

Transcript of the Testimony of

DEQ TRUST FUND MEETING

June 5, 2025



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STATE OF LOUISIANA
DEPARTMENT OF ENVIRONMENTAL QUALITY
MOTOR FUELS UNDERGROUND STORAGE TANK TRUST
FUND ADVISORY BOARD

The above-entitled meeting was held at
the LDEQ, Galvez Building, Conference
Center, 602 North 5th Street, Baton Rouge,
Louisiana, beginning at 1:04 p.m., on June
5, 2025.

BEFORE:

Lori B. Overland
Certified Court Reporter
In and For the State of
Louisiana

A P P E A R A N C E S

Todd Perry
Chairman
Jeff Baker
Cy Morin
Jesse Hoppes
Gary Fulton
Nick St. Romain
Theresa Delafosse
Allen Kirkpatrick
Josh Milazzo
Grady Gaubert
Frank Marcello
Damien Watt

Danielle McCarty
Durwood Franklin
Natalie Isaacks
Kristine Stanley
Jared Saterfiel
Madalyn Marcel
Carlye Roussel
Fran Falke
Jason Efferson
Trey Kemp
Oscar Magee
Katie Clark
Laura Maxwell, via phone

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I N D E X

EXAMINATION:

PAGE (S) :

None

EXHIBITS:

None

REPORTER'S PAGE

119

REPORTER'S CERTIFICATE

120

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MR. PERRY:

We're going to call the meeting to
order and we'll start with roll call.
And I think we do our board members first
and then we will do around the room next.
So I'll start with Mr. Damien.

MR. WATT:

Present.

MR. PERRY:

Jesse?

MR. HOPPES:

Present.

MR. PERRY:

Mr. Frank?

MR. MARCELLO:

Present.

MR. PERRY:

Grady Gaubert?

MR. GAUBERT:

Here.

MR. PERRY:

Mr. Nick St. Romain?

MR. ST. ROMAIN:

Present.

MR. PERRY:

1 Mr. Josh Milazzo?

2 MR. MILAZZO:

3 Present.

4 MR. PERRY:

5 And Todd Perry, present. So our
6 board is here. And Gary Fulton? Sorry,
7 Gary.

8 MR. FULTON:

9 Present. No biggie.

10 MR. PERRY:

11 Got it. We now have a full board.
12 We got a quorum and all the
13 representation we need.

14 So let's start right there. We'll
15 work from you, Theresa.

16 MS. DELAFOSSE:

17 Theresa Delafosse, DEQ
18 Undersecretary.

19 MR. BAKER:

20 Jeff Baker, Motor Fuel Trust Fund.

21 MR. KIRKPATRICK:

22 Allen Kirkpatrick, DEQ Legal.

23 MR. PERRY:

24 To the back.

25 MR. FRANKLIN:

1 Durwood Franklin, DEQ Trust Fund.
2 MR. PERRY:
3 We'll go way back this time.
4 MS. MARCEL:
5 Madalyn Marcel, Trust Fund.
6 MS. ROUSSEL:
7 Carlye Roussel, Trust Fund.
8 MR. PERRY:
9 I'll come up to you, sir.
10 MR. MAGEE:
11 Oscar Magee, Attorney DEQ.
12 MR. PERRY:
13 Thank you, sir.
14 MR. KENT:
15 Trey Kent, DEQ Trust Fund.
16 MR. EFFERSON:
17 Jason Efferson, DEQ Trust Fund.
18 MS. FALKE:
19 Fran Falke, DEQ OMF.
20 MR. PERRY:
21 Thank you.
22 MS. CLARK:
23 Katie Clark, Leaaf Environmental.
24 MR. PERRY:
25 Thank you.

1 MS. ISAACKS:

2 Natalie Isaacks, Louisiana Oil
3 Marketers.

4 MR. SATERFIEL:

5 Jared Saterfiel, PPM Consultants.

6 MS. STANLEY:

7 Kristine Stanley, PPM Consultants.

8 MR. PERRY:

9 Thank you.

10 MS. MCCARTY:

11 Danielle McCarty, DEQ Trust Fund.

12 MR. MORIN:

13 Cy Morin, DEQ Audit.

14 MR. PERRY:

15 All right. I think everybody is
16 here that's suppose to be here, so we can
17 get going.

18 Our first -- or our third item would
19 be consideration and adoption of the
20 February 2020 board minutes. Hopefully,
21 you guys saw that Jeff put the -- or
22 linked our materials to our calendar for
23 me. I hope you had a chance to look at
24 the minutes. We don't add those to
25 packages now because it saves us a little

1 bit of time, but we will open the floor
2 for discussion.

3 MR. WATT:

4 I'd like to make a motion to accept
5 --

6 MR. PERRY:

7 Yes, sir, you make a motion?

8 MR. WATT:

9 -- at the appropriate time.

10 MR. GAUBERT:

11 Second.

12 MR. PERRY:

13 Damien made a motion to accept and
14 Grady seconded it. So to the board, all
15 in favor please say I.

16 (All indicated aye.)

17 MR. PERRY:

18 All right. Any opposed, nay?

19 (No response.)

20 MR. PERRY:

21 Okay. Hearing none, those are
22 adopted.

23 That moves us to item four,
24 financial services report from Ms.
25 Theresa.

1 MS. DELAFOSSE:

2 Yes, sir.

3 MR. PERRY:

4 And by the way, I know you took a
5 quick two week vacation.

6 MS. DELAFOSSE:

7 It wasn't even two whole weeks,
8 yeah.

9 MR. PERRY:

10 We're glad to have you back.

11 MS. DELAFOSSE:

12 Thank you. I'm glad to be back as
13 the department's Undersecretary. I did
14 have a little departure, but it was brief
15 and I've been calling it a field trip, so
16 it was a nice field trip. I'm happy to
17 be back as the Undersecretary and happy
18 to report that Fran Falke will be serving
19 as the accountant administrator now. So
20 we're still -- I'm unsure as to who's
21 going to handle these reports moving
22 forward, as far as presenting at the
23 board meeting. I'm not -- I don't need
24 to push the baby birds quite out of the
25 nest yet, so I guess we'll see --

1 especially because, at the next meeting
2 is usually when I do the more detailed
3 presentation, so we may kind of do a
4 joint effort for that meeting and then we
5 may -- may make some changes from there,
6 but I know ya'll are in capable hands
7 with Fran as well, of course.

8 So for this report, this is as of
9 the third quarter of fiscal year 25, so
10 as of March 31st. Again, of course, it's
11 our standard, you know, comparative
12 presentation. So you can see in the
13 center column that's as of this time last
14 year. You see our bulk distribution fees
15 are on par with where they were then with
16 a slight increase of just under 300,000
17 from where we were at this time last
18 year. Of course, our favorite line is
19 these interest earnings. I do believe
20 those rates trended downward a little bit
21 within the last couple of months. We
22 were on par -- I know we had kind of done
23 some very loose projections -- we were on
24 par to collect between five and a half
25 and six million and I don't think we're

1 going to get quite there because of those
2 reduction in the rates. I think as of
3 12/31, the average earnings was around
4 2.25 percent, I think. So we saw a
5 downward trend, but certainly still leads
6 ahead of where we were this time last
7 year.

8 And then you see in the disbursement
9 section, we are ahead of where we were at
10 this time last year in the claims for
11 reimbursement. And, of course, Jeff's
12 trust fund status report will have
13 additional information regarding the
14 status of the claims for reimbursement
15 and the number of applications we
16 received, et cetera.

17 You see in the center of the
18 disbursements, in the right hand side, we
19 have the abandoned tank work, that's the
20 311,000, so we're in a good spot with
21 that as well. So currently, as of those
22 three quarters having passed, the
23 difference between the receipts and the
24 disbursements is a positive right under
25 6.3 million.

1 We did our transfer, of course,
2 early in the fiscal year for essentially
3 the true-up from the previous fiscal
4 year, so that's the 596,000 reduction or
5 negative amount you see there in the
6 transfer, to leave us with a net inflow
7 as of the third quarter of just under 5.7
8 million, which allowed our cash balance
9 to be reflected at that time as 129.9
10 million, approximately. And leaves us
11 with a negative equity balance of
12 negative 52 million. And we'll have
13 Laura -- Laura is on the call and is an
14 agenda item as well to give us additional
15 information regarding that report.

16 And then the second page, of course,
17 is our program balance projection for the
18 transfer between the environmental trust
19 fund and the motor fuel trust fund. So
20 you see the -- again, I think the numbers
21 look pretty even, which is kind of where
22 we have been. We haven't had any
23 extraordinary events or any large
24 increases or decreases in expenditures,
25 so we are projecting right now for fiscal

1 year 2026 a total of 5.6 million of
2 administrative cost requiring that
3 transfer. So that's where we are, looks
4 like a pretty standard increase over the
5 previous year.

6 MR. PERRY:

7 Okay, Theresa. Thanks for that. A
8 couple of questions I have before we go
9 to the board.

10 MS. DELAFOSSE:

11 Sure.

12 MR. PERRY:

13 So just to put a point on it, the
14 last two years at this point in time, we
15 had made a few hundred thousand dollars
16 in interest.

17 MS. DELAFOSSE:

18 (Indicated a positive response.)

19 MR. PERRY:

20 And then I believe in this year,
21 just on the annual -- I guess that's the
22 annual assessment -- now, I'm looking at
23 interest earnings, 4.3 million.

24 MS. DELAFOSSE:

25 Yes.

1 MR. PERRY:

2 So that's a significant difference.

3 MS. DELAFOSSE:

4 It is. It is.

5 MR. PERRY:

6 Thank you to the board for
7 championing that -- Jesse, especially you
8 -- but the whole board of working
9 together to get that happening. Theresa,
10 thanks for DEQ being open to that,
11 working --

12 MS. DELAFOSSE:

13 Absolutely.

14 MR. PERRY:

15 -- with our state --

16 MS. DELAFOSSE:

17 Yes.

18 MR. PERRY:

19 -- our fiduciaries to --

20 MS. DELAFOSSE:

21 Yes.

22 MR. PERRY:

23 -- make it happen. So I have that.
24 And then I also want to welcome -- Fran,
25 we're looking forward to working with

1 you, so thank you for being with us.

2 To the board, any questions for
3 Theresa?

4 (No response.)

5 MR. PERRY:

6 Okay.

7 MS. DELAFOSSE:

8 And as I mentioned in the beginning,
9 we will do the more detailed kind of deep
10 dive at the next meeting once we've got
11 the final numbers for as of June 30th,
12 25. So if ya'll think of anything you
13 want us to highlight or focus on, I think
14 I've kind of, you know, done various
15 facts and figures throughout those
16 presentations, so I'm happy to report on
17 anything ya'll are curious to see more
18 detail on.

19 MR. PERRY:

20 All right. Well, Theresa, thank you
21 and we are glad to have you.
22 Congratulations to you also --

23 MS. DELAFOSSE:

24 Thank you so much.

25 MR. PERRY:

1 -- being our Undersecretary.

2 MS. DELAFOSSE:

3 Thank you.

4 MR. PERRY:

5 All right. Well, this is always the
6 tough one. Cy?

7 MR. MORIN:

8 Yes, sir. Good afternoon.

9 MR. PERRY:

10 We're going to hang on to our seats
11 here.

12 MR. MORIN:

13 So on the first page of the report,
14 we have 23 audits listed here that we're
15 currently working on. As of March 31st,
16 as of the end of the quarter -- last
17 quarter, we have two cases that were
18 under review as of March 31st and
19 represented one potential credit for
20 overpayment related to exempt gallons
21 mis-classification and one potential
22 assessment, which was primarily late fees
23 and late reporting and payment.

