

**STATE PETROLEUM BOARD MEETING TO REVIEW CLAIMS  
BOARD MEETING MINUTES  
June 9, 2005**

Note: Copies of the recorded meeting on cassette tape can be obtained from Victoria Joncas, NDEP, 901 South Stewart Street, Carson City, Nevada 89701 or by calling (775) 687-9367.

**I. CALL TO ORDER**

Chairman Haycock called the meeting to order from the Las Vegas location at approximately 10:00 a.m. The meeting was conducted via videoconference with locations in Las Vegas at 3811 W. Charleston Boulevard, Suite 209 and in Reno at 1001 East Ninth Street, Conference Room B.

**A. BOARD MEMBERS PRESENT** - Present were Mr. John Haycock (Chairman); Mr. Edgar Roberts; Ms. Joanne Blystone; Mr. Mike Miller; Mr. Jack Hastings; Mr. Leo Drozdoff; and, Ms. Linda Bowman

**II. APPROVAL OF THE AGENDA**

Gil Cerruti announced that there was a typographical correction to Item number VIB in that it should read "Waterhole" in lieu of "Waterhold".

**A motion was made by Ms. Blystone and seconded by Mr. Miller to approve the Agenda with the correction to Item number VIB. Motion carried unanimously.**

**III. APPROVAL OF THE MARCH 10, 2005 MINUTES**

**Ms. Joanne Blystone moved to approve the Minutes. The Motion was seconded by Mr. Miller. Motion carried unanimously.**

Mr. Cerruti introduced NDEP staff who were present for the meeting. Staff introductions included: Mr. Gil Cerruti; Mr. Art Gravenstein; Ms. Victoria Joncas; Ms. Allie Wright; Mr. Steve Fishenich and Ms. Kimberly Felton

At this point in the meeting, Board member Bowman arrived.

**IV. STATUS OF THE FUND**

Mr. Cerruti reported that the balance forward from fiscal year 2004 is \$7,250,000. Petroleum fees revenue received through February 2005 total approximately \$8,000,000,

including tank fees of approximately \$500,000. Together, the fund balance is approximately \$15,800,000. This does not include the months of March through June 2005. Additional revenue of approximately \$4,000,000 is expected. Expenditures total approximately \$5,500,000, excluding expenditures for review at today's Board meeting. Of this amount, \$4,800,000 is petroleum fund claim reimbursements. The fund liability is approximately \$900,000, creating a total expenditure and liability of \$6.4 million and leaving a balance as of this meeting date of \$9.4 million. Recommendations for petroleum fund claim reimbursements on today's agenda total \$1.75 million. Upon approval and payment, the fund will contain approximately \$12.5 million at the end of June, which exceeds the statutory limit of \$7.5 million. The Department of Motor Vehicles has been advised to cease collecting the fee as of July 1, 2005 because of the statutory requirements.

## **V. DETERMINATION OF FUND COVERAGE**

**A. Board determination of coverage, and the amount of coverage, for Mr. P. Taylor, Cave Rock Country Store, Fund case #2004000026** – Mr. Cerruti provided a brief background of this case. He stated that on November 12, 2003, Mr. Taylor submitted a claim for reimbursement to the staff of the petroleum fund in the amount of approximately \$166,000 and another claim on January 25, 2004 for \$2,940. The total submitted claims for this case is \$169,478.14. Staff's recommendation is for reimbursement in the amount of \$93,437.21 to Mr. Taylor **as payment in full for petroleum fund case number 2004000026.**

Board member Ms. Bowman excused herself from participation of this claim.

Mr. Jim Cavilia, esq. representing Patrick Taylor, stated that Mr. Taylor was in agreement with the suggested reimbursement amount of \$92,437.21. He thanked Bill Fry and Jim Najima in particular for working with Mr. Taylor to arrive at this amount.

Chairman Haycock stated that on December 11, 2003 a motion was made by Mr. Biaggi. The motion stated, in essence, that coverage be granted to Patrick Taylor in the amount equal to the amount of coverage given to Mr. Hagar. Mr. Haycock stated that this motion must be rescinded prior to any action.

**Mr. Drozdoff moved to rescind the December 11, 2003 in order to move forward with payment of this matter.** Chairman Haycock clarified that this motion would be a motion in favor of this case. **The motion was seconded by Ms. Blystone. Motion carried unanimously.**

## **VI. EQUIPMENT TRANSFER/SALES**

**A. Transfer of Remediation Equipment from the Beatty General Store Facility (Case ID No. 1999000237) to the Cortez Gold Mines (Case ID No. 1993000126) Resolution No. 2004-17**

**B. Transfer of Remediation Equipment from Berry-Hinckley Industries Store #14 (Case ID No. 1999000252) to the Waterhole Facility (Case ID No. 1999000273) Resolution No. 2004-18**

It was announced that Agenda Items VIA and B would be reviewed together. There was no objection.

