
**SOUTH DAKOTA
PETROLEUM RELEASE COMPENSATION BOARD MEETING
Meeting Agenda – September 23, 2014
Cody Meeting Room
The Lodge at Deadwood, Deadwood, South Dakota**

Tuesday, September 23, 2014 9 A.M. MDT

- I. Call to Order and Declare Quorum
- II. Board appointments
- III. Review and Approve/Disapprove Minutes of December 12, 2013 Board Meeting
- IV. Report on the Financial Status of the Fund - *briefing by Director of Engineering*
- V. Update on UST Operator Training – *briefing by Director of Engineering and Doug Miller*
- VI. Lust Trust Reimbursement
- VII. Certificate of Financial Responsibility
- VIII. Other Business
- IX. Schedule Future Meetings
- X. Executive Session – Litigation and Personnel Issues
- XI. Adjourn

**SOUTH DAKOTA PETROLEUM RELEASE COMPENSATION
BOARD MEETING**

MINUTES OF December 12, 2013

The South Dakota Petroleum Release Compensation Board Meeting was called to order at 1:00 PM on December 12, 2013, and was held in the Foss Building, Matthew Training Center. A quorum was declared with all board members present.

Members Present: Chairman Denny Rowley, David Kallemeyn, Rudy Gerstner and Don Meyers.

Others Present: Alan Bakeberg; Dan Martin; Larry Headrick; John McVey; Doug Miller; James Feeney; Craig Eichstadt; Tom Harmon; Judy Zeigler; Patrick Rounds, PMMIC; Dawna Leitzke, P₂MA; and Merle Scheiber, Division of Insurance.

Denny Rowley requested a motion to approve or disapprove the minutes of the March 21, 2013 meeting. A motion was made by Dave Kallemeyn to approve the minutes. Don Meyers seconded the motion. All voted in favor. Motion carried.

Alan Bakeberg reported on the financial status of the fund, the October 2013 fact sheet was provided as a handout.

Chairman Denny Rowley opened the annual public meeting with the insurance industry representatives. SDCL 34-13-48 requires that the Board shall endeavor to integrate private insurance as the primary or secondary risk-takers. The board and insurance industry officials representing pollution coverage who have registered with the board shall meet at least annually to determine the availability, affordability, and progress made to identify potential private companies to provide insurance coverage for resident businesses or individuals for pollution coverage. A report of these findings shall be submitted by the board to the Legislature by January tenth of each year.

Letters were sent in November of this year to those in the insurance industry that expressed interest in the Board's activities; a list of all who received a letter is attached. Written responses were received by the PRCF from Pat Rounds, Petroleum Marketers Management Insurance Company, and Eric Lehrer, Federated Insurance. Denny Rowley received a phone call from Kelli Fuhrmann, NAIFA-SD, indicating their position is the same as previous years. Alan also received a phone call from Ronald Johnson from Western Dakota Insurors. Discussion followed.

The Board's recommendation to the Governor is to continue the program under the same process that is presently in place. The board finds no reason to change their recommendation from last year. The board sees no advantage to the public or tank owners of going to private insurance to meet the financial assurance requirements for underground petroleum tank owners and to continue the program under the same process that is presently in place.

Dawna Leitzke, SD Petroleum Marketers Association stated that the board needs to be aware that every year there is the possibility that someone will want to take money from the fund.

Discussion followed on the value of an actuarial study to help quantify current and potential future costs and need for reserves, and that an actuarial would also help to set up a transition to private insurance if and when the state is ready to do that.

Motion was made by Dave Kallemeyn for the PRCF staff to proceed with issuing an RFP and making a selection of a company for the actuarial study. Motion was seconded by Rudy Gerstner. All voted in favor. Motion carried.

Dawna Leitzke and Doug Miller of the DENR gave the board an update on the UST owner/operator training that is provided under contract with the PRCF.

Election of officers; Rudy Gerstner motioned to have Denny Rowley continue as the Chairman and Dave Kallemeyn as Vice Chair. Motion was seconded by Don Meyers. All voted in favor. Motion carried.

Alan updated the board on the 2014 Legislative session. There are no prefilled bills at this time.

The board set a tentative date of March 20, 2014 for the spring board meeting, and June 19, 2014 for the summer meeting. The board tentatively scheduled the fall meeting to be held in conjunction with the Petroleum Marketers Expo September 24, 2014 at The Lodge at Deadwood.

The governor's office is looking at recommendations for a new board member to fill the vacant seat. No decision has been made at this time

Rudy Gerstner has been reappointed to the board for another five years. He has been on the board for 25 years. Dan Martin, PRCF investigator out of Watertown has been with the fund for 20 years and Larry Headrick investigator out of Sioux Falls has been with the fund for 19 ½ years.

The board thanked Rudy, Dan and Larry for their years of dedicated service.

Motion was made by Dave Kallemeyn at 2:35pm to go into executive session to consult with counsel on pending litigation. Don Meyers seconded the motion. All voted in favor. Motioned carried.

The board came out of executive session at 3:30pm.

Meeting was adjourned at 3:35pm.

The meeting was digitally recorded and is available on the DENR website at:
<http://denr.sd.gov/boards/schedule.aspx>.

Denny Rowley, Chairman