24 Since March 31st, we have finalized
25 those two assessments. And in mid-May,

1 we sent out a credit notification letter
2 for case 323009 for a finalized amount of
3 \$60.33 credit. And a demand letter was
4 mailed to case 324004 in the finalized
5 amount of \$4,786.63. So slightly
6 different than the amounts you see on
7 this report. That information will be
8 reflected in the next report, the updated
9 amounts.

10 Seven cases we're awaiting review.
11 We had four potential clean audits with
12 no assessments and three potential
13 assessments, totaling approximately
14 \$5,400. These are pending final review
15 and subject to change.

16 We have 12 cases that are still in
17 progress, so the results are to be
18 determined and reviewed and finalized.

19 The last two cases on here were
20 added to the list right at the end of
21 March and they were planned and done in
22 April of 25, so you'll see some updated
23 information on those on the next report
24 as well as the remaining audits for this
25 current fiscal year, which we're doing in

1 this quarter.

2 Since the last meeting, those were
3 the only two cases that were added to
4 this list.

5 Any questions?

6 (No response.)

7 MR. MORIN:

8 I'll turn to the next page, if not.
9 So no changes on here. We still have the
10 same two cases in legal with the Office
11 of Debt Recovery. We haven't received
12 payments as of March 31st. They'll both
13 be sent for revival -- they'll revive the
14 judgments one month prior to the
15 expiration of the judgment, of the ten
16 year prescriptive period. The second one
17 on the list is going to be revived. It's
18 on the legal calendar for October of 2025
19 to be revived before the March -- the
20 November deadline. And the other one
21 will be revived in 27.

22 The two cases still represent just
23 over \$55,000 in delinquent fees.

24 MR. GAUBERT:

25 Question on those.

1 MR. MORIN:

2 Yes?

3 MR. GAUBERT:

4 Those two have been long term
5 judgments. Was there any lien? We may
6 have talked about it previously, but are
7 there any lien potential on those
8 judgments or they just sit for eternity
9 --

10 MR. KIRKPATRICK:

11 Well, I presume that those judgments
12 you're talking about, those were filed in
13 the mortgage records of whatever parish
14 in which the tanks were located and
15 those, they -- I don't know how many
16 creditors would be ahead, but they're
17 ranked in date order by -- in which
18 they're filed and we have to revive them
19 every ten years --

20 MR. MORIN:

21 Every ten years.

22 MR. KIRKPATRICK:

23 -- so to preserve our ranking. So
24 how long ago were those done, do you know
25 or --

1 MR. MORIN:

2 Well --

3 MR. KIRKPATRICK:

4 I'm just --

5 MR. MORIN:

6 -- the one that's about hit ten
7 years.

8 MR. KIRKPATRICK:

9 Huh?

10 MR. MORIN:

11 One was done in November of 2015.

12 So --

13 MR. KIRKPATRICK:

14 Well, we need to --

15 MR. MORIN:

16 -- so it's being revived in October.

17 MR. KIRKPATRICK:

18 That would need to -- that judgment
19 needs to be revived and we'll get a --
20 legal will get a note from --

21 MR. MORIN:

22 Yeah.

23 MR. KIRKPATRICK:

24 -- Cy poking us and --

25 MR. MORIN:

1 I was actually informed that they
2 were putting it on the calendar --

3 MR. KIRKPATRICK:

4 Okay.

5 MR. MORIN:

6 -- recently.

7 MR. KIRKPATRICK:

8 It's on the calendar, okay.

9 MR. MORIN:

10 So -- and then the other one was --
11 when was that -- March of 17. So --

12 MR. KIRKPATRICK:

13 Okay. So we still --

14 MR. MORIN:

15 -- 27 -- in 2027.

16 MR. KIRKPATRICK:

17 -- so we still have a little time on
18 that.

19 MR. MORIN:

20 Yeah.

21 MR. KIRKPATRICK:

22 And basically they just sit there
23 and hang out until, at some point if they
24 want to sell the property or something
25 like that, then they have to satisfy all

1 the judgments or they have to come to us
2 and say, hey, let's make a deal. And
3 it's kind of like -- what's the one up in
4 Union Parish that we settled like last
5 year?

6 MR. MORIN:

7 I wish I could -- I don't know.

8 MR. KIRKPATRICK:

9 I don't remember. Anyway.

10 MR. PERRY:

11 Allen, do you mean Lincoln Parish?

12 MR. KIRKPATRICK:

13 Lincoln, I'm sorry.

14 MR. PERRY:

15 That was Burt's Chevron.

16 MR. KIRKPATRICK:

17 Burt's. Yeah.

18 MR. ST. ROMAIN:

19 That was a remediation site.

20 MR. KIRKPATRICK:

21 Right. See Burt's had -- there were
22 numbers of liens that were filed and
23 there were -- you know, we were just
24 standing there when they got to the point
25 where they were going to try to liquidate

1 the property, then they had to come to us
2 and say, listen, we can't pay you back.
3 I can't remember the entire amount. I
4 know one judgment was for over \$400,000.
5 And they said, hey, we're going to get
6 300,000, we'll give it all to you and
7 every -- and that was approved and that
8 was taken care of. I think Durwood had
9 worked more intimately with that one, but
10 that's just an example.

11 MR. MARCELLO:

12 So in this case, case number one,
13 we've collected 50,000 on 101,000.

14 MR. MORIN:

15 Correct.

16 MR. MARCELLO:

17 Over how long of a period was that
18 50,000 paid, do you know?

19 MR. MORIN:

20 I don't know off the top of my head,
21 unfortunately. I --

22 MR. MARCELLO:

23 So in other words --

24 MR. MORIN:

25 -- but I could look it up and --

1 MR. MARCELLO:

2 -- this particular guy or entity
3 just paid so much and just stopped
4 paying?

5 MR. MORIN:

6 I can show you the payment history.
7 I can have that next time. But yeah, it
8 was a matter of payments were made and
9 then they stopped. But --

10 MR. MARCELLO:

11 How many employees in the audit
12 department? And how many are
13 administrative and how many are actual
14 auditors, do you know?

15 MR. MORIN:

16 So right now, I'm the manager. We
17 have four auditors that work on Waste
18 Tire Motor Fuel audits. Recently, there
19 was an internal audit director, I think
20 it is, was hired and now she also has two
21 employees working for her on internal
22 audits.

23 MR. MARCELLO:

24 So that's four administratively and
25 four auditing?

1 MR. MORIN:
2 No -- well --
3 MR. MARCELLO:
4 Am I understanding that correctly?
5 MR. MORIN:
6 So we're auditing the external
7 entities related to the Waste Tire and
8 Motor Fuel program --
9 MR. MARCELLO:
10 Right.
11 MR. MORIN:
12 -- my group, which is five of us.
13 We also have a student that helps us out.
14 And then the other three were hired to
15 audit the internal areas of DEQ.
16 MS. DELAFOSSE:
17 So there's no administrative
18 employees in the audit group, inside the
19 group that do the external audit.
20 MR. MORIN:
21 If that's -- correct. We --
22 everyone --
23 MS. DELAFOSSE:
24 But they do predominantly the audits
25 of the Waste Tire generators.

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MR. MARCELLO:

They do everything.

MS. DELAFOSSE:

I mean -- correct. Yes.

MR. MORIN:

Yeah, my group. Yeah.

MS. DELAFOSSE:

Yes.

MR. MARCELLO:

Well, is --

MS. DELAFOSSE:

It's a bigger universe and a lot --

MR. MARCELLO:

Are monies allocated accordingly --

MS. DELAFOSSE:

-- a lot more compliance issues.

MR. MARCELLO:

-- between Waste Tire --

MS. DELAFOSSE:

Oh, yes.

MR. MARCELLO:

-- and --

MS. DELAFOSSE:

Yes.

MR. MARCELLO:

1 I'm talking about expenses.

2 MS. DELAFOSSE:

3 Yes, they are.

4 MR. MORIN:

5 Yes. We allocate our time to the
6 funds that we're working on.

7 MR. MARCELLO:

8 Right. Yeah.

9 MS. DELAFOSSE:

10 Yeah. And I don't have it in front
11 of me, but we do -- yeah, we have a
12 concrete number of what the salary
13 expenses are of the audit services group
14 in relation to the motor fuel. So I can
15 make sure we touch on that in that
16 presentation. But I can also send you an
17 email with, you know, year to date, what
18 that information is. But I think you
19 have one -- I mean, really only one of
20 your staff auditors, Cy, does these
21 audits or --

22 MR. MORIN:

23 Actually, we have -- they all do
24 actually.

25 MS. DELAFOSSE:

1 Oh, they all do, okay.

2 MR. MORIN:

3 But one focuses primarily on motor
4 fuel --

5 MS. DELAFOSSE:

6 Okay.

7 MR. MORIN:

8 -- and does some waste tire.

9 MR. MARCELLO:

10 Some waste tire.

11 MR. MORIN:

12 And the rest focus on waste tire and
13 do some motor fuel. So of the 12 we've
14 been doing every year, one auditor does
15 six; he does half of them, and then, the
16 other three do two each.

17 MR. MARCELLO:

18 Right.

19 MR. MORIN:

20 But they focus primarily on the
21 waste tire audits.

22 MR. MARCELLO:

23 All right. Thank you.

24 MR. MORIN:

25 You're welcome.

1 MR. PERRY:

2 Cy, anything else?

3 MR. MORIN:

4 That's it.

5 MR. PERRY:

6 All right. From the board, any
7 other questions for Cy?

8 (No response.)

9 MR. PERRY:

10 All right. Cy, we appreciate your
11 hard work, man. Thank you for --

12 MR. MORIN:

13 Thank you.

14 MR. PERRY:

15 -- doing this. It's great to see --
16 we talk about this trend, but we have few
17 and fewer findings, which is a good
18 thing. I think everyone is -- you know,
19 they know what they need to do.

20 MR. MORIN:

21 Yeah.

22 MR. PERRY:

23 That's good.

24 MR. MORIN:

25 And when we do have findings, you

1 know, they normally will pay. And, you
2 know, we have a few cases here and there
3 where we have, you know, some trouble
4 collecting, but --

5 MR. PERRY:

6 Sure.

7 MR. MORIN:

8 -- the great majority do pay when we
9 do have a small assessment.

10 MR. PERRY:

11 Thank you.

12 MR. MORIN:

13 You're welcome.

14 MS. DELAFOSSE:

15 And I think a lot of times it's,
16 ya'll identify that it's more like a
17 calculation or an administrative error,
18 not necessarily --

19 MR. MORIN:

20 Yeah. It's usually --

21 MS. DELAFOSSE:

22 -- underpayment on purpose.

23 MR. MORIN:

24 -- inadvertent errors.

25 MS. DELAFOSSE:

1 Yeah.

2 MR. MORIN:

3 Or, you know, sometimes if there's
4 some missing reports, they may have had
5 turnover with employees and, you know,
6 things get missed or whatever.

7 MS. DELAFOSSE:

8 Right.

9 MR. MORIN:

10 But they get caught up.

11 MS. DELAFOSSE:

12 Which is why you see like even one
13 of the audits was an overpayment. I
14 mean, a small one, but, you know,
15 sometimes it's just --

16 MR. MORIN:

17 Yeah.

18 MS. DELAFOSSE:

19 -- they're just calculations. It --

20 MR. MORIN:

21 Yeah. Sometimes, you know, there's

22 --

23 MS. DELAFOSSE:

24 -- tends to be that.