Keith Stewart, Stewart Environmental, stated that the equipment transfer in item VIB was requested in March 2005 and has been approved. The equipment was decommissioned and set up for delivery in April of 2005. However, Bramco Inc. has failed to deliver the unit. The reason is not known. Mr. Stewart requested that for the record, it be noted that this is being deducted from the Waterhole fund amount; however, the equipment has not been delivered and a status is not available. This has been the situation for approximately two months. To date, Bramco Inc. has not returned phone calls from either Mr. Stewart or his associate, Hayden Bridwell. A discussion regarding this matter followed. Mr. Cerruti volunteered to check on the status of this matter.

**A motion was made by Ms. Blystone and seconded by Mr. Miller to approve agenda items number VI A and VI B. Motion carried unanimously.**

## **VII. ADOPTION OF CONSENT ITEMS**

### **A. Review of Consent Claims**

<b><u>HEATING OIL</u></b>			<b><u>REQUESTED</u></b>	<b><u>RECOMMENDED</u></b>
1	1999000113H	City of Fallon: City of Fallon Maintenance Yard	\$445.00	\$241.00
2	2004000041H	University of Nevada: UNR Crisis Center	\$2,676.63	\$2,426.63
3	2005000018H	University of Nevada: Former Bishop Manogue HS	\$52,237.40	\$42,660.22
<b><u>NEW CASES, OTHER PRODUCTS</u></b>			<b><u>REQUESTED</u></b>	<b><u>RECOMMENDED</u></b>
1	1999000212	Shell Oil Products USA: Glendale Shell	\$101,413.81	\$37,631.16
2	2005000004	7-Eleven, Inc.: 7-Eleven #21285	\$17,650.23	\$15,868.77
3	2005000021	Berry-Hinckley Industries: Berry-Hinckley #95	\$12,767.35	\$11,490.61
<b><u>OLD CASES</u></b>			<b><u>REQUESTED</u></b>	<b><u>RECOMMENDED</u></b>
1	1991000039	7-Eleven, Inc.: 7-Eleven #29643	\$0.00	\$800.00
2	1991000059	BP West Coast Products LLC: ARCO#2137	\$4,637.25	\$4,637.25
3	1992000014	BP West Coast Products LLC: ARCO #6068	\$5,611.77	\$4,464.98

