

Summary Financial Assurance Board
Indiana Government Center South
Conference Center Room A
Teams Meeting
Indianapolis, Indiana
Thursday, October 24, 2024

A. Call to Order

Chair Vijay called the meeting to order at 1:30 p.m. A quorum was present.

Members present: Nivas Vijay, Lauren Nielson, Nancy King, Kevin Ryan, Brian Wolff, Tom Navarre, and Mark Aldous.

Chair Vijay had the board members introduce themselves and indicate their role on the board.

The meeting was held in person at the Indiana Government Center and on Microsoft Teams. All members participated in person, except for Mr. Aldous and Mr. Navarre, who participated via Teams.

B. IDEM Reports

Hilary Alderete presented the Fund Administrator's Report for Fiscal Year '24. Highlights included \$5.8 million in claim payments, an ending fund balance of \$212.2 million, and a new line item to show the interest earned at \$6.9 million.

Ms. Alderete also presented the monthly revenue of \$3.5 million from inspection fees and average claim payout of \$490,000 a month. A new Aviation Fuel Account received \$876,000.

Katie Blackburn, Chief, UST Operations Section, presented on incidents reported and confirmed, corrective action eligibilities received and approved, and 483 claims received for just over \$18 million in Fiscal Year '24.

One claim was received for over five million dollars in March, which was a major uptick in the data.

In Fiscal Year '24, 482 claims were reviewed with an amount reimbursed of \$5.1 million.

Ms. Blackburn also presented information on the 50 percent Decommissioning & Replacement Program eligibilities received and deemed eligible, and 18 cost claims for just over \$3.4 million.

Seven of these claims received in June likely included reinstallation costs which are notably higher than decommissioning only claims.

Ms. Blackburn explained the amount approved / amount reviewed versus claim amount / amount reimbursed as it relates to the ELTF 50% Decommissioning & Replacement program. ELTF reimbursed \$301,000 of \$305,000 received.

Ms. Blackburn also noted lump sum invoices are difficult for the ELTF program to process and indicated it is acceptable to only claim part of an invoice if the other portion is clearly not an ELTF eligible cost.

Mr. Ryan and Chair Vijay had questions. These questions were answered by Ms. Blackburn.

C. Rules

Title 328 Readoption

Ms. Billie Franklin, Chief, Rules Development Section (RDS), Office of Legal Counsel (OLC), presented Title 328 for readoption. All rules now expire on January 1st of the fifth year after the year in which the rule took effect. There are no more “forever rules.”

On IDEM’s behalf, Ms. Franklin proposed the FAB readopt Title 328 as a whole package to avoid having them expire as of January 1st, 2025. Readopting the titles in their entirety will keep all the rules on the same schedule so that the agency will not inadvertently let a rule expire.

A 30-day comment period was provided for the Title 328 readoption, and no comments were received.

Ms. Franklin asked the Board to approve this readoption in its entirety without amendments.

Mr. Chris Braun spoke to the Board and attendees on behalf of the Indiana Food and Fuel Association (IFFA). He supported the discussion from Ms. Blackburn’s presentation and indicated IFFA also supports the readoption of Title 328.

Mr. Braun walked through a bit of the history of the Fund, with a high payout in 2017 of just over 50 million to a seven-year average, 2013 to 2020, of thirty-seven and a half million. Since the new rules have been adopted, the average cost per year on these payouts is \$7.7 million because of the stewardship of the Board, IDEM and the regulated community.

Mr. Braun went on to say the Fund looked flush, but with the new 50% Decommissioning & Replacement program just gaining speed, we need to remain vigilant to protect the funds because we are just starting to see the full impact of this new program. An average cost for decommissioning / replacement is half a million dollars. With 188 approved projects times half a million, that's 94 million dollars. Essentially, the high balance is cause for celebration, but these projects will start to pull the balance down.

Mr. Braun indicated they would go to the legislature to ask for a larger payout than the \$20 million, since the demand will be there as these owners get their projects coordinated. We could get to a point where a larger payout could be utilized. Keep this in mind as we head into the next legislative session.

Mr. Ryan moved to adopt the rules in Title 328. Ms. Nielson seconded the motion. The Board voted unanimously to approve the motion readopt Title 328.

D. Other Matters

Open Forum

No discussion.

E. Adjournment

Chair Vijay adjourned the meeting at 1:52 p.m.