25 MR. MORIN:

1 -- over and under-payments, but
2 it'll result in an underpayment, you
3 know, it balances out or whatever. But
4 it's usually just errors, you know,
5 simple errors on their part.

6 MR. PERRY:

7 Got it. All right. Cy, thank you,
8 sir.

9 MR. MORIN:

10 You're welcome.

11 MR. PERRY:

12 Okay. For those of you that know
13 rock and roll, there was a band, it was
14 called a band, and they made a very
15 famous documentary movie called, I think
16 it was the Last Waltz, which was their
17 last recording, so today, we have our
18 very own rockstar.

19 MR. BAKER:

20 I've been called a lot of things,
21 that's never been one of them.

22 MS. DELAFOSSE:

23 It's a first and a last time, huh,
24 Jeff?

25 MR. PERRY:

1 Here to do his last waltz, Jeff.

2 MR. BAKER:

3 There you go. All right.

4 MS. DELAFOSSE:

5 And he was trying to pawn it off on
6 somebody else, and I said, no, get on
7 down there, Jeff. Come on.

8 MR. BAKER:

9 I tried. I tried.

10 MR. PERRY:

11 I think I may video this.

12 MS. DELAFOSSE:

13 Todd.

14 MR. BAKER:

15 That won't even hold the lights up.
16 That's what we --

17 All right. If ya'll will refer to
18 the trust fund report section of the
19 packet, it starts on Page 10 of the
20 document. The first worksheet in this
21 section, Page 1 of 10, provides the board
22 with a summary of pertinent information
23 related to the fund as of the end of the
24 third quarter fiscal year of 2025. If
25 you look at the top of the page under the

1 active trust fund eligible site section,
2 the report provides a breakdown of sites
3 in the investigation and corrective
4 action phases. Notice the sites
5 currently in the corrective action phase
6 have an average age of 16 years, with an
7 average age of the sites in the
8 investigation phase of 4.1 years, with an
9 overall average of 9.6. These ages are
10 determined as the time difference between
11 when the trust fund received the first
12 application for reimbursement and the
13 date of the report.

14 Next, notice the total number of
15 site closures, it's 1,570 as of the
16 report date, with a total of \$345.4
17 million in reimbursements.

18 Under the CAP budget section, note
19 the sites currently in the corrective
20 action phase have approved CAP budgets
21 totaling \$104.2 million with
22 reimbursements of \$89.8 million, leaving
23 a \$14.3 million in approved budgets
24 remaining.

25 Under the next section, you'll see

1 33 sites have been determined to be trust
2 fund eligible over the last three years,
3 but as of the end of this quarter had not
4 requested reimbursement. That was an
5 increase of -- I think we had 17 last
6 quarter and that's going to be -- you're
7 going to see why in a few minutes. We
8 approved a number of eligibilities last
9 quarter. And we have a number of ones
10 being done this quarter.

11 Moving on, at the end of March of
12 2025, the trust fund had 34 pending
13 applications to process, which had
14 requested amounts totaling \$456,000.
15 Now, if you'll draw your attention toward
16 the bottom, to the fiscal year summary
17 section, for the third quarter of fiscal
18 year 2025, the trust fund received 184
19 applications totaling \$3.4 million. We
20 determined as deficient or returned ten
21 applications for various reasons and
22 101,000 -- or 102,000 was disallowed as
23 ineligible for reimbursement. During
24 this period, we had a total of 164
25 applications that were processed for

1 payment, recommending \$2.8 million in
2 reimbursements. Compared to the same
3 quarter of fiscal year last year, the
4 trust fund received 223 reimbursement
5 applications, totaling 3.6 million and
6 processed 190 applications for 2.5
7 million.

8 Does anybody have any questions on
9 this page?

10 (No response.)

11 MR. BAKER:

12 Okay. Moving on to Page 2 of 10.
13 This report is titled, Active Trust Fund
14 Sites With Corrective Action Plans. As
15 we've shown in the past, this is a
16 breakdown of all the individual sites in
17 the corrective action phase. It provides
18 site specific information related to
19 application counts, time periods of trust
20 fund reimbursement, site location and
21 various reimbursement data. The column
22 totals at the top of the first page
23 reflect the values on the summary
24 reports.

25 Okay. Moving to Page 5 of 10,

1 you'll see a summary report of the active
2 sites currently in the corrective action
3 phase. This table gives the members an
4 overview of 115 CAP sites with
5 reimbursements by costing category and
6 CAP budget totals. Note, the total
7 current reimbursements are Row A.

8 MR. PERRY:

9 Wow. I said you were a rockstar.
10 (Lights went out and an off-the-record
11 conversation occurred.)

12 MR. BAKER:

13 All right. But the total current
14 reimbursements on Row A is \$118 million,
15 which includes the values listed above as
16 well as the total CAP reimbursements.

17 Does anybody have any questions on
18 this page or that report?

19 (No response.)

20 MR. BAKER:

21 Moving on, Page 6 of 10. This is
22 titled, the Active Trust Fund Sites in
23 the Investigation and Assessment Phase.
24 This report also is a breakdown of the
25 individual sites in the investigation

1 phase and provides site specific
2 information. Again, related to
3 application counts, time periods of
4 reimbursements and various other
5 reimbursement data. The column totals at
6 the top of these pages also reflect the
7 values in the summary report.

8 Okay. Moving on to Page 10 of 10,
9 this gives you a summary of this data.
10 Note, there's 134 sites currently in the
11 investigation phase. These sites many of
12 which are still actively being
13 investigated with having an average
14 expenditure as of end of March of 2025 of
15 \$110,000. The listed costing categories
16 and associated cost give the board
17 members an overall summary of how the
18 investigation cost are disbursed.

19 Does anybody have any questions on
20 this page?

21 (No response.)

22 MR. BAKER:

23 Okay. Moving on to the next page.
24 This report is titled, Incidents
25 Determined as Eligible for the Motor Fuel

1 Trust Fund. This report shows 26
2 potential trust fund sites that were
3 reviewed and made eligible during the
4 current fiscal year, which would
5 represent 33 active incidents.

6 Now, just to give you a comparison,
7 by the end of December, we had three
8 sites and three incidents, so in the last
9 quarter we processed a number of
10 incidents of eligibility. So we're up to
11 26 now.

12 Does anybody have any questions
13 about this report?

14 (No response.)

15 MR. BAKER:

16 Okay. Go to the last -- well, not
17 the last page, but the page titled, Trust
18 Fund Sites that had a Release Granted No
19 Further Action. As of the end of third
20 quarter of fiscal year 2025, 22 trust
21 fund sites have received no further
22 action status. This compares to 19 sites
23 from the last period last year. You
24 notice some of these sites are still
25 listed on our active list. We often

1 continue to receive reimbursement
2 applications for NFA'd sites a couple of
3 quarters after the official closure.

4 Does anybody have any questions
5 about this?

6 (No response.)

7 MR. BAKER:

8 Okay. Just some points of interest,
9 the trust fund is currently finalizing a
10 revised version of the cost control
11 guidance document, which is anticipated
12 to become effective on July 1st of 2025.
13 It will incorporate a number of unit rate
14 increases. The majority of these would
15 equate to about a ten percent increase.
16 The previous surcharges that were
17 instigated to accommodate the recent
18 inflationary increases in PVC steel and
19 other materials have been added to the
20 existing unit rates and those rates were
21 then increased by five percent because
22 most of these rates we've -- in talking
23 to the RACs, they have not gone down any.
24 We don't see any changes, so we decided
25 to make them permanent.

1 The hotel and per diem rates were not
2 modified since they were recently
3 increased in the January 1st revision of
4 the document. The ten percent increase
5 was based on reported CPI percentage
6 increases since the 2022 version of the
7 guidance document.

8 And before Todd can ask, the draft
9 dates of the next board meetings are
10 August the 28th and November the 20th.
11 So for the rest of this calendar year, we
12 got August the 28th and November the
13 20th.

14 And that concludes. Does anybody
15 have any questions?

16 MR. PERRY:

17 I think we have a little discussion.
18 And, Jeff, we appreciate that. Regarding
19 -- and we'll get to the dates too at the
20 end of our meeting.

21 Regarding revision of the trust fund
22 guidance document, have you and the
23 department considered on the eligibility
24 determination application, which is, you
25 know, pretty detailed, pretty tedious,

1 since we've gone to it -- we've gone to a
2 zero deductible, so the reality of it is,
3 is we need to verify that the underground
4 storage tank is registered. And a lot of
5 data is, you know, in EDMS registration
6 forms and CI inspections. Would you guys
7 consider reducing, you know, that
8 information, because back when it was
9 determined, is it a \$10,000 deductible or
10 a zero deductible, you needed that data,
11 that backlog, but now, since it's not
12 really associated with whether it's
13 eligible or not, it has to be registered,
14 could we simplify that application
15 process?

16 MR. BAKER:

17 We can -- yeah, we can discuss that.
18 The only question is, is do we still need
19 to -- because it's still in the statutes
20 --

21 MS. DELAFOSSE:

22 Right.

23 MR. BAKER:

24 -- the comparison of in compliance
25 --

1 MR. PERRY:

2 Sure.

3 MR. BAKER:

4 -- versus out of compliance. Even
5 though now both have a zero deductible --
6 and I understand where your question is
7 coming from, the question is --

8 MR. PERRY:

9 Yes, sir.

10 MR. BAKER:

11 -- is because it's still in the
12 statutes as in and out of compliance, do
13 we need to do that assessment and at
14 least document it one way or the other?
15 And the other thing is, is that you have
16 to remember that the way that's being
17 implemented is for incidents after I
18 think August the 1st of 2024.

19 MR. PERRY:

20 Right.

21 MR. BAKER:

22 But you still have the incidents
23 coming in. I mean, we still get older
24 incidents coming in on these applications
25 that a deductible could apply to.

1 MS. DELAFOSSE:

2 Well, and I think the information
3 also in the compliance versus
4 noncompliance review is used for ya'll's
5 compliance or enforcement work as well or
6 no?

7 MR. FULTON:

8 No.

9 MS. DELAFOSSE:

10 No, okay. I didn't know if it was,
11 because I was going to say, yeah, you --

12 MR. PERRY:

13 And I think that that is there
14 because if a release occurs, DEQ is going
15 to look and --

16 MS. DELAFOSSE:

17 Right.

18 MR. PERRY:

19 -- do an inspection. So it's a bit
20 of a regurgitation --

21 MS. DELAFOSSE:

22 Okay.

23 MR. FULTON:

24 Yeah.

25 MR. PERRY:

1 -- that information. But just
2 consider that.

3 MS. DELAFOSSE:

4 Yeah.

5 MR. PERRY:

6 You know, it could make things --

7 MR. BAKER:

8 We can definitely --

9 MR. FULTON:

10 Jeff and I have talked about it.

11 MR. PERRY:

12 Yeah.

13 MR. BAKER:

14 We can definitely look at the form
15 and see if there's ways to streamline it
16 for sure.

17 MR. FULTON:

18 Absolutely.

19 MR. PERRY:

20 Okay. All right. So --

21 MS. DELAFOSSE:

22 But it may require a reg change
23 possibly or maybe not. We'd have to look
24 at it and -- yeah.

25 MR. FULTON:

1 We're still discussing it.

2 MS. DELAFOSSE:

3 Okay.

4 MR. PERRY:

5 Yeah.

6 MR. FULTON:

7 Trying to figure that out and we'll
8 be glad to take any -- I mean, we'll be
9 glad to take any of ya'll's comments or
10 information that you feel relevant to
11 help streamline that process. Yeah.