	<u>OLD CASES</u>	<u>REQUESTED</u>	<u>RECOMMENDED</u>
4	1992000034 PDQ Stores, Inc.: PDQ #508	\$4,365.59	\$4,365.59
5	1992000062 Allied Washoe: Allied Petroleum - Elko	\$19,400.08	\$18,765.08
6	1992000087 Anderson Dairy, Inc.: Anderson Dairy	\$8,042.87	\$7,876.56
7	1992000126 Clark Co. School Dist.: RC White Transportation	\$54,732.01	\$54,557.01
8	1993000010 7-Eleven, Inc.: 7-Eleven #290687	\$0.00	\$96.30
9	1993000051 BP West Coast Products LLC: ARCO #4950	\$3,995.33	\$3,961.27
10	1993000100 George Eizman: Eizman's Service	\$3,914.11	\$3,615.55
11	1993000102 Rebel Oil Company: Rebel #8	\$25,565.64	\$25,565.63
12	1993000103 Russel Yardley: Charlie Brown Construction	\$8,651.79	\$8,478.76
13	1993000107 BP West Coast Products LLC: ARCO #5310	\$16,179.01	\$8,644.84
14	1993000114 Linda Hansen: Zintek Properties	\$4,269.31	\$4,269.31
15	1993000115 City of Fallon: Former Bootlegger Texaco	\$7,540.21	\$4,972.39
16	1993000126 Cortez Gold Mines: Mill Site _ Beowawe	\$133,890.83	\$132,674.34
17	1994000003 Allied Washoe: Allied Petroleum - Reno	\$25,999.34	\$31,193.84
18	1994000012 American Mart Corp.: DeLuca Liquor and Wine	\$0.00	\$6,493.06
19	1994000029 7-Eleven, Inc.: 7-Eleven #20826	\$30,377.63	\$22,765.90
20	1994000037 Manjeet Sodhi: Gofer Market	\$15,603.77	\$15,296.91
21	1994000065 Avis Rent A Car Systems: Avis Rent A Car	\$39,076.58	\$33,574.30
22	1994000067 Peppermill Casinos, Inc.: Mosquito Truckstop	\$12,987.73	\$12,987.73
23	1994000086 Falconi Motors, Inc.: Falconi's Tropicana Honda	\$16,859.62	\$16,859.62
24	1994000120 Conoco Phillips Company: Union 76 #3846	\$25,996.81	\$23,596.89
25	1994000122 Mark Michelson: Mike's Gas-A-Mart	\$20,847.63	\$21,151.37
26	1994000125 Conoco Phillips Company: Union 76 #5558	\$15,699.95	\$15,699.95
27	1995000012 Tim Bengochea: Parkers Model T Casino	\$18,771.48	\$12,570.84
28	1995000022 Conoco Phillips Company: Union 76#4370	\$4,919.62	\$4,919.62
29	1995000029 BP West Coast Products LLC: ARCO #1903	\$831.61	\$748.45
30	1995000042 FBF, Inc.: Fayeghi Texaco	\$12,819.98	\$11,420.99
31	1995000074 Vera Hester: Glendale Service Facility	\$13,073.99	\$11,766.59
32	1995000080 Churchill Co.: Churchill Co. Road Department	\$14,424.76	\$10,001.77
33	1995000105 Redman Petroleum Corp.: Redman Petroleum	\$7,025.82	\$6,323.23
34	1995000142 7-Eleven, Inc.: 7-Eleven #29644	\$29,996.86	\$26,997.17
35	1996000026 Moapa Valley Credit Union: Former Russ Auto	\$7,194.57	\$5,180.10
36	1996000034 Marilyn Torrez: Former Mountain City Chevrolet	\$5,655.58	\$5,090.00
37	1996000058 Bill Abdul: The County Store	\$5,751.16	\$2,298.15
38	1996000063 Joan Pennachio" V&V Automotive	\$3,917.03	\$6,241.97
39	1996000101 Conoco Phillips Company: Circle K #695	\$26,820.56	\$24,138.51
40	1997000024 BP West Coast Products LLC: ARCO #399	\$125,988.87	\$105,803.46
41	1997000038 Shell Oil Products USA: Former Keystone Shell	\$0.00	\$6,752.47
42	1997000039 Shell Oil Products USA: Incline Shell	\$12,555.33	\$44,947.34
43	1997000061 Berry-Hinckley Industries: Berry-Hinckley #60	\$7,579.00	\$5,314.50
44	1997000093 Conoco Phillips Company: Union 76 #5257	\$21,892.52	\$11,577.66
45	1998000014 Berry-Hinckley Industries: Berry-Hinckley #26	\$5,569.26	\$5,012.34
46	1998000016 Conoco Phillips Company: Circle K #1366	\$14,320.51	\$12,955.95
47	1998000017 Brinton Investment Co.: The Mountain Store	\$6,329.80	\$5,695.82
48	1998000025 Washoe Co. School Dist.: Getto Transportation	\$9,376.38	\$9,376.38
49	1998000048 N. & D. Willden: Allstate Rent A Car	\$46,596.63	\$41,936.97
50	1998000053 7-Eleven, Inc.: 7-Eleven #27361	\$14,313.18	\$3,220.46
51	1998000056 BP West Coast Products LLC: ARCO #6018	\$42,610.61	\$38,349.54
52	1998000068 Conoco, Inc: Conoco #28003	\$18,239.42	\$16,442.35

