STATE PETROLEUM BOARD MEETING TO REVIEW CLAIMS
BOARD MEETING MINUTES
June 20, 2006

Note: Copies of the recorded meeting on CD can be obtained from Ms. 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 10:00 a.m. The meeting was conducted via videoconference with locations in Las Vegas at the Grant Sawyer Building, 555 East Washington Avenue, and in Carson City at the Legislative Counsel Bureau Chambers at the State Legislative Building, 401 South Carson Street, Room 2135.

A. BOARD MEMBERS PRESENT - Present in Carson City were, Mr. Edgar Roberts; Mr. Mike Miller; Mr. Leo Drozdoff; Ms. JoAnne Blystone and, Mr. Ken Tyler.

Others present from NDEP (Nevada Division of Environmental Protection) were Mr. Gil Cerruti; Ms. Victoria Joncas; Ms. Allie Wright; Mr. Steve Fischenich; Mr. Hayden Bridwell; Mr. Tom Porta, Deputy Administrator; and Mr. Jim Najima, Bureau Chief; representatives from Allied Washoe Mr. Glenn Hibl and Mr. Mike Cox, and a representative from Broadbent and Associates Inc. Mr. Doug Guerrant.

B. BOARD MEMBERS PRESENT - Present in Las Vegas were, Mr. John Haycock (Chairman); Mr. David Newton from the State Attorney General's Office; Ms. Shannon Harbour, and Ms. Kimberly Felton of NDEP.

Others present were Mr. Keith Stewart, Stewart Environmental; Mr. Jay Ewing, Ewing Bothers; Mr. Kris Everett, The Westmark Group; and, Mr. Kirk Stowers, Broadbent and Associates Inc.

C. BOARD MEMBERS ABSENT WERE: Ms. Linda Bowman

II. APPROVAL OF THE AGENDA

Mr. Cerruti advised Board members that Item No. V.B., Resolution No. 2006-08 to Deny Petroleum Fund Coverage to the City of Reno Ice Rink Plaza-Petroleum Fund Case ID No. 200600004(H) has been pulled from the Agenda.

Ms. Blystone moved to approve the Agenda as amended. Mr. Miller seconded. Motion carried unanimously.

III. APPROVAL OF THE MARCH 9, 2006 MINUTES

Mr. Miller moved to approve the Minutes. Mr. Roberts seconded the Motion. Motion carried unanimously.

IV. STATUS OF THE FUND

Mr. Cerruti reported that, as of May 24, 2006, the Fund has received a balance forward from fiscal year 2005 of approximately l3 million dollars. In addition, $426,000 in tank fees have been assessed. There has been no collection of the petroleum fee during this fiscal year. With interest earned, the total revenue for fiscal year 2006 is approximately l3.9 million dollars.

There have been expenditures of 6.2 million dollars. Of this, 5.4 million dollars is reimbursement of claims for the clean up of ground water and soil. The present liabilities amount to approximately $900,000. Total liabilities, including the expenditures of 7 million dollars taken from the 13.9 million dollars in revenue, leaves us an actual funding available today of 6.8 million dollars. Staff is recommending at today's meeting the reimbursement of claims in the approximate amount of 2.87 million dollars. If approved, this will leave a remaining balance at the end of the June 30, 2006 fiscal year of approximately 4 million dollars.

Mr. Cerruti stated that the 4 million dollars year end balance is addressed in NRS 590.860, wherein it states that at the end of a fiscal year if the balance in the Fund falls below 5 million dollars, the ¾ of a cent per gallon fee is to be reinstated for the upcoming fiscal year which in this case is fiscal year 2007. Accordingly, the Department of Motor Vehicles has been notified to reinstate the collection of this fee, commencing July 1, 2006. This fee should generate income in fiscal year 2007 of approximately 9.5 to l0 million dollars. With a starting balance of around 4 million dollars, fee collections of approximately 10 million and reimbursements of approximately 9 million, this time next year we shall be close to a 5 million dollar Fund balance.