12 MR. GAUBERT:

13 And as to the application, if the
14 release occurred before the new statute
15 of zero deductible, if the release
16 occurred when there was a deductible,
17 does that still apply or is it -- or did
18 all of the older releases, no matter when
19 they occurred as long as it's looked at,
20 you know, pass the zero deductible --

21 MR. BAKER:

22 If --

23 MR. GAUBERT:

24 -- date, implantation date, they're
25 all zero deductible; is that the case?

1 Or do we still have two versions of
2 deductibles?

3 MR. BAKER:

4 No. We still have two versions. If
5 the release occurred prior to August the
6 1st of 2024, then it would fall under the
7 rules at that time period. If it
8 occurred after that, then the zero
9 deductible would apply. Now, the
10 eligible participant definition has been
11 made retroactive, so you -- the
12 deductible even though it's due -- the
13 deductible may be due, but the eligible
14 participant definition doesn't require
15 the deductible to be paid before trust
16 fund starts reimbursing. So you could
17 add that owed -- and right now what we're
18 doing is, we're actually sending out
19 invoices for those deductibles. But
20 let's say we had a release August the 1st
21 of 2023, okay, and it's just now being
22 requested for eligibility and it's out of
23 compliance, we may determine that it has
24 a \$10,000 deductible. We'll generate the
25 eligibility. We'll make it eligible, and

1 it's eligible to start work right away,
2 however, we'll send an invoice for that
3 \$10,000 deductible. And at that point,
4 if the owner can pay it, great, they send
5 the check in. If they can't and they
6 have to do it over time, then they can
7 start making payments, or if they can't
8 pay it at all and it's a closed site, we
9 may actually be looking at a lien on the
10 property. But either way, the site can
11 move forward. In the past, those sites
12 got stalled. They couldn't move. Now,
13 because of the change in the eligible
14 participant definition, they can start
15 moving.

16 MR. FULTON:

17 We think this is going to be a
18 reduction in the ultimate end cost too,
19 because we're able to get to it quicker
20 --

21 MR. PERRY:

22 No question.

23 MR. FULTON:

24 -- you'll be able to get cleaned up
25 faster.

1 MR. BAKER:

2 Exactly.

3 MR. FULTON:

4 So we're hoping it won't drag out.
5 So we're hoping we're going to see cost
6 savings.

7 MR. PERRY:

8 And I think you certainly will. And
9 as we get down the road, Grady, I think
10 this issue of an older, prior to August
11 2024 release won't be an issue.

12 MR. FULTON:

13 Yes. As we move further and further
14 from that date, you're going to see less
15 of an issue.

16 MR. PERRY:

17 That's right.

18 Okay. So, Jeff, thanks for that.
19 To the board, any other discussion,
20 questions for Jeff?

21 (No response.)

22 MR. PERRY:

23 Okay. Thank you. Thank you, Jeff.

24 Okay. You know I always call Cy our
25 hardest working man in show business. I

1 call Allen best socks in the business.

2 MR. KIRKPATRICK:

3 That's from my brother-in-law.

4 MR. PERRY:

5 Well, they look good. So we're on
6 item 7, so third party status. Allen,
7 it's your show.

8 MR. KIRKPATRICK:

9 Okay. Without getting into too much
10 detail, however, I can give you as much
11 detail as you like, allegedly, there was
12 a release at the Shell station that is on
13 the corner of Bayou St. John and
14 Esplanade at New Orleans near City Park
15 on the 20th of October 2023. On the 24th
16 of September 2024, Robert and Nancy
17 Landry, who allegedly live in close
18 proximity to this Shell station, filed a
19 petition for damages. In January of --
20 against Infinity Fuel, who allegedly
21 owned the station. And the 27th of
22 January 2025, they filed -- Infinity Fuel
23 filed a third party demand seeking to
24 receive monies from the trust fund to
25 indemnify them for any possible judgment

1 against them.

2 Now, we have -- Oscar has -- we have
3 sent this over to the attorney general
4 for concurrence to sue -- I mean, to
5 answer or whether or not they'll take
6 over the lien and that's in the process
7 at the moment. And Oscar has contacted
8 the attorney. We -- because it takes a
9 delay over at the AG's office, we have 21
10 days to file exceptions or an answer and
11 we're kind of cutting kind of close so we
12 got an extension on that. And I don't --
13 I think there is a bunch of procedural
14 things that they may or may not have done
15 correctly. I don't think the fund is
16 liable for this type of action, but if
17 ya'll want any other more -- everything I
18 talk to you is lawyer talk, so --

19 MR. PERRY:

20 So, Allen, summarize maybe in lay
21 terms, we've been put on notice and we're
22 aware that there's been a pending
23 litigation.

24 MR. KIRKPATRICK:

25 Yes.

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MR. PERRY:

That, you know, they -- I think they
-- you indicated they named the trust
fund --

MR. KIRKPATRICK:

They --

MR. PERRY:

-- or --

MR. KIRKPATRICK:

-- they did a third party -- they
did what is called a third party demand
seeking to get --

MR. PERRY:

Okay.

MR. KIRKPATRICK:

-- monies from the trust fund should
they be cast in judgment and for attorney
fees and all -- you know, the whole
kitchen sink, you know.

MR. PERRY:

And because of that, the department
is getting involved now to make sure --

MR. KIRKPATRICK:

That is correct.

MR. PERRY:

1 -- it's appropriately defended.

2 MR. KIRKPATRICK:

3 Right.

4 MR. PERRY:

5 Okay. That's the right thing to do.

6 MR. KIRKPATRICK:

7 Yeah.

8 MR. PERRY:

9 So before we go to any questions,
10 that makes sense. Any other items to
11 report on?

12 MR. KIRKPATRICK:

13 That's all we have at the moment.

14 Do you have anything?

15 MR. MAGEE:

16 We did --

17 MR. KIRKPATRICK:

18 Do you want to elaborate?

19 MR. MAGEE:

20 -- we did get -- Oscar Magee. We
21 did get the approval from the AG's office
22 just what came down so --

23 MR. KIRKPATRICK:

24 Okay.

25 MR. GAUBERT:

1 Since it's been so long since we had
2 any involvement in the third party claim,
3 just to review what we're -- the trust
4 fund's responsibility or obligation is of
5 third party claims, am I correct in
6 saying that the trust fund does not cover
7 third party claims?

8 MR. KIRKPATRICK:

9 That is -- that is my -- in this
10 instance, that is our belief, yes. And
11 there is -- they also have some
12 procedural problems we are going to -- we
13 are in the middle of drafting some
14 pleadings and things. So if I were to
15 speculate, I don't think it'll go
16 anywhere, so --

17 MR. GAUBERT:

18 And what will determine if they were
19 trust fund eligible?

20 MR. KIRKPATRICK:

21 They didn't. They're just -- they
22 -- they just fishing.

23 MR. MARCELLO:

24 They're fishing, okay.

25 MR. KIRKPATRICK:

1 Yeah.

2 MR. ST. ROMAIN:

3 They --

4 MR. KIRKPATRICK:

5 For lack -- for lack of a better --
6 for --

7 MR. MARCELLO:

8 I get it.

9 MR. KIRKPATRICK:

10 -- they're just fishing for money,
11 that's -- that's the deal.

12 MR. ST. ROMAIN:

13 Did the location apply for a
14 release?

15 MR. KIRKPATRICK:

16 There was a release at this site and
17 if -- do you want a little --

18 MS. DELAFOSSE:

19 Hang tight.

20 MR. PERRY:

21 Yeah. So let's do a quick time out.
22 I think if we're going to get some
23 details, we need to move into executive
24 session.

25 MR. MARCELLO:

1 Right. Yeah. Yeah.

2 MR. PERRY:

3 So if we do that --

4 MR. KIRKPATRICK:

5 Okay.

6 MR. PERRY:

7 -- I need a first and second.

8 MR. FULTON:

9 I make a motion we go to executive
10 session.

11 MR. PERRY:

12 Motion to go in executive --

13 MR. WATT:

14 I second.

15 MR. PERRY:

16 Second. All in favor, please say I.
17 (All indicated aye.)

18 MR. PERRY:

19 Any opposed?

20 (No response.)

21 MR. PERRY:

22 All right. So we'll need to clear
23 the room, unfortunately. Except for -- I
24 think even our court reporter has to
25 leave, yeah. So -- but we won't leave

1 ya'll long, we promise.

2 (A brief recess followed while the board
3 went into executive session.)

4 MR. PERRY:

5 Okay. So we're out of executive
6 session and I will wrap your report.
7 We're back in session. Any in session
8 questions or things for Allen?

9 (No response.)

10 MR. PERRY:

11 Everybody good?

12 (All indicated a positive response.)

13 MR. PERRY:

14 Okay. Thank you, sir. Appreciate
15 you. Oscar, thank you.

16 MR. MAGEE:

17 Sure.

18 MR. PERRY:

19 Okay. That moves us to item number
20 eight and Jeff and Theresa, you'll help
21 me with this, we have Ms. Laura Maxwell
22 with Pinnacle Actuary Resources on the
23 line that's going to give us a summary
24 view of our 2024 Actuarial Report.

25 All right. Laura, it's your show.

1 MS. MAXWELL:

2 All right. Okay. Do you want me to
3 share my screen or should I just say,
4 page down or next page? Okay. You can
5 move to the next slide, please.

6 MS. DELAFOSSE:

7 We're coming down. Next page.

8 MS. MAXWELL:

9 Okay. All right. Thanks for
10 inviting me to your meeting. While I'm
11 actually from Pinnacle, I've been working
12 on your funding study since 2018. This
13 is our team, the same team as last year.
14 And Ben and Alex have been working with
15 me on this the whole time. We've also
16 worked on other state funds, so we bring
17 a lot of experience to this project.

18 Next slide, please. Pinnacle is an
19 actuarial consulting firm. That's all we
20 do. Our owners are consultants,
21 actuarial consultants. On work for the
22 larger firms, they send a number of our
23 fellows on the casualty actuarial site
24 associates. And we actually had some
25 good news yesterday, two of those moved

1 to be an examiner. Now, we have 27
2 fellows for the casualty actuarial side
3 with our firm.

4 Next slide, please. This is where I
5 start the analysis every year. I want to
6 look at how -- we actually I did say
7 would happen in your payments for the 12
8 months compared to what actually
9 happened, and this gives me an idea of
10 how we did and what kind of change to
11 make to our assumption. And you might
12 note on my graph that there's -- there's
13 a lot of blue and orange there. And part
14 of that is progressions to date, but part
15 of that is also a group together because
16 they were so tiny and you couldn't see
17 them before. So I'm not too concerned
18 about the big movement there. And you
19 kind of see the middle year, 12, 13 --
20 13, 14, there's nothing really
21 happening there. Your payments are very
22 small from year to year, so those are
23 looking much better than expected as you
24 see by these orange bars being so much
25 higher.

1 Next slide, please. So there's a
2 couple of major assumptions when you do
3 the analysis, but one is the frequency.
4 And the frequency is the number of
5 incidents per site. The yellow bars show
6 you what I -- what I'm estimating for the
7 current exposure, the incidents that we
8 expected to reported as of June of 2034,
9 and then, the purple is what we're
10 projecting for the future. You can see
11 2020 had a little bit of a -- 2020 and
12 21, you had a little bit of a drop with
13 Covid and then it started turning back up
14 and now, we're kind of seeing it settling
15 off. Again, you can see the really low
16 yellow lines, they match up with the
17 years that had no payments, so those --
18 those are very good frequency.