		<u>OLD CASES</u>	<u>REQUESTED</u>	<u>RECOMMENDED</u>
53	1998000073	City of Reno: Reno Police Station	\$13,787.85	\$13,787.85
54	1998000075	Rebert Dufferena: McDermit Service & Motel	\$10,420.78	\$7,829.68
55	1998000080	Seven Crown Resorts: Echo Bay Resort	\$8,406.26	\$7,259.63
56	1999000007	7-Eleven, Inc.: 7-Eleven #21850	\$30,379.11	\$27,493.86
57	1999000008	7-Eleven, Inc.: 7-Eleven #23129	\$24,153.81	\$21,738.43
58	1999000012	BP West Coast Products LLC: ARCO #5319	\$4,773.03	\$2,577.44
59	1999000017	Reed Distributing: Reed R-Place Shell	\$20,271.29	\$18,201.80
60	1999000037	Longley Construction Co.: Longley Construction	\$10,132.08	\$8,834.11
61	1999000042	Chevron USA Products, Co.: Chevron #9-2567	\$33,165.43	\$27,374.36
62	1999000048	Cowan Estate: Former Lightning Lube	\$32,530.02	\$32,530.02
63	1999000061	Rish Sorani: Rich's Unocal	\$104,094.35	\$93,684.92
64	1999000066	Haycock Petroleum Dist.: Haycock Petroleum	\$12,213.14	\$10,991.82
65	1999000082	S&G Properties LLC: Standard Wholesale Supply	\$4,818.75	\$3,666.60
66	1999000089	Jerry Maeder: Jerry's Chevron	\$13,762.10	\$12,283.78
67	1999000090	Haycock Petroleum Dist.: Haycock Petroleum	\$13,569.64	\$12,212.68
68	1999000114	City of Fallon: Fallon Maintenance Yard	\$13,301.23	\$11,656.11
69	1999000116	Seven Crown Resorts: Echo Bay Resort	\$1,874.25	\$1,686.82
70	1999000117	Berry-Hinckley Industries: Berry Hinckley #45	\$6,529.40	\$5,304.56
71	1999000145	Jerry Applehane: Gagne Coach Maintenance	\$4,880.76	\$4,392.68
72	1999000155	Verney Padgett: Old Washoe Station	\$7,482.68	\$6,208.69
73	1999000167	City of Las Vegas: Fire Station #1	\$9,056.10	\$8,160.49
74	1999000182	Berry-Hinckley Industries: W. Mountain Oil #200	\$25,401.94	\$19,450.77
75	1999000186	Gloria Pilger: Former D&G Oil Facility	\$14,891.39	\$13,402.25
76	1999000199	Mary Ann Ferguson: Lakeshore Orbit Station	\$22,412.00	\$17,795.00
77	1999000204	Berry-Hinckley Industries: Trailside General Store	\$32,047.36	\$24,448.67
78	1999000224	BP West Coast Products, LLC: ARCO #5326	\$14,801.54	\$7,693.69
79	1999000229	Mark Rosenquist: Former Bus Stop Facility	\$0.00	\$5,269.74
80	1999000237	Ralph Lisle: Beatty General Store	\$20,642.24	\$16,799.21
81	1999000239	Jim Gomes: Callvill Bay Marina	\$21,230.96	\$19,107.88
82	1999000242	Harjit Singh: S&S Deli and Mini Mart	\$4,371.32	\$3,253.00
83	1999000243	7-Eleven, Inc.: 7-Eleven #27607	\$72,725.24	\$25,246.44
84	1999000248	Ron Holman: Southern Wine and Spirits	\$18,972.20	\$15,184.98
85	1999000252	Western Energetix Corp.: Winners Corner #14	\$16,859.24	\$12,843.58
86	1999000257	University of Nevada: Newlands Agriculture	\$15,430.81	\$12,787.24
87	1999000273	V.K. Leavitt: The Waterhole	\$7,090.08	\$0.00
88	1999000275	Conoco Phillips Company: Circle K #1248	\$3,177.01	\$2,573.38
89	1999000276	Robert Harris: Pecos Station Texaco	\$8,911.07	\$8,019.96
90	2004000014	BP West Coast Products LLC: ARCO #437	\$6,207.47	\$5,586.72
91	2004000025	BP West Coast Products LLC: ARCO #1580	\$1,529.89	\$1,376.91
92	2004000027	BP West Coast Products LLC: ARCO #5309	\$7,385.92	\$6,647.33
93	2004000029	V-R Property Management: Gas-N-Save	\$158,121.31	\$142,219.17
94	2004000035	Seven Crown Resorts: Echo Bay Marina	\$12,975.67	\$10,805.21
95	2005000002	Carson Valley Oil Co., Inc.: Carson Valley Oil	\$13,041.40	\$11,737.26
96	2005000018	BP West Coast Products LLC: ARCO #1718	\$445.43	\$400.89
		<b><u>CLAIMS TOTAL</u></b>	<b><u>\$2,046,283.36</u></b>	<b><u>\$1,497,143.85</u></b>

Mr. Cerruti stated that all claims presented to the Board are consent items.

**A motion for approval of Agenda item number 7, heating oil cases 1-3, new cases 1-3, and old cases 1-96 was made by Ms. Blystone. Mike Miller seconded the Motion.** Discussion followed.

Ms. Bowman stated that she was abstaining from Item 21, Avis Rent-a-Car system and disclosed that she represented the University of Nevada, Reno on several matters, not related to the present cases. She stated that, for the record, this would not affect her vote on this matter.

Chairman Haycock disclosed that he would abstain from item numbers 64 and 67 under old cases.

**Motion carried unanimously with Ms. Bowman abstaining from Item 21 and Chairman Haycock abstaining from items 64 and 67.**

## **VIII. EXECUTIVE SUMMARY**

Gil Cerruti reported that 42 new cases have been received for evaluation during fiscal year 2005, for a total of 1,249 cases evaluated since the inception of the program. Currently there are: 253 active remediation sites; a total of 822 cases have been closed; 101 cases have been denied coverage; 42 cases have expired; and, 31 cases are in pending status.

To date, the State of Nevada petroleum fund has reimbursed approximately \$113,000,000 for the cleanup of soil and groundwater. At this meeting, an additional \$1,750,000 was recommended, bringing the total to a little over \$115,000,000.

## **IX. PUBLIC FORUM**

There were no individuals who desired to speak under Public Forum.

## **X. CONFIRMATION OF NEXT MEETING DATE**

The next meeting date was set for Tuesday, September 27, 2005.

## **XI. ADJOURNMENT**

There being no further business, the meeting was adjourned.