

MINUTES

DRYCLEANER ENVIRONMENTAL RESPONSE TRUST FUND COUNCIL OF ILLINOIS

COURTYARD CHICAGO SCHAUMBURG/WOODFIELD MALL HOTEL SCHAUMBURG, ILLINOIS

JANUARY 14, 2020

John Polak, Chairperson, called the Drycleaner Environmental Response Trust Fund Council of Illinois meeting to order at 10:03 a.m. A quorum was present. Roll call was taken with the following members present:

Robert Dunham
Jemma Jones
Sung Do Kang
Daniel Kim (arrived at 10:09 a.m.)
Young B. Kim
John Polak (via telephonic conference)

Also present were:

H. Patrick Eriksen, Program Administrator's Office
Emily Masalski, Legal Counsel
Yong Kim, Program Administrator's Office

PRELIMINARY BUSINESS

The minutes from the November 4, 2019 Council meeting were reviewed. Mr. Kang made the motion the minutes be approved as presented. The motion was seconded by Mr. Dunham and approved by a vote of 5-0.

Mr. Daniel Kim arrived at 10:09 a.m.

APPEAL OF LICENSE LATE PAYMENT FEES

1. Mr. Rich Sonshine of Drycleaner 365 in Prospect, IL (site #0002852) was not in attendance. The Council had deferred this appeal hearing at the November 4, 2019 Council meeting due to Mr. Sonshine's failure to appear for the hearing. By consensus, the Council agreed to consider the appeal at this meeting.

Mr. Eriksen reviewed background information with the Council. After general discussion, on a motion by Mr. Daniel Kim and a second by Mr. Polak, the Council voted 6-0 to not reduce the license late payment fees for 2019.

2. Ms. Yun Jeong La, owner/operator of E S Cleaners, 11237 West 143rd Street, Orland Park, IL (site# 0002937), requested the Council reduce her 2019 license late payment fees.

Mr. Eriksen reviewed background information noting the license 2019 license fee was not paid until July 29, 2019 resulting in license late payment fees of \$835, which have been paid. Ms. La said business had been slow since she purchased the facility in July 2018.

After general discussion, Mr. Daniel Kim made the motion to reduce the 2019 license late fees to \$175. The motion was seconded by Mr. Kang and passed by a vote of 6-0.

3. Mr. Jae Lee, owner/operator of Green Cleaners, 40 W 148 Campton Crossing Dr., St. Charles, IL (site #003063), requested the Council waive his 2019 license late fees.

Mr. Eriksen reviewed background information noting the Illinois Department of Revenue did not process his check until April 4, 2019 resulting in license late payment fees of \$225. Mr. Lee said he mailed the check via certified mail in early February.

After general discussion, on a motion by Mr. Young Kim and a second by Mr. Kang, the Council voted 6-0 to waive the license late payment fees.

APPEAL OF LOSS OF REMEDIAL PROGRAM BENEFITS

Mr. and Mrs. Duck Lim, the owners/operators of Pronto Cleaners, 2235 South Michigan Ave., Chicago, IL (site #2518), participated in the appeal hearing via phone. Mr. Kang and Mr. Daniel Kim assisted in translating their comments for the Council. The Lims requested the Council waive the 60 day notice period to appeal the loss of remedial program benefits and reinstate the remedial program benefits for their facility.

Mr. Eriksen reviewed background information noting Mr. Young Kwon, previous owner of the facility, is the named claimant. Mr. Eriksen noted the insurance coverage lapsed for a 6 week period in 2007 but continuous coverage has been maintained since then. The Lims noted Mr. Kim is deceased but his wife owns the building housing the drycleaning operations.

After general discussion, on a motion by Mr. Kang and a second by Ms. Jones, the Council voted 5-1 to waive the 60 day appeal notice period. Mr. Polak voted against the motion.

Mr. Young Kim made a motion to reinstate the remedial program benefits. The motion was seconded by Mr. Kang and passed by a vote of 5-1 with Mr. Polak voting against the motion.

OPERATIONAL ISSUES

A. Legislative Update

SB0718 was signed into law as Public Act 101-605 by Governor Pritzker on December 13, 2019. Key provisions of the act include:

1. Amends the effective date of Public Act 101-400 to take effect on December 31, 2019 except for Sections 5 (amendment to the Environmental Protection Act), 10 (amendments to Sections 5, 10, 25, 40, 50, 55, 60, 65, and 69, and by adding Sections 69.5 and 77 to the Drycleaner Trust Fund Act) and 20 (repealing Sections 15, 20, 30, 75, and 80 of the Drycleaner Trust Fund Act) are effective July 1, 2020. This provides for the continuation of the license fees and solvent taxes that were set to expire on January 1, 2020.
2. Provides “for each subsequent program year through the program year ending June 30, 2019”, the insurance premium shall be actuarially-sound.
3. Beginning July 1, 2020, the insurance premium can no longer be paid in semi-annual installments. It must be paid in full on renewal.
4. Provides the Pollution Control Board authority to pay eligible insurance claims.
5. For owners/operators of inactive drycleaning facilities that are eligible for reimbursement from the Fund, the new annual \$3,000 administrative assessment for calendar year 2020 is due on or before October 1, 2020. For subsequent calendar years the assessment is due on or before February 1st.