19 For our analysis this year, we're
20 continuing to drop the frequency. That
21 seems to be improving. It brought that
22 down a little. It also brought down our
23 expected trend from year to year. But
24 even though it brings the trend down a
25 little bit, the frequency down a little

1 bit, we do increase it to reflect that
2 these sites decrease. And as sites
3 decrease, you're going to see more
4 incidents. So we can't completely bring
5 it down as much as the closure date with
6 confidence. But they're both pretty
7 close to the 2021 year, so we're not
8 really seeing much change.

9 The other big assumption, this is
10 the -- the cost per incident. These two
11 methods, they calculated. The green and
12 the yellow show us the method. And then
13 we go in the future, which we use the two
14 methods to make our assumption. We're
15 seeing improvement in severity as well,
16 drop the trend from 2.8 percent to 2.5
17 percent. Because we were a little
18 concerned prior that the price unit, the
19 cost, that same cost that happened with
20 Covid would continue, but they seem to be
21 -- so this does trend down a little. We
22 also reduce the variable that we start
23 with. So it's good to see that it's
24 leveling off, and hopefully, it stays
25 that way.

1 Next slide, please. So the first
2 two slides I showed you, they were
3 referring to cost for the incidents.
4 Now, we're looking at what's impacting
5 revenue. And electric vehicles, every
6 time I read an article, it's changing the
7 projection, but you know, everybody wants
8 an electric vehicle, gas prices are high,
9 but nobody wants one because you can't
10 find a place to charge it. And so
11 there's been a pretty drastic change. We
12 met earlier this year to talk about it
13 and I dropped the percent of the electric
14 vehicles purchased and can see the blue
15 line where it's at the last year and
16 where it is now. And, of course, if the
17 vehicle purchases go down and the
18 percentage of registered vehicles go
19 down, so we have electric vehicles going
20 down quite a bit. In this analysis,
21 people do hold their cars -- like when we
22 last checked, it was a 12 year average,
23 so it takes a long time. Even if 100
24 percent of the cars purchased tomorrow
25 were electric, it will take a long time

1 before they were impacting your revenue.
2 But after that second drop, like I said -
3 - I would expect those to be dropped
4 quite a bit. It seems more realistic for
5 your state.

6 Next slide, please. And as you can
7 see here, the changes to the electric
8 vehicles, it does improve expected
9 revenue from year to year. You're still
10 being impacted but there are other cars
11 like the hybrids and fuel efficiency.
12 But we do expect gas sales to go down.
13 But it's partially offset that people are
14 driving again, but it does -- it's going
15 to make -- it's going to make it
16 essentially decrease but just not as
17 quickly as I had projected last year.

18 Next slide, please. Here's kind of
19 some comparison of last year to this
20 year. So the current -- those are going
21 up a little, about five percent. But
22 even though I said, it's better than
23 expected, I don't completely jump to what
24 the actual what's expected -- we move
25 towards it, but we don't want to be

1 jumping too much from year to year. We
2 try to be somewhat stable. So as I go,
3 those years that looked good, I looked
4 closer if not all the way down. Again,
5 the years that looked bad, move them
6 higher, but not all the way. So it ends
7 up being about a five percent increase
8 there. But then for the -- the one that
9 have not happened yet, like I said, the
10 trends are looking better, frequency
11 looks better, severity looks better. So
12 those -- those are looking better.
13 That's about a decrease of about six
14 percent. So that's partially offsetting
15 the current liability. We ended with an
16 overall increase of about three percent.
17 Like I said, we're seeing a lot of --
18 we're expecting a lot of improvements
19 because frequency and severity is looking
20 better. And as long as that continues,
21 you know, we'll keep making adjustments.
22 And -- that's a little better because of
23 the change.

24 So this chart shows what was paid as
25 of 6/30/23. And the orange, that was

1 basically year ending 6/30/24. And then
2 you have the future payment -- well, what
3 Pinnacle has estimated what will still be
4 paid for those for each year. So you
5 have very little on the older years. Of
6 course, everything in the future is not
7 paid at all. And so the next year when
8 we do this analysis, we'll be looking at
9 those green bars and seeing how close
10 them came to what actually happened
11 during fiscal year 2025.

12 Next slide, please. So when we put
13 all of this together, it's got the
14 revenue, your expenses and the claims and
15 we look at that, what happened to your
16 cash balance. With the current like
17 eight cents per gallon and -- or like
18 four cents per gallon and with the
19 current funding, the cash balance would
20 be positive through 6/30/45. And this is
21 better than what it looked like last year
22 because of the change in revenue
23 assumption. But if you reduce fees, you
24 have a negative balance in 6/30/34. So
25 you can see the difference. But the

1 yellow bar shows that reduction in fee.

2 And then for our last graph, I got a
3 little history here. The blue is the
4 cash balance at 6/30 of those years and
5 the orange shows liabilities for all
6 claims occurring by 6/30 that year. So
7 in general, you will know what revenue is
8 coming in as of right now by paying it,
9 pay as you go, but if you had to pay all
10 your claims tomorrow, you'd stop
11 collecting money, there is not enough
12 for the expected claims, if it happens.
13 And see -- and you'll see, it gets worse
14 as you go along. But it -- we have -- we
15 can help with that, the frequency will
16 bring the orange bar closer to the blue,
17 but it is, if you were an insurance
18 company, you would be considered as
19 solvent, so it is something to think
20 about. And they both kind of show why
21 you need to hold this money, because I
22 know for state funds, other government
23 agencies look at this money and go, well,
24 why do they really need that? But you
25 really do. And this is kind of showing

1 that it's important to hold the money
2 because claims are out there and you'll
3 have to make these payments eventually.

4 MR. PERRY:

5 Okay.

6 MS. MAXWELL:

7 That's a quick summary of my
8 analysis for this year. Are there any
9 questions?

10 MR. PERRY:

11 So I --

12 MR. MARCELLO:

13 Can we -- can we roll this back?

14 MR. PERRY:

15 Can we go back on slides, Durwood?
16 Where you want to go, Frank? Electric
17 vehicles or --

18 MR. MARCELLO:

19 Yes.

20 MR. PERRY:

21 Let's go to the electric vehicles
22 slide. Right there.

23 MR. MARCELLO:

24 So what -- where is -- where is this
25 percent of electric vehicles purchased --

1 what's this based off of, 90 percent of
2 vehicles on the -- or 85, 83, 84 percent
3 of the vehicles on the highway in 2053
4 will be electric?

5 MR. ST. ROMAIN:

6 That was their assumption.

7 MS. DELAFOSSE:

8 That's the old one.

9 MR. ST. ROMAIN:

10 They changed it.

11 MS. DELAFOSSE:

12 But that's the percentage of
13 vehicles purchased in those years.

14 MR. MARCELLO:

15 No. I --

16 MS. MAXWELL:

17 Yeah. New car sales in 53.

18 MS. DELAFOSSE:

19 New car sales.

20 MR. MARCELLO:

21 Okay. Well, that -- you telling me
22 that by 2053, 83 percent of the vehicles
23 being purchased are electric?

24 MS. DELAFOSSE:

25 You got to look at the red line.

1 They changed it to the red line.

2 MR. ST. ROMAIN:

3 2023 that's what they assumed.

4 MR. GAUBERT:

5 By 56.

6 MR. ST. ROMAIN:

7 But in 2024, they assumed the orange
8 line. They changed their assumption.

9 MS. DELAFOSSE:

10 Now, it's about 30 -- 34 percent.

11 MR. ST. ROMAIN:

12 See, this is the old one and the --

13 MR. MARCELLO:

14 Okay.

15 MR. PERRY:

16 So this would be 20 -- just over 20
17 percent --

18 MR. MARCELLO:

19 Okay.

20 MS. DELAFOSSE:

21 That's 30, but --

22 MR. PERRY:

23 Or 30, I'm sorry. Just over 30
24 percent will be the assumption there, so
25 -- but I'm with you, I mean, that's a

1 long ways off. And, you know, we saw a
2 decent -- basically, in California, they
3 can't sell 20 to 35 moratorium because
4 the adoption rate isn't there.

5 MR. MARCELLO:

6 Right.

7 MR. PERRY:

8 It's not happening.

9 MR. GAUBERT:

10 But the electric vehicles have
11 fallen out of favor.

12 MR. PERRY:

13 Right.

14 MR. GAUBERT:

15 Precious metals, mining, the impact
16 on environment is -- is not what, you
17 know, was sold to the public. The
18 reality is, it's very minimal impact on
19 environment versus a nice car, especially
20 with the Hybrids and better fuel economy,
21 you know. And in China and all these
22 tariffs, there's all these other impacts
23 that are affecting favor. The Elon Musk
24 DOGE, you know, all of a sudden,
25 everybody hates Tesla.

1 MR. PERRY:

2 Yeah.

3 MR. GAUBERT:

4 Even the ones that loved them, now,
5 they we hate them.

6 MR. PERRY:

7 Right.

8 MR. GAUBERT:

9 They've particularly falling out of
10 favor as -- just in a year or so. I
11 don't know what impact that would have on
12 the actuary study or not.

13 MR. ST. ROMAIN:

14 Well, that's their assumption.

15 MS. DELAFOSSE:

16 Well, yeah. It's been adjusted
17 significantly.

18 MR. GAUBERT:

19 Well, is that, you know, going to
20 materialized to this or, you know,
21 anybody could argue that --

22 MR. MARCELLO:

23 Right.

24 MR. BAKER:

25 Oh, yeah.

1 MR. GAUBERT:

2 Because it's an assumption --

3 MR. PERRY:

4 Yeah.

5 MR. GAUBERT:

6 -- that it won't be that and then
7 what impact does it have on an actuary --
8 you know, on all of the rest of -- this
9 is the -- one of the biggest impacts on
10 this trust fund saying that if that does
11 materialize, then motor fuel sales will
12 decline. The fees associated with them
13 will also decline.

14 MR. PERRY:

15 That's right.

16 MR. GAUBERT:

17 But you'll still continue to have
18 leaks --

19 MR. PERRY:

20 Right.

21 MS. DELAFOSSE:

22 (Indicated a positive response.)

23 MR. GAUBERT:

24 -- you know. And I don't know that
25 that is the material facts. That is the

1 projection.

2 MR. PERRY:

3 Right.

4 MR. GAUBERT:

5 And that's debatable. And -- and --

6 MR. PERRY:

7 No question. I think the further
8 you get out -- I mean, you know, I think
9 once you get three to five years out,
10 man, I mean -- and no offense, Laura --
11 but it's guessing. It's just educated
12 guessing.

13 MS. DELAFOSSE:

14 Yeah.

15 MR. PERRY:

16 Falling trends and trying to
17 forecast the best you can with the data
18 you have, but you know, if you looked at
19 2023, we knew that was a really suspect
20 projection, but that's the data they had
21 at that time, that was a trend people --
22 hey, in 2035, we'll do a moratorium on
23 commercial fuel engines, and then a year
24 later, we learned, we'll roll that back
25 and so, you know, that gets an amount.

1 Another thing -- and, Laura, you
2 wouldn't necessarily know this, but EPA
3 announced that they basically want to
4 work along side of ASTN with a new
5 standard called Moving Sites to
6 Disclosure. And it's basically using 40
7 years of science to determine, do we need
8 DEQ to remediate a site or can we close
9 it out with a low contamination? It's a
10 risk assessment like approach, but it's
11 based more along what we've learned in
12 regards to how contamination behaves in
13 the subsurface.