Mr. Roberts reported that the letter of notification from NDEP had been received at the DMV to begin collecting the fee effective July 1, 2006.

Mr. Cerruti commented that the recommendation for reimbursement of 2.9 million dollars had been accomplished with help of timely submittals of claims from the consultant community.

V. DETERMINATION OF FUND ELIGIBILITY / COVERAGE

A. Resolution to Reduce Petroleum Fund Coverage for USA Petroleum Station #207, 2299 Oddie Boulevard, Sparks, NV, State Facility ID No.4-000826, Petroleum Fund Case No. 2006000016, Resolution No. 2006-07

Mr. Fischenich presented this resolution to the Board. He stated that there were two issues relating to this matter. First there was a failure to report a release within 24 hours, and second a co-mingled plume that includes a release that is being recommended for coverage with additional contamination that is not covered by the Fund.

A number of gasoline releases have occurred at the site, which resulted in ground water contamination prior to the formation of the Petroleum Fund. One such release occurred in l987, due to the failure to re-connect a union joint after UST system testing activities. Investigation activities for this contamination where suspended in 1988. An additional release was discovered on April 20, 2005, during tank removal and assessment activities. The source of this release was identified as remote fill piping located below the spill containment box. 40 CFR 280.50 requires that releases of regulated substances be reported to the NDEP within 24 hours of discovery. This release was not reported to NDEP until April l7, 2006. However, Washoe County District Health Department (WCDHD) the lead agency for this site had representatives on site during release discovery, which resulted in the timely initiation of the corrective action process. WCDHD continues to oversee investigation and remediation activities for the site. Resolution No. 94-23 requires NDEP staff to recommend a 40% reduction for failure to comply with release reporting requirement. Therefore, NDEP staff is recommending a 40% reduction in coverage for non-compliance with release reporting requirements pursuant to the code of Federal Regulations.

The second issue deals with co-mingled contaminant plumes. One plume that is recommended for coverage (the release discovered in 2005), is being recommended for coverage and contamination that is not covered by the Fund, including the l987 release. Assessment activities conducted at the site reveal that contaminated groundwater resulting in the release discovered in 2005 could not be separated from the contaminant plume associated with contaminant releases prior to the establishment of the Fund. Therefore, ground water remediation activities will also encompass contamination not covered by the Fund. The issue of co-mingled plumes has been previously addressed, in part, by Resolution No. 99-22, adopted by the Board on June 30, 1999. This resolution states that NDEP staff may recommend a 20% reduction in cases where a spill overfill event not covered by the Fund is co-mingled with a release covered by the Fund. Therefore, NDEP staff is also recommending a 20% reduction to account for the clean-up costs of the non-funded portion of the co-mingled plume. Resolution No. 94-23 only allows NDEP to recommend reimbursement reduction for the largest percentage allowed with any single non-compliance determination. For

two non-compliance determinations, NDEP staff would recommend the largest percentage associated with any one item. However, the co-mingled plume issue is not a compliance issue as specified in Resolution No. 94-23. Therefore, along with the 40% reduction for non-compliance with release reporting requirements, NDEP is also recommending an additional 20% reduction to account for the clean-up costs of the non-funded covered portion of the co-mingled plume pursuant to Resolution No. 99-22. Staff's formal recommendation is the adoption of Resolution No. 2006-07 granting fund coverage to the subject site with the reductions of 40% and 20% in addition to the 10% co-payment.

Chairman Haycock would like clarification regarding USA Petroleum not reporting in a timely manor to the implementing agency. Would the implementing agency in this case be WCDHD?

Mr. Fischenich indicated the implementing agency would be NDEP.