B. Policy Issue – Insurance Premium for the Period of January 1, 2020 through June 30, 2020

Mr. Eriksen reviewed background information noting amendment #1 to SB0718 inserted language into Section 45(e)(5) that leaves unclear what insurance premium should be

charged for insurance policies issued for the period of January 1, 2020 through June 30, 2020 and whether the insurance premium can be paid in semi-annual installments.

After general discussion, on a motion by Mr. Polak and a second by Mr. Dunham, the Council voted 6-0 to renew policies issued January 1, 2020 through June 30, 2020 for an annual premium of \$1,100, payable in 2 semi-annual installments of \$550 each.

C. Review of Fiscal 2019 Audit Report

Mr. Eriksen reviewed the fiscal 2019 audit report noting the only finding is a repeat finding for the past twelve audits and references the timeliness of Council member appointments. The Council continues to respond that the appointments are outside of their control.

The Auditor General's Office is planning to schedule the fiscal 2020 audit prior to the June 30, 2020 transition of the program's administration to Illinois EPA.

D. Potential Meeting Dates for Calendar Year 2020

Mr. Eriksen reviewed a listing of possible meeting dates for calendar year 2020. The dates are as follows: March 4th, May 6th and June 24th. The Council members indicated they have no conflicts at this time with those dates.

APPROVAL OF PROGRAM BILLINGS

There were five (5) bills before the Council for their review and approval:

1. Hunter Masalski LLC \$ 2,112.50
Professional legal services for the period of October 23, 2019 through November 20, 2019.
2. Hunter Masalski LLC \$ 3,665.00
Professional legal services for the periods of October 5 – October 9, 2019; November 6, 2019; and November 21, 2019 through December 26, 2019.
3. Williams & Company Consulting, Inc..... \$ 48,970.00
Standard flat fee billing for November 2019, licensing, underwriting, claims processing and site inspections.\
4. Williams & Company Consulting, Inc..... \$ 10,340.00

Standard flat fee billing for December 1 – 7, 2019, licensing, underwriting, claims processing and site inspections.

5. Williams & Company Consulting, Inc..... \$ 42,449.00

Standard flat fee billing for December 8 – 31, 2019, licensing, underwriting, claims processing and site inspections.

On a motion by Mr. Dunham and a second by Ms. Jones, the bills were approved by a vote of 6-0.

REVIEW OF MONTHLY ACTIVITY REPORTS AND FINANCIAL STATEMENTS

Mr. Eriksen reviewed the monthly activity report for December 31, 2019 noting 703 licenses were in effect at the end of the month compared to 762 licenses as of December 31, 2019. Three hundred forty four (344) active dry-cleaning facilities have pollution liability insurance coverage with the Fund. Open claims totaled 143 with estimated reserves of \$14.7 million.

The December 31, 2019 financial statements reflect a fund balance of \$800,569.

CLAIM PAYMENTS IN EXCESS OF \$75,000

Mr. Eriksen noted there were two (2) claim payment requests for Council review.

1. Star Cleaners, Palos Hills, IL; Claim #50048, Site #0002078:

Mr. Eriksen reviewed background information on the facility noting the budget request is for costs relating to operation and maintenance costs and post remedial confirmation sampling costs. The administrator requested budget approval of \$57,000.

On a motion by Mr. Daniel Kim and a second by Mr. Dunham, the Council approved the administrator's budget request of \$57,000 by a vote of 6-0.

2. Kustom Kleen Cleaners, Arlington Heights, IL; Claim #50158, Site #0001297:

Mr. Eriksen reviewed background information on the facility noting the budget request is site characterization costs. The administrator requested budget approval of \$15,000.

On a motion by Mr. Kang and a second by Mr. Dunham, the Council approved the administrator's budget request of \$15,000 by a vote of 6-0.

OTHER ISSUES

The next Council meeting is scheduled for Wednesday, March 4, 2020 beginning at 10 a.m.

PUBLIC COMMENT PERIOD

Mr. Polak asked for public comment. There was none.

CLOSED SESSION

Mr. Eriksen noted there were no issues for discussion in closed session.

There being no further business, on a motion by Mr. Polak and a second by Mr. Dunham, the Council meeting adjourned at 11:26 a.m.

Respectively submitted,

H. Patrick Eriksen
Administrator