14 California went through a program
15 that echoes this and they took a third of
16 their open releases off the location. In
17 Louisiana, if you were to apply this
18 method and take 100 or 150, close 100,
19 you know, 20 releases that's going to
20 have impact, Frank, as you point out, to
21 what these forecasts are. So, you know,
22 I think that's why the department has to
23 update it every two years or every year?
24 MS. DELAFOSSE:

25 It's been every year so far.

1 MR. PERRY:

2 Okay. But, Frank, did you have some
3 other --

4 MR. BAKER:

5 No. But let -- one thing we also
6 have to remember, these numbers right
7 here don't have anything to do with the
8 liability calculation. This is related
9 to cash flow moving out. The liability
10 like calculation doesn't have anything to
11 do with this.

12 MR. PERRY:

13 Right.

14 MR. FULTON:

15 It's history.

16 MS. DELAFOSSE:

17 This is how much revenue we're going
18 to get.

19 MR. BAKER:

20 This is revenue versus expenditures
21 moving on out. That's what this is.

22 MR. PERRY:

23 Right. But if you, you know, took a
24 big bunch of sites out, that's going to
25 affect your liability.

1 MS. DELAFOSSE:

2 Well, sure.

3 MR. BAKER:

4 That's -- that's a different animal.

5 MS. DELAFOSSE:

6 That is.

7 MR. BAKER:

8 That's a different -- but --

9 MR. PERRY:

10 Well, cash and liability work
11 together. The more liabilities we have,
12 the less cash flow we have, we're --
13 we're in trouble. The less liabilities
14 we have and our cash flow we have, we're
15 in better shape.

16 MS. DELAFOSSE:

17 Yeah.

18 MR. BAKER:

19 Yes.

20 MR. GAUBERT:

21 Is the term you used --so, you know,
22 progress towards closure, is that federal
23 guidance?

24 MR. PERRY:

25 It's a federal guidance that they

1 want the states to adopt.

2 MR. GAUBERT:

3 Okay. And is -- so DEQ --

4 MR. PERRY:

5 But they don't --

6 MR. GAUBERT:

7 -- I don't know who can answer that
8 or is that something that DEQ is
9 considering, you know, based off of the
10 federal guidance, is saying that we're
11 going to adapt that in Louisiana, that --
12 that federal standard and move some of
13 these sites towards closure; is that a
14 reality and that certainly would
15 definitely impact this --

16 MS. DELAFOSSE:

17 Yes.

18 MR. GAUBERT:

19 -- because of that financial impact?

20 MR. PERRY:

21 Real quick, Grady, this is an ASTM
22 standard, so it's a voluntary adoption
23 and so a state might adopt part of it,
24 all of it, none of it. It's not like a
25 federal law, it's an ASTM standard, which

1 is, you know, a suggestion.

2 MR. GAUBERT:

3 Yeah.

4 MR. PERRY:

5 But EPA is in league with it and so
6 what they're going to do next is create
7 materials and resources and go to states
8 and educate in an effort to get states to
9 consider adopting the program.

10 MR. GAUBERT:

11 But since this hasn't been done yet,
12 maybe not -- we can't take that --

13 MR. PERRY:

14 Right.

15 MR. GAUBERT:

16 -- into consideration --

17 MR. PERRY:

18 That's right.

19 MS. DELAFOSSE:

20 Right.

21 MR. GAUBERT:

22 -- at this time --

23 MS. DELAFOSSE:

24 Right.

25 MR. GAUBERT:

1 -- unless it is adopted.

2 MR. PERRY:

3 Right.

4 MR. GAUBERT:

5 But --

6 MS. DELAFOSSE:

7 But as we -- yeah, as we discuss and
8 look into those options, that will all --

9 MR. FULTON:

10 Yeah.

11 MS. DELAFOSSE:

12 -- yeah.

13 MR. FULTON:

14 It'll have to adopted through our
15 recap program, so --

16 MR. PERRY:

17 Yeah. Yeah, it'd definitely has
18 loved recap.

19 MR. FULTON:

20 Yeah. We have a section on motor
21 fuel in recap, so that's where it'd have
22 to be addressed.

23 MR. PERRY:

24 That's right.

25 So to the actuary report I think,

1 Laura, answer this question, have you
2 seen in regards to -- let's just think
3 about the eight tenths of a cent
4 collection. I think somewhere around
5 2043, you have it turning over. Has that
6 moved since the last time you done the
7 actuary report or is it pretty much
8 around the same time frame? I think it
9 was around the same time frame.

10 MR. HOPPES:

11 I think it moved.

12 MS. DELAFOSSE:

13 I think it moved out.

14 MR. PERRY:

15 It moved?

16 MR. HOPPES:

17 Yeah, because I think --

18 MS. MAXWELL:

19 Yeah. It got better.

20 MR. ROMAIN:

21 Yes.

22 MR. PERRY:

23 Okay. It got better.

24 MS. DELAFOSSE:

25 Moved out --

1 MR. HOPPES:

2 I think --

3 MS. DELAFOSSE:

4 -- eight or so years, I think. I
5 mean, it was a --

6 MR. ST. ROMAIN:

7 Yeah. It was like 37.

8 MR. HOPPES:

9 Yeah.

10 MS. DELAFOSSE:

11 Yeah.

12 MR. HOPPES:

13 Like 37, 38, I believe.

14 MS. DELAFOSSE:

15 It wasn't --

16 MR. HOPPES:

17 Laura, and --

18 MS. DELAFOSSE:

19 -- it wasn't anything crazy, but it
20 did move out.

21 MR. HOPPES:

22 Laura, this is -- sorry, Laura, this
23 is Jesse. It looks like on the -- the
24 incident frequency seemed to be the big
25 driver last time, then the miles per

1 gallon were the two big drivers on it.
2 I'm assuming the incident frequency
3 dropped a lot; is that correct?

4 MS. MAXWELL:

5 The incidence per site is dropping,
6 yes.

7 MS. DELAFOSSE:

8 Yes, it is dropping.

9 MR. HOPPES:

10 So wasn't it like .01 or .02 almost
11 last time on some of the formulas ya'll
12 were using?

13 MS. DELAFOSSE:

14 I think it was that table, Durwood,
15 you had. That -- is that the select?

16 MR. HOPPES:

17 Yeah. The select of frequency.

18 MS. DELAFOSSE:

19 Yeah.

20 MR. HOPPES:

21 It was a lot higher last time,
22 right?

23 MS. MAXWELL:

24 Yes.

25 MR. HOPPES:

1 Okay. Because I remember that, when
2 we did the math, that was the driver and
3 I think ya'll also had the miles per
4 gallon kind of going up to an average in
5 the state of Louisiana being 40 or 50; is
6 that -- did that go down as well? I was
7 just kind of curious.

8 MS. MAXWELL:

9 You're right. These are
10 assumptions.

11 MR. HOPPE:

12 What's that?

13 MS. MAXWELL:

14 We don't -- yeah, don't --

15 MR. HOPPE:

16 Okay. All right. And what --
17 Todd's point, do you know what the year
18 was previously on the turnover at .08
19 cents?

20 MR. ST. ROMAIN:

21 Where the cash flow went negative?

22 MR. HOPPE:

23 Yeah, where we went negative.

24 MS. MAXWELL:

25 2040.

1 MR. HOPPE:
2 It was 2040 before?
3 MS. MAXWELL:
4 Yes.
5 MS. DELAFOSSE:
6 Now, it's out to --
7 MS. MAXWELL:
8 Now, it's 44.
9 MR. HOPPE:
10 So we gained --
11 MS. DELAFOSSE:
12 Now, it's out to 44.
13 MR. HOPPE:
14 -- five years. Okay. Thank you.
15 MS. DELAFOSSE:
16 Yeah.
17 MR. PERRY:
18 Okay. So, Frank --
19 MR. MARCELLO:
20 I have one more, but I need to find
21 it.
22 MR. PERRY:
23 Yes, sir. All right. Well, I tell
24 you what, we're going let you keep
25 working.

1 Any other questions from the rest of
2 the board?

3 (No response.)

4 MR. PERRY:

5 Okay. Spotlight is on you, sir.

6 MR. MARCELLO:

7 Jeff, the -- on your report, you
8 gave a number of cumulative site
9 closures. Your site count was 1,570
10 closures from -- through March 31 of 25.
11 That equals 345 million dollars paid out
12 of the trust fund, correct?

13 MR. BAKER:

14 Yes.

15 MR. MARCELLO:

16 And how far does that go back?

17 MR. BAKER:

18 Since the inception of the program.

19 MR. MARCELLO:

20 I'm sorry?

21 MR. BAKER:

22 When the --

23 MR. MARCELLO:

24 Which was when?

25 MS. DELAFOSSE:

1 1989.

2 MR. BAKER:

3 1988.

4 MR. MARCELLO:

5 88. So 88 to the first quarter
6 25, we paid out 345 million.

7 MR. BAKER:

8 Right.

9 MR. MARCELLO:

10 And her report is showing that
11 they're going to -- I'd have to see it.
12 I'm just --

13 MR. PERRY:

14 It was around 140 something million.

15 MR. MARCELLO:

16 140 million.

17 MR. PERRY:

18 And that was remaining liability
19 currently?

20 MR. ST. ROMAIN:

21 That was on that page --

22 MS. DELAFOSSE:

23 180 --

24 MR. BAKER:

25 It was 183 --

1 MS. DELAFOSSE:

2 182.

3 MR. PERRY:

4 183, okay.

5 MS. DELAFOSSE:

6 Yeah, 182.

7 MR. PERRY:

8 Laura, is that right, the remaining
9 liability on what's currently on hand and
10 what's projected to come in?

11 MS. MAXWELL:

12 Yeah. It's 182.

13 MR. PERRY:

14 182, okay. Well, 182 million is --

15 MR. ST. ROMAIN:

16 The current liability.

17 MR. PERRY:

18 -- the current liability.

19 MR. ST. ROMAIN:

20 But estimating the future --

21 MR. MARCELLO:

22 But she's expected -- she's expected
23 it as 605. And since the inception of
24 the -- and does that go back -- that
25 expected remediation payment, does that

1 go back to inception? No.

2 MS. DELAFOSSE:

3 No.

4 MR. ST. ROMAIN:

5 That's all future.

6 MR. MARCELLO:

7 Right.

8 MS. MAXWELL:

9 No. That's the next 30 years.

10 MR. BAKER:

11 But you got to remember those sites
12 -- a large number of those sites that
13 were the 1,500 were cleaned up 20 years
14 ago and the cost were a lot lower --

15 MS. DELAFOSSE:

16 When it cost half of what it cost
17 now.

18 MR. BAKER:

19 -- back then.

20 MS. DELAFOSSE:

21 Yeah.

22 MR. MARCELLO:

23 Okay.

24 MR. PERRY:

25 I think that's --

1 MS. DELAFOSSE:

2 And I think there's some additional
3 exhibits in the report with different
4 lengths of time into the future, because
5 I know we had discussed including some of
6 those. I haven't looked at it since we
7 kind of first finalized it --

8 MR. MARCELLO:

9 Okay.

10 MS. DELAFOSSE:

11 -- a month or so ago, but --

12 MR. MARCELLO:

13 I'll play around with those numbers,
14 because I'd like to delve into that a
15 little bit more.

16 MR. GAUBERT:

17 You're currently at a midway point
18 between the past and the future of -- you
19 know, based off of the actuary report,
20 because we're at about 30 -- it's 12 plus
21 25, which will be 37 years that we --
22 that it's been in existence.

23 MS. DELAFOSSE:

24 Right.

25 MR. GAUBERT:

1 And then this actuary report --

2 MS. DELAFOSSE:

3 That's true.

4 MR. GAUBERT:

5 -- is 30 years in the future.