Mr. Guerrant, of Broadbent and Associates, was in attendance to represent USA Petroleum. Mr. Guerrant stated that USA Petroleum has no opposition to the 20% reduction related to the co-mingled plume. However, there is opposition to the 40% reduction for the failure to report within the appropriate time. Mr. Guerrant stated the opposition is based on Resolution 40 CFR 280.50 which reads that releases of regulated substances are reported to the implementing agency within 24 hours of discovery. Mr. Guerrant suggested that WCDHD is the implementing agency in this case. It is his understanding that WCDHD has a contract to implement NDEP's program within Washoe County as it relates to regulated UST. WCDHD was on-site at the time of discovery and was informed within minutes of the discovery on April 20, 2005. For that reason, it was thought unnecessary to complete any other formal notification, Mr. Guerrant indicated they could have gone the extra mile and called NDEP and made a formal report, we were under the impression that WCDHD was the lead agency, the implementing agency and they where informed right away. Mr. Guerrant spoke about the intent behind Resolution No. 94-23 for penalizing and applying a 40% reduction to responsible parties for not reporting, which would eliminate recalcitrance to provide motivation for people to actually be responsible and deal with the problems. He stated that USA Petroleum has been very pro-active in the last year, the site has been fully characterized through several rounds of drilling. He also stated that a conceptual corrective action plan was approved and that an air sparge vapor extraction pilot test is being conducted. We anticipate having a full blown remediation program up and running by the end of this summer or early fall. Mr. Guerrant stated that WCDHD has prepared a letter indicating that they were on-site at the time of discovery and that USA Petroleum has been pro-active relating to corrective action. Based on these circumstances, Mr. Guerrant requested that the Board reconsider the recommendation by staff relating to the 40% reduction.

Chairman Haycock requested clarification because WCDHD was on-site at the time of discovery it resulted in a timely initiation of the corrective action.

Mr. Fischenich confirmed this fact.

Chairman Haycock requested to know if USA Petroleum had reported this release based on the strictest regulations, would it have made a difference in the clean-up relating to the cost or timeliness.

Mr. Fischenich replied that he was not certain; however, he doubted that it would have had made a difference.

Chairman Haycock summarized that given the fact that WCDHD was on site during the tank removal, it made sense that it was assumed they were the implementing agency.

Mr. Guerrant indicated, "I would say that is accurate, we did feel the appropriate agency had been notified and there was no real need to do any further notification."

Chairman Haycock stated that there was no resulting implication to the fact NDEP was not notified as per the very strict letter of the law.

Mr. Guerrant answered: "Correct, I don't believe we could have moved any faster then we've moved so far."

Chairman Haycock asked the question, "why was WCDHD there."

Mr. Guerrant stated its standard protocol for them to be present during tank removal.

Chairman Haycock asked: "So there is no reason to think WCDHD wasn't the implementing agency if they are the ones satisfying the requirements of being there. To me it makes sense we have a leak, your there your looking at it, you're the WCDHD, let's get it cleaned up. I'm not sure what they didn't do."

Mr. Roberts stated that he agreed with Chairman Haycock's conclusion.

Mr. Drozdoff requested to know if this had occurred in the past.

Mr. Fischenich indicated not to his knowledge.

Mr. Cerruti replied that it is a technicality; however, the staff is required by a Resolution to present this recommendation to the Board for their ultimate decision, no judgment call is made when we introduce a recommendation of 40% based strictly on interpretation after reviewing of the case regarding compliance

to both UST/LUST and the Petroleum Fund Regulations, staff is charged with presenting this recommendation, even if it's a technicality.

Ms. Blystone moved for adoption of Resolution No. 2006-07, amended to delete under Item No. V on page two of the resolution so it would read that "The Board grants fund coverage to USA Petroleum Case No. 2006-000016 with a 20% reduction pursuant to Resolution No. 99-22, in addition to the l0% co-pay". This would delete the 40% reduction for violation of 40 CFR 280.50 and an additional.

Mr. Drozdoff seconded the Motion.

Mr. Drozdoff stated that he would second the motion so we can discuss it in more detail. Item No. VI on page three should be fixed to increase the cap appropriately.

