

STATE BOARD TO REVIEW CLAIMS

MEETING OF MARCH 6, 2008

Summary of Resolution

ITEM V.A.

SUBJECT: Proposed Resolution to Provide Third Party Liability Coverage to AVIS Rent A Car System Facility, 5164 Rent-A-Car Road, Las Vegas, Nevada Facility I.D. No. 8-000217, Petroleum Fund Case ID No. 1994000065

DISCUSSION: The State Board to Review Claims (Board) previously approved State of Nevada Petroleum Fund (Fund) coverage of two underground storage tank (UST) systems located at the subject site for a total of \$2 million in first party liability claims with a total deductible of \$20,000. As of the December 6, 2007 meeting, the subject site has been reimbursed \$1,886,564.52. Despite progress in remediating the site, contamination remains at concentrations in excess of Nevada State Action Levels. Because the contamination has spread off-site and created a potential for third party liability, third party liability coverage has been requested.

Nevada Division of Environmental Protection (NDEP) therefore, recommends that the subject facility receive third party liability coverage.

RECOMMENDATION: **Adoption** of Resolution No. 2008-01 as proposed, granting third party liability Fund coverage to two UST systems located at the subject site subject site with a total deductible of \$20,000.

RESOLUTION NO. 2008-01

Resolution to Provide Third Party Liability Petroleum Fund Coverage  
for AVIS Rent A Car System Facility  
5164 Rent-A-Car Road, Las Vegas, Nevada  
Petroleum Fund Case ID No. 1994000065  
Facility ID No. 8-000217,

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Whereas, the State Board to Review Claims (hereinafter referred to as the Board) Finds:

1. Fund coverage was previously granted to two UST systems located at the subject site for a total of \$2 million in first liability claims with a total deductible of \$20,000.
2. As of the December 6, 2007 meeting, the subject site has been reimbursed \$1,886,564.52.
3. Despite progress in remediating the site, contamination remains at concentrations in excess of Nevada State Action Levels, has spread off-site, and creates a potential for third party liability.
4. In accordance with Board Resolution No. 2007-10, the owner/operator has acknowledged that using third party liability funds for corrective actions will reduce the remaining funds in the event of a third party lawsuit (Attachment A).

THEREFORE BE IT RESOLVED:

- 1) The owner/operator has acknowledged that using third party liability funds for corrective actions will reduce the remaining funds in the event of a third party lawsuit.
- 2) The Board grants third party liability Fund coverage to AVIS Rent A Car System Facility, Petroleum Fund Case ID No. 1994000065 with a \$20,000 deductible.
- 3) The maximum amount that the Board will reimburse for third party liabilities due to the discharge from the underground storage tank system for this case is \$1,980,000 (maximum cap of \$1,000,000 less the \$10,000 deductible for each of the two UST systems).

I, John Haycock, Chairperson, do hereby certify that the foregoing is a full, true, and correct copy of a Resolution adopted by the Nevada State Board to Review Claims on March 6, 2008.

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John Haycock, Chairperson  
State Board to Review Claims

**ATTACHMENT "A"**

LETTER FROM OWNER/OPERATOR OF  
AVIS RENT A CAR FACILITY

avis budget group

RECEIVED

JAN 09 2008

ENVIRONMENTAL PROTECTION

January 7, 2008

Mr. Bennett Kottler  
Nevada Division of Environmental Protection  
Bureau of Corrective Actions  
901 S. Stewart Street, Suite 4001  
Carson City, Nevada 89701-5249

Re: Avis Rent A Car System Facility, 5164 Rent-A-Car Road, Las Vegas, Nevada.  
Facility I.D. #8-000217. Petroleum Fund Case #1994000065.

Dear Mr. Kottler:

This letter is submitted as formal notification that the above referenced case is about to cross the two million dollar point in Nevada Petroleum Fund (Fund) reimbursed expenses for the two covered releases associated with above referenced case. As of the December 6, 2007 meeting of the Board to Review Claims, Avis Rent A Car has been reimbursed a total of \$1,866,564.52. Unfortunately, site remediation activities have not yet reached a point where the site can be considered for regulatory closure. Significant progress has been made and a between 85% and 99% reduction in dissolved contaminant concentrations have been noted in the vicinity of the source area. However, there is still enough impact remaining in place such that remediation activities will be required to continue into the future. Accordingly, reimbursement funds in excess of one million dollars per covered release will be needed to complete this project. Since the contamination has spread off-site and created a potential for third party liability (NRS 590.890 3(a)), I am requesting that the Fund begin charging clean-up costs to the available one million dollars of third party liability coverage. I realize that this will reduce the remaining funds available in the case of a third party suit.

Very truly yours,



Rose Pelino  
Director Environmental Affairs  
Design & Construction  
Avis Budget Car Rental Group, LLC

AVIS  Budget