6 MS. DELAFOSSE:

7 Right.

8 MR. GAUBERT:

9 If you look at 37 years and the
10 actual, you know, what happened
11 financially and numbers and all of that
12 stuff and then you look at the next 30,
13 taken into consideration, you know, what
14 cost are going to be increased --

15 MS. DELAFOSSE:

16 Right.

17 MR. GAUBERT:

18 -- you know --

19 MS. DELAFOSSE:

20 Right.

21 MR. GAUBERT:

22 -- potentially less fuel value, you
23 know. So we're at a halfway point. What
24 -- that's your --

25 MR. MARCELLO:

1 Well, my --

2 MS. DELAFOSSE:

3 So you expect it to be at least what
4 it was --

5 MR. MARCELLO:

6 Well, my point exactly. But then
7 again, the equipment that we're putting
8 in, in the last 20 years far supercedes
9 the equipment that was installed in the
10 previous 30 years from the inception of
11 this program. So I don't see the number
12 of leaks on newer equipment. And I don't
13 know if the actuary report is actually
14 taking that into consideration. I'm sure
15 they are, I mean --

16 MR. PERRY:

17 Right.

18 MR. MARCELLO:

19 -- I would hope they are.

20 MR. PERRY:

21 It --

22 MS. DELAFOSSE:

23 Well, we still have a lot of -- I
24 mean, you're talking about tanks and the
25 age of the tanks and that equipment,

1 because I mean --

2 MR. MARCELLO:

3 Well, yeah, I mean --

4 MS. DELAFOSSE:

5 -- we still have --

6 MR. MARCELLO:

7 -- you're going with all fiberglass
8 now, you're going with all of the latest
9 and greatest --

10 MS. DELAFOSSE:

11 But that's still a very small amount
12 of the total universe.

13 MR. MARCELLO:

14 And miles per gallon -- and I'm not
15 talking about the financial report --

16 MS. DELAFOSSE:

17 Yeah.

18 MR. MARCELLO:

19 -- but in miles per gallon on a
20 vehicle, it was 15 miles a gallon, now
21 you're getting 35 and 40. You're getting
22 that in your tank as well.

23 MS. DELAFOSSE:

24 Right.

25 MR. MARCELLO:

1 In other words, on your equipment as
2 a equipment owner. So I just want to
3 make sure that they taking that into
4 consideration when you do these numbers
5 showing 600 --

6 MS. DELAFOSSE:

7 Future too.

8 MR. PERRY:

9 That's right. No. That's exactly
10 right, Frank.

11 MS. DELAFOSSE:

12 I think it does.

13 MR. PERRY:

14 And so, Theresa, you -- I'm guessing
15 the report, since we're getting a
16 summary, it has been finalized. And
17 ya'll may -- the department may have
18 provided the board members a copy of the
19 actuary report.

20 MS. DELAFOSSE:

21 We did.

22 MR. PERRY:

23 Okay. So you may want to re-provide
24 that.

25 MS. DELAFOSSE:

1 Sure.

2 MR. PERRY:

3 Just so we can have a copy of the
4 list.

5 MS. DELAFOSSE:

6 Yeah.

7 MR. MARCELLO:

8 Yeah.

9 MR. PERRY:

10 Then we can kind of look in all of
11 the --

12 MR. MARCELLO:

13 No question. Thank you.

14 MR. HOPPES:

15 I just want to say thank you very
16 much for updating it and allowing us to
17 comment on it previously. You can see
18 how it's kind of changed on a lot of the
19 assumptions over time.

20 MS. DELAFOSSE:

21 Yeah. Yeah.

22 MR. HOPPES:

23 It's coming more and more in line
24 with where I think it needs to be.

25 MS. DELAFOSSE:

1 Yeah. And I think that was
2 productive for sure. But I -- as Todd
3 indicated, there may be some future
4 changes as well --

5 MR. PERRY:

6 Yeah.

7 MS. DELAFOSSE:

8 -- even in the next year or two that
9 impact things moving forward. So I think
10 we just continue to fine tune things with
11 the report --

12 MR. PERRY:

13 Yeah, that's probably --

14 MS. DELAFOSSE:

15 -- and the change in landscapes.

16 MR. PERRY:

17 That's good. And, Laura, we really
18 appreciate you making time to do this.

19 To our board, any other questions
20 for Laura?

21 (No response.)

22 MS. DELAFOSSE:

23 And I'll add too, if ya'll go
24 revisit the report, we will send it back
25 out and you have things that come up or

1 you want to have another call to discuss
2 these things --

3 MR. PERRY:

4 Sure.

5 MS. DELAFOSSE:

6 -- we can get something to set up to
7 make sure ya'll's questions are answered.

8 MR. MARCELLO:

9 That would be wonderful.

10 MR. PERRY:

11 Thank you.

12 Okay. Let's move into item nine,
13 other business. And --

14 MR. BAKER:

15 Bye Laura.

16 MR. PERRY:

17 Thanks, Laura.

18 Out of the gate, Gary is going to
19 give us a grant program status update.

20 MR. FULTON:

21 Yeah. Glad to do it. This year
22 we've had 19 sites. We did have to
23 exclude one. They had double wall tanks,
24 so didn't qualify.

25 We have completed one site. We have

1 the reimbursement in house. They're
2 working it through the process. It's
3 been approved, and we're just waiting on
4 them to be able to receive their payment.

5 We have three sites that we think
6 are completed and they will be processing
7 their payment. And then we have one site
8 that we received the notice of intent to
9 do the work here recently.

10 So that's my update so far.

11 MR. PERRY:

12 Okay. So just so I can understand,
13 for the 2025, January 1st through March
14 31st, application window, so this year's
15 application window --

16 MR. FULTON:

17 Yes.

18 MR. PERRY:

19 -- we received 19 applications?

20 MR. FULTON:

21 We received 20 -- no, actually --
22 no, yeah, yeah, 20 applications.

23 MR. PERRY:

24 Received 20 and one turned out --

25 MR. FULTON:

1 Yes.

2 MR. PERRY:

3 -- it was already double walled.

4 MR. FULTON:

5 Yeah. They were double walled,
6 yeah.

7 MR. PERRY:

8 So of the 19 --

9 MR. FULTON:

10 So they have -- everyone got
11 approved.

12 MR. PERRY:

13 Okay. So all 19 --

14 MR. FULTON:

15 Yeah. All of them are approved.
16 The letters went out last week.

17 MR. PERRY:

18 Okay. Okay, good. And then in
19 2024, that season, we had 17, I believe.

20 MR. FULTON:

21 I believe 17 that were approved.

22 MR. PERRY:

23 Okay. And now we have what we have
24 audited and the reimbursements being
25 processed to occur.

1 MR. FULTON:

2 Right.

3 MR. PERRY:

4 And we suspect maybe another three
5 or four --

6 MR. FULTON:

7 Three or four more will be coming.

8 MR. PERRY:

9 Yeah.

10 MR. FULTON:

11 We -- they're doing the inspections
12 now. They're following up on them.
13 Generally, it takes a couple of months to
14 get all the documentation together. You
15 know, as long as they submit that, it
16 will process real quickly.

17 MR. PERRY:

18 That sounds good. Well, on that
19 note and topic, other -- in other
20 business, I'd like to ask the department
21 to consider to create a work group, just
22 like you did before to create the
23 program, and I think some issues we'd
24 like to discuss would be the frequency,
25 and again, understanding how laborsome

1 and cumbersome this process is right now,
2 but maybe thinking -- dividing up into
3 four and going to a quarterly process to
4 where there's always a window that's open
5 relatively soon.

6 MR. FULTON:

7 Yeah. That's -- yeah.

8 MR. PERRY:

9 So --

10 MR. FULTON:

11 I don't have a problem with that.
12 It'd be easier on us too.

13 MR. PERRY:

14 Well --

15 MS. DELAFOSSE:

16 Well, yeah, would you want to look
17 at changing the total allocation as well
18 or just for now kind of do the rotating
19 and go from there?

20 MR. PERRY:

21 I think so. I think the --

22 MR. FULTON:

23 We'll be glad to meet.

24 MR. PERRY:

25 If I can speak on --

1 MS. DELAFOSSE:

2 Yes.

3 MR. PERRY:

4 -- behalf of the oil marketers --
5 and, Nick, you can back this up. I think
6 we'd like to look at the amounts --

7 MR. FULTON:

8 Yeah.

9 MR. PERRY:

10 -- the numbers, the frequency --

11 MS. DELAFOSSE:

12 Sure.

13 MR. PERRY:

14 -- just to have an honest study
15 discussion, and then, it'd be great to go
16 to the legislature in 2026 together.

17 MS. DELAFOSSE:

18 Yeah.

19 MR. FULTON:

20 We're all for improvement.

21 MR. PERRY:

22 Okay. So on that, any other thing
23 that you guys like to add to that
24 comment?

25 MR. FULTON:

1 Totally agree with it.

2 MR. PERRY:

3 On that note, I believe our act last
4 year regarding deductibles, amounts and
5 underground storage tank, how the
6 registration is submitted, a number of
7 other things, I think that was -- was it
8 Act 270 or --

9 MS. DELAFOSSE:

10 That sounds right.

11 MR. BAKER:

12 167. 167.

13 MS. DELAFOSSE:

14 Oh, 167, yeah.

15 MR. PERRY:

16 167, okay. There was a package to
17 align that with the regulations.

18 MR. FULTON:

19 Yes.

20 MR. PERRY:

21 Was that successful?

22 MR. FULTON:

23 That was successful. We received no
24 comments and on -- don't quote me on
25 this, June 13th, I believe --

1 MR. PERRY:
2 Okay.
3 MR. FULTON:
4 -- or something like that --
5 MR. PERRY:
6 Okay.
7 MR. FULTON:
8 -- we'll go file them.
9 MR. PERRY:
10 Okay.
11 MR. FULTON:
12 Yeah.
13 MR. PERRY:
14 So that'll be aligned.
15 MR. FULTON:
16 Yeah.
17 MR. PERRY:
18 I think that's good -- or certainly,
19 that's good.
20 MR. FULTON:
21 I think it's called UT20. They
22 changed the name of it when it goes to
23 the register.
24 MR. PERRY:
25 Okay.

1 MR. FULTON:

2 Don't quote me on that either.

3 MR. PERRY:

4 Got you. On that note,
5 traditionally, I believe, in the second
6 quarter meeting, I thought we discuss a
7 fee increase; am I misremembering that?
8 I know it's not on the agenda. A
9 recommendation, make sure the board makes
10 any recommendation. And so if it's not
11 on the agenda is that something that we
12 can --

13 MR. BAKER:

14 Oh, yeah. Yeah. That's under other
15 business.

16 MR. PERRY:

17 Okay. Under other business. And on
18 that note, while we're going to work that
19 issue as a board, is it third quarter for
20 a chairman election or is that second
21 quarter for chairman election?

22 MR. BAKER:

23 Usually, the first quarter of the
24 calendar year.

25 MR. PERRY:

1 First quarter. Okay. So that'll be

2 --

3 MR. BAKER:

4 So it'll be the January --

5 MR. PERRY:

6 -- the January. Okay. That's good.

7 Thank you.

8 MR. BAKER:

9 -- either the February or January
10 meeting.

11 MR. PERRY:

12 Just reconcile that in my mind.

13 Thanks. We're going to miss you, Jeff,
14 that's what I was trying to say.

15 Okay. So to our board, our current
16 UST fee, we make a recommendation to the
17 Secretary of DEQ is eight tenths of a
18 cent per gallon for retail. And so
19 annually, we make a recommendation to the
20 Secretary, if that needs to be addressed,
21 and what our recommendation is. So any
22 discussion on that?