Ms. Blystone continued her motion to add that the words "less the 40% violation reduction" be removed. Ms. Blystone restated her motion saying that she moved that Item No. V shall read on page 2 of Resolution No. 2006-07, "The Board grants fund coverage to USA Petroleum Case No. 2006-000016 with a 20% reduction pursuant to Resolution No. 99-22, in addition to the l0% co-pay". That in effect deletes the wording "40% reduction for violation of 40 CFR 280.50 and an additional. Under Item No. VI, the wording will now read "The maximum amount the Board will reimburse for the discharge from the underground storage tank system for this case is $432,000 (maximum cap of $1,000,000 for the tank, 20% co-mingled plume reduction and 10% co-pay) and $432,000 to a person other than the state or the operator of the tank (third-party liabilities).

Mr. Cerruti clarified that the $432,000 based on a 20% reduction and a l0% co-payment would be $720,000. The amount eligible for this case, under the recommended amounts of the meeting would now change to $60,704.77.

Ms. Blystone continued clarification stating that the motion will read that the maximum amount that the Board will reimburse for the discharge from the underground storage tank system for this case is $720,000 and the maximum cap of $l,000,000 for the tank 20% co-mingled plume reduction and 10% co-pay and $720,000 for damages to a person other than the State or the operator of the tank (third-party liabilities).

Mr. Drozdoff seconded the restated motion. Motion carried unanimously.

B. Resolution to Deny Petroleum Fund Coverage to the City of Reno Ice Rink Plaza, First Street at Virginia Street, Reno, NV, Petroleum Case ID No. 2006000004(H), Resolution No. 2006-08 – This item was pulled from the agenda.

C. Resolution to Rescind Board Resolution No. 2006-01, Ewing Bros. Inc., 1300 North A St., Las Vegas NV, State Facility ID No. 8-000358 / Petroleum Fund Case ID No. 2005000044, Resolution No. 2006-09

Mr. Cerruti stated that the original of this resolution was approved at the March 9, 2006 Board meeting. The intent of this resolution, which was generated by the owner-operator's request, is to rescind the original resolution in order that the case may be re-heard with additional facts. Staff would recommend at this time that the original resolution be rescinded so we can move on and re-hear the issue under the next Resolution Item, No. V.D.

Chairman Haycock stated if you read the consecutive resolution my understanding is the first Resolution, No. 2006-01, your staff is recommending we rescind that resolution in which we at one point granted 90% coverage. The next resolution to provide reduced Petroleum Fund coverage is 90%. The resolution staff's recommending is to give the 90% back.

Mr. Cerruti indicated that the percentage recommendation is going to be changed.

Chairman Haycock requested clarification of the resolution. He also requested to know the consequences if this item is rescinded, including potential legal consequences.

Mr. Cerruti clarified that Robert's Rules of Order require that when a certain amount of time has elapsed and there is a desire to reconsider a previously adopted motion, the adopted motion which proceeded must be rescinded.

Mr. Newton stated that it was his understanding that the entity granted the 90%, is requesting a reconsideration. For this entity to request reconsideration, the entity will put at risk the funding granted under Resolution No. 2006-01.

Mr. Stewart, of Stewart Environmental, was in attendance to represent Ewing Brothers. He stated that the request was not to rescind the resolution. The request was to reconsider new evidence based on discussion from the last meeting. This was information provided after the March 9, 2006 meeting. Mr. Stewart stated that it was his understanding that NDEP had information detrimental to the case which would be submitted and which has not been provided to other participants in the case. In his opinion, NDEP intends to provide no coverage at all, rather than the 10% reduction.

Mr. Cerruti replied that it was his understanding that the entity desired to present new evidence bearing on a resolution that has already been adopted by the Board for the purpose of altering the Board's decision. The only way to accomplish this is to rescind the original resolution and to hear a revised resolution with new information. You cannot submit information and alter a resolution once it has

been passed by the Board. The choice is to rescind the resolution and present the new information or accept the resolution as it was already adopted.

Mr. Stewart stated that, in his opinion, the intent of NDEP has changed. Mr. Stewart cited statements from Mr. Cerruti at the last meeting relating to this opinion.

Chairman Haycock questioned whether it is a breach of protocol to consider incrementally an additional l0% as another resolution leaving the original resolution in place. A discussion followed.

