certainly a learning experience for me to have participated in 60 Board meetings."

In her retirement, Ellen plans to relax and read to her heart's content and to travel only as far as the library. She hopes to work on small projects around the house and spend time with her grandchildren, Emily and Andrew. The Board and its staff wish Ellen a long and happy retirement!

Board Welcomes Two New Employees

Britanya Poe joined the Board's staff as the Office Assistant. In this role, she is responsible for greeting visitors, fielding incoming phone calls and managing the incoming and outgoing mail. Prior to coming to the Board, Britanya worked for six years in the Lima City Schools' Special Education Department. She has also worked as a YMCA Group Fitness Instructor. Britanya received a Bachelor of Arts in English with an emphasis on Creative Writing from the University of Toledo and studied Special Education at Bowling Green State University.

Shalonda Lee joined the Board's staff in April as the Coverage Analyst. In this role, she is responsible for reviewing the Applications for Certificate of Coverage, recommending the issuance and denial of Certificates, and responding to owners' and operators' questions regarding coverage with the Fund. Prior to coming to the Board, Shalonda worked for Bureau Veritas Laboratories as a Quality Assurance Program Manager, where she managed consumer products quality and compliance testing. Shalonda graduated from Ohio State University with a Bachelor's of Science in Biology.

COC Applications/Annual Fee Statements Mailed

Annual Fee Assessment Statements were recently mailed to all tank owners listed in the Board's database. The completed fee statement and annual per-tank fees, which have remained at \$600 per tank for coverage at the standard \$55,000 deductible and \$800 per tank for coverage at the \$11,000 reduced deductible, are due by July 1, 2013.

BUSTR Out-of-Service Rule Update

The Bureau of Underground Storage Tanks Regulations' (BUSTR) 2012 rule changes included updates to Ohio Administrative Code 1301:7-9-12, also known as the Closure Rule, which establishes the requirements for underground storage tank (UST) systems that contain or have contained a regulated substance and that are out of service; have been closed in place or permanently removed; or have undergone a change in service or specific modifications of the system and related components.

One of the most notable changes to the Closure Rule is that a closure assessment is no longer required for tanks out of service for more than 12 months with an approved BUSTR permit extending the out-of-service period. In addition, a closure assessment is not required for tanks out of service for longer than the approved out-of-service period beyond 12 months with a BUSTR-approved variance. Be aware that BUSTR reviews each variance request on a case-by-case basis.

BUSTR's rules include three categories for out-of-service tanks: out of service for 90 days or less, out of service for more than 90 days and out of service for more than 12 months.

Out of Service for 90 Days or Less

When an operating tank system is taken out of service for 90 days or less, it is considered to be temporarily out of service. The fill line, gauge opening, and dispensing unit must be secured against tampering. Vent lines must remain open and functioning. BUSTR regulations, including the release detection requirements, continue to apply during the temporarily out-of-service period. Neither a closure assessment nor a permit is required for taking an UST system temporarily out of service for 90 days or less.

Out of Service for More Than 90 Days

If the tank system is out of service for more than 90 days, the tank system must be maintained by emptying all contents; leaving all vent lines open and functioning; capping and securing all lines, pumps, man-ways, and ancillary equipment; and obtaining an out-of-service permit and an inspection of the out-of-service tank system from the State Fire Marshal or a Certified Fire Safety Inspector with delegated authority.

Prior to the expiration of an out-of-service permit, a renewal of the permit may be requested by submitting a new permit application to the local fire agency with delegated authority or the State Fire Marshal. Neither a certified tank installer nor a certified inspector is required for the renewal of an out-of-service permit.

Out of Service for More Than 12 Months

If the tank system has been out of service for more than 12 months or more than the time period approved in the out-of-service permit or renewal permit, *one* of the following activities must be conducted:

- The tank system may be permanently removed, undergo a change in service, or be closed in place within 30 days of the permit's expiration date;
- An out-of-service renewal permit application may be submitted to BUSTR or the local delegated authority for approval. Note that the out-of-service renewal permit application will not automatically be approved. Instead the application will be reviewed and approved based on several factors, including, but not limited to, the reason an extension is being requested, the history of compliance with BUSTR's UST release prevention rules, input from local authorities and whether the site is within a sensitive area or drinking water source protection area; or
- The system may be placed back into service within 30 days of the permit's expiration date provided certain requirements, such as cathodic protection and passing tightness tests, are met.

As long as a petroleum storage tank remains underground, financial responsibility must be demonstrated by submitting the annual per-tank fees to the Board and maintaining a mechanism for the deductible amount of coverage with the Fund. Consequently, if the tank will not be placed back into service, it is to the responsible person's benefit to have it removed.

For more information about tank closures, contact BUSTR at 614-752-7938 or review BUSTR's 2012 Technical Guidance Manual at www.com.ohio.gov/fire/docs/fire_BUSTR_2012_TGM.pdf.

Board Member Update



Thomas G. Stephenson was recently re-appointed to the Board as a representative of petroleum marketers.

Mr. Stephenson is currently president and owner of Stephenson Oil Co., a marketer of Chevron and Marathon products located in Hamilton, Ohio. He has been the owner of Stephenson Oil since 1991. He was elected to the Ohio Petroleum Marketers Association Board of Directors in 1992 and was chairman from 1998 to 2000. He is certified by the State of Ohio as a tank installer.

Mr. Stephenson has a bachelor's degree in Marketing Management from Miami University.



Cheryl A. Hilvert was recently re-appointed to the Board as a representative of local governments.

After over 31 years of service to local governments in Ohio, Ms. Hilvert now serves as Director of the Center for Management Practices with the International City/County Management Association, a professional association for local government managers from across the world. She is a member of the Senior Executive Institute Advisory Board and the Board of Directors for the Alliance for Innovation.

Ms. Hilvert has a bachelor's degree in Political Science and a master's degree in Public Administration from Eastern Kentucky University.



Ohio Department of Commerce Director **Andre T. Porter** was appointed by Governor John Kasich in April 2013. As the Director of Commerce, Mr. Porter sits as an ex-officio member of the Board.

Prior to being named Director of Commerce, Mr. Porter served as a Commissioner at the Public Utilities Commission of Ohio. There, he assisted in the regulation of Ohio's utilities, which include electric, water, gas, telecommunications, and commercial transportation.

Mr. Porter has a bachelor's degree in Political Science from Capital University and a law degree from The Ohio State University's Moritz College of Law.

Claim Settlements

So far this fiscal year, the Board's staff has settled 636 claims, totaling \$5.8 million. An additional \$1 million is anticipated to be paid by the end of the program year, June 30, 2013.

Since the inception of the Fund in 1989, Ohio's UST owners have been reimbursed \$215.8 million in costs incurred for remediating petroleum contamination at 2,860 Fund-eligible sites. The State Fire Marshal has issued a no further action determination for 2,104 of these sites.

The average cost to clean up a Fund-eligible petroleum release is about \$128,430 and the average Fund payout per release after the deductible is applied is \$68,953.