23 MR. ST. ROMAIN:

24 That's been the rate for 35 years at
25 this point and according to the actuary

1 report, we're good for another 20 years
2 on it, so I recommend that there be no
3 change.

4 MR. PERRY:

5 So you make a recommendation that we
6 hold -- we recommend to hold this year.
7 Is there a second on that?

8 MR. HOPPE:

9 I second.

10 MR. PERRY:

11 All right. We got a second. And so
12 let's take it to a vote. All in favor,
13 signify by saying I.

14 MR. GAUBERT:

15 What was the -- what's the motion
16 again?

17 MR. PERRY:

18 The motion is to hold -- to
19 recommend to the Secretary that we hold
20 the rate where it's at this year. Make a
21 motion --

22 MR. GAUBERT:

23 And then annually --

24 MR. PERRY:

25 Yeah. Annually, we look at it.

1 Yeah, annually we look at it and make a
2 recommendation. We have recommended in
3 the past four tenths of a cent, six
4 tenths of a cent and the Secretary has
5 seen, you know, fit that, thank you for
6 the recommendation, but we'll hold it at
7 eight tenths of a cent. So, you know, --
8 MR. MARCELLO:

9 Just another point, they're -- the
10 Secretary and DEQ is recommending holding
11 it I would think because of the actuary
12 report, which when you look at the
13 actuary report, the numbers going out are
14 just flat line. I could have done that.

15 MR. PERRY:

16 Right.

17 MR. MARCELLO:

18 Okay? And I'm not an actuary
19 person.

20 MR. PERRY:

21 Right.

22 MR. MARCELLO:

23 Okay? So I'm questioning what I was
24 questioning before, the 300 million for
25 the last 38 years versus 600 million

1 going out, do we have to do that at this
2 point? Do we have to do it at the first
3 quarter?

4 MR. PERRY:

5 Can we hold -- can we hold --

6 MR. MARCELLO:

7 We have no Secretary -- or we
8 haven't met the Secretary.

9 MS. DELAFOSSE:

10 Okay.

11 MR. MARCELLO:

12 We don't know who the secretary is
13 to meet with them to do that. That's --
14 that's neither here nor there, that's a
15 moot point. But until we can look at
16 this actuary report, I'm -- I'm not
17 against --

18 MR. PERRY:

19 Right. So we got a motion, a first
20 and second. And I think you're making
21 discussion that -- a counter motion that
22 we hold to the third quarter on the
23 recommendation on the agenda.

24 MR. MARCELLO:

25 I -- I didn't make a substitute

1 motion yet.

2 MR. PERRY:

3 Okay.

4 MR. MARCELLO:

5 I'm just talking about it.

6 MR. PERRY:

7 You're considering it?

8 MR. MARCELLO:

9 I'm considering it.

10 MR. PERRY:

11 You're considering it.

12 MR. MARCELLO:

13 Right.

14 MR. PERRY:

15 So we're talking to the board.

16 MR. MARCELLO:

17 I just want to discuss it.

18 MR. PERRY:

19 Yeah. I --

20 MR. MARCELLO:

21 Do we -- do we normally do it the
22 first quarter of each year?

23 MR. PERRY:

24 We normally do it in this meeting.

25 MS. DELAFOSSE:

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Yes.

MR. MARCELLO:

Okay.

MR. PERRY:

Yeah. Normally, it's the second
board meeting, but --

MS. DELAFOSSE:

I think once it may have been at the
February meeting, but --

MR. MARCELLO:

All right.

MS. DELAFOSSE:

-- I think --

MR. MARCELLO:

Then I will --

MS. DELAFOSSE:

-- the majority of the
recommendations have been in May.

MR. MARCELLO:

-- I will withdrawal my discussion -
-

MR. PERRY:

Okay.

MR. MARCELLO:

-- and agree.

1 MR. PERRY:
2 Okay. So what we do is, we have a
3 first and second --

4 MR. MARCELLO:
5 Take a vote, yeah.

6 MR. PERRY:
7 So I open up for a vote. All in
8 favor, signify by saying I.

9 MR. GAUBERT:
10 And it's a period of one year?

11 MR. PERRY:
12 One year, that is correct.

13 MR. GAUBERT:
14 And then so the next time we look at
15 it --

16 MR. PERRY:
17 Will be second quarter of 2026.

18 MR. FULTON:
19 One year from year.

20 MR. GAUBERT:
21 Second quarter of 2026, one year
22 from now.

23 MR. PERRY:
24 Yes, sir. That's right.
25 Okay. All in favor say I.

1 (All indicated aye.)

2 MR. PERRY:

3 Any opposed?

4 (No response.)

5 MR. PERRY:

6 All right. So that passes.

7 Okay. Other business. To our
8 board, do you guys have any other topics
9 we need to -- Gary?

10 MR. FULTON:

11 I'd have one more topic.

12 MR. PERRY:

13 Yes, sir?

14 MR. FULTON:

15 So most of ya'll know, we've been
16 working on our web portal. So I can't
17 make any guarantees, but we're going to
18 try to have something out there for
19 review hopefully by the end of the year.
20 So what we're planning on doing is
21 putting the registration web portal.
22 It'll be hopefully the Notice of Intent,
23 closures and stuff like that, so you will
24 just go online, you'll upload it, it gets
25 sent to us and then we can process it.

1 So with that is going to require
2 training. So hopefully, you'll see --
3 we're going to, hopefully, somewhere
4 around November -- October, November, if
5 we are where we are with the testing,
6 hopefully, you'll be seeing something
7 from that. We're going to have a -- like
8 a little small conference here at DEQ.
9 We're going to ask the certified workers
10 and the RACs and the regulated community
11 to come, so --

12 MR. PERRY:

13 That's great.

14 MR. FULTON:

15 Hopefully, you'll know more about
16 that if we stay on track.

17 MR. HOPPES:

18 Jeff, will that be for all reports
19 too, Kike groundwater monitoring reports
20 and everything else?

21 MR. FULTON:

22 Not yet. That's -- that'll be step
23 two.

24 MR. HOPPES:

25 So we still got to --

1 MR. FULTON:

2 That's why I'm trying to get Jeff to
3 come back as a WAE and help me with that
4 project. But we are getting closer. We
5 are getting closer.

6 MS. DELAFOSSE:

7 Put that on the record, huh, Gary?

8 MR. FULTON:

9 That's right. That's for the
10 record.

11 MR. MARCELLO:

12 They call that the drop program.

13 MR. BAKER:

14 Ya'll realize, he's just now telling
15 me about this, right?

16 MR. PERRY:

17 All right. Well, thank you, Gary.

18 Is there any other business from our
19 board?

20 MS. DELAFOSSE:

21 I just wanted to mention too, the
22 Secretary had a meeting with region six
23 this afternoon. She did plan -- you
24 know, if timing worked out, she did plan
25 to come say hello. But if we're still

1 down here --

2 MR. PERRY:

3 Okay.

4 MS. DELAFOSSE:

5 -- visiting or whatnot and she's
6 able to, she's going to come --

7 MR. PERRY:

8 Very good.

9 MS. DELAFOSSE:

10 -- pass on a hello to everybody.

11 MR. PERRY:

12 Very good.

13 On that note, Jeff mentioned our
14 next meeting will be August 28th, and
15 then, the fourth quarter meeting will be
16 November the 20th. In my calendar, I am
17 in good shape, which I'm thrilled about.
18 Does anybody have any issues on August
19 28th or 11/20 that they can see at this
20 time?

21 (No response.)

22 MR. PERRY:

23 Okay. Looks good.

24 Okay. I've got one other order of
25 business. I'd like to recognize Ms.

1 Natalie Isaacks to do a little something
2 for our good friend Jeff.

3 MS. ISAACKS:

4 Well, Jeff, I know. We heard you
5 weren't going to come today, but thanks
6 for coming. We know you're riding off in
7 the sunset. We didn't always agree, as
8 Todd likes to say, but we communicated --

9 MR. BAKER:

10 Yes.

11 MS. ISAACKS:

12 -- you know, and so we -- for that,
13 we really do appreciate that, because
14 that's, at the end of the day what we
15 want, to be able to understand, ask
16 questions.

17 MR. BAKER:

18 And we appreciate ya'll.

19 MS. ISAACKS:

20 And so we don't do these very often
21 in our association, but we did get you a
22 plaque and to read it to everybody, it
23 says, Louisiana Oil Marketers Convenience
24 Store Association is proud to recognize
25 Jeff Baker for over 32 years of

1 distinguished service to the State of
2 Louisiana and 12 years of dedicated
3 leadership as administrator of the Motor
4 Fuels UST Trust Fund. Your unwavering
5 integrity, collaborative spirit and
6 tireless commitment have made a lasting
7 impact on Louisiana's environment and
8 petroleum industry. And then it says,
9 today presented.

10 MR. BAKER:

11 Well, thank ya'll. That's so sweet.
12 Thank ya'll.

13 MR. FULTON:

14 I want ya'll to know that I really
15 appreciate Jeff. We've worked closely
16 together and I'd hope that ya'll feel the
17 same way.

18 MR. PERRY:

19 No question.

20 MR. FULTON:

21 So I couldn't have done it without
22 him.

23 MR. PERRY:

24 No question.

25 So with that said, we're going to go

1 to adjourn the meeting, but after, we
2 have some refreshments we'd like, if you
3 would stick around, stick around with us
4 and we'll celebrate you a little bit
5 more, Jeff, okay?

6 MR. BAKER:

7 That's sweet. Thank ya'll.

8 MR. PERRY:

9 So hang in there with us, buddy.

10 All right. Okay. So we'll open the
11 floor for a motion to adjourn meeting.

12 MR. MARCELLO:

13 So moved.

14 MR. HOPPES:

15 Second.

16 MR. PERRY:

17 We've got a first and second. All
18 in favor please say I.

19 (All indicated aye.)

20 MR. PERRY:

21 Any opposed?

22 (No response.)

23 MR. PERRY:

24 All right. Thank you.

25 THE MEETING ADJOURNED AT 2:32 P.M.

R E P O R T E R ' S P A G E

I, Lori B. Overland, Certified Court Reporter, in and for the State of Louisiana, the officer, as defined in Rule 28 of the Federal Rules of Civil Procedure and/or Article 1434(b) of the Louisiana code of Civil Procedure, before whom this sworn testimony was taken, do hereby state on the Record

That due to the interaction in the spontaneous discourse of this proceeding, dashes (--) have been used to indicate pauses, changes in thought, and/or talk overs; that same is the proper method for a Court Reporters's transcription of proceeding, and that the dashes (--) do not indicated that words or phrases have been left out of this transcript;

That any words and/or names which could not be verified through reference material have been denoted with the phrase "(inaudible)."

Lori Overland, C.C.R.

97083

C E R T I F I C A T I O N

I, Lori B. Overland, Certified Court Reporter in and for the State of Louisiana, as the officer before whom this testimony was taken, do hereby certify that the above referenced individual to whom oath was administered, after having been duly sworn by me upon authority of R.S. 37:2554, did testify as hereinbefore set forth in the foregoing pages, that this testimony was reported by me in the stenomask reporting method, was prepared and transcribed by me or under my personal direction and supervision, and is a true and correct transcript to the best of my ability and understanding; that the transcript has been prepared in compliance with transcript format guidelines required by statute or by rules of the board, that I have acted in compliance with the prohibition on contractual relationships, as defined by Louisiana Code of Civil Procedure Article 1434 and in rules and advisory opinions of the board; that I am not related to counsel or to the parties herein, nor am I otherwise interested in the outcome of this matter.

Lori Overland C.C.R.

97083