Mr. Cerruti reviewed the findings in Robert's Rules of Order, under "reconsider."

Chairman Haycock asked the question, are we reconsidering the whole 90% or are we considering for the first time an additional 10%

Mr. Cerruti indicated in order to reconsider a motion which this is, and the vote is not reconsidered on the day it was taken and no meeting is held the next day then it can not be reconsidered at the next meeting. The proper course is to renew the motion if it failed or rescind if it had been adopted.

Mr. Newton stated that there are two ways to look at the request. The first is to view this as a request by Ewing Brothers to reconsider the entire matter or it could be viewed as a request by Ewing Brothers to reconsider or appeal the l0% excluded at the last meeting. The matter may be treated either way. If you want to reconsider the entire thing that's one way the Board can certainly go. Another way the Board could go though is to treat this as an appeal of the 10% that was excluded at the last meeting. Mr. Newton stated he doesn't believe that would require any sort of repeal of what the Board has already done.

Mr. Cerruti commented that, it was his understanding that an appeal would be heard before the SEC. A discussion followed regarding considering the 10% as a separate resolution.

Mr. Newton stated that the cleanest method is to rescind the original resolution. In his opinion, the Board should follow the agenda item as presented.

Chairman Haycock requested confirmation from the claimant, is Ewing Brothers willing to go forward under these conditions?

Mr. Stewart replied Ewing Brothers is not prepared to ask for a resolution to rescind the resolution which would deny the 90%, our intent has always been to address the 10% that was reduced. Mr. Stewart requested that the item be either tabled, deferred or pulled from the agenda. He also requested a copy of the information which was presented to the Board today. Mr. Stewart stated that additional time is needed to review the new information and prepare a response.

Mr. Drozdoff moved to remove Resolution No. 2006-09 from the agenda. Ms. Blystone seconded the Motion.

Discussion followed.

Mr. Drozdoff amended the Motion to include removal of Resolution No. 2006-10. Ms. Blystone seconded the amended motion. Motion carried unanimously.

Chairman Haycock summarized stating that Agenda Item No.'s V.C. and V.D. were now removed from the agenda.

D. Resolution to Provide Reduced Petroleum Fund Coverage for Ewing Bros., Inc. l300 North A St., Las Vegas NV, State Facility ID No. 8-000358, Petroleum Fund Case ID No. 2005000044, Resolution No. 2006-10

This item was removed from the agenda pursuant to the last Board motion.

VI. EQUIPMENT TRANSFER / SALES

A. Sale of Remediation Equipment from BHI Store No. 14, Petroleum Fund Case ID No. 1999000252 to Eco-Services, Resolution No. 2006-06

Mr. Cerruti explained that this is a resolution to authorize disposal of remediation equipment by selling the equipment to Eco-Services and crediting the fund case from which it came. This equipment is discrepant equipment, judged to be non-reusable by the Fund. Parts have been taken from some of the equipment. Eco-Services has found a portion which is usable to them and have offered $3,000 for the equipment.

Ms. Blystone moved to approval Agenda Item No. VI. A. Mr. Drozdoff seconded the Motion. Motion carried.

VII. ADOPTION OF CONSENT ITEMS

Mr. Cerruti stated that the following changes have been made based on the removal from the agenda of Resolution No. 2006-09 and 2006-10. He stated that under Old Cases, VII C, Item No. 99, Ewing Brothers Inc is now a consent item, the award to Ewing Brothers as a consent item does include the 10% reduction that was approved under the previous resolution adopted by the Board in March. Also, under new cases VII B, Item No. 2 USA Petroleum Corporation is now a consent item with a revised amount taking into consideration the removal of the 40% recommended reduction, but the instatement of the 20% reduction and

reimbursement for the co-mingled plume. The revised amount for Case No. 2, new cases, is reimbursement of $60,704.77. With these changes, Mr. Cerruti announced that all items were now consent items.

The consent items are:

STATE BOARD TO REVIEW CLAIMS
JUNE 20, 2006

HEATING OIL: A

1.#	1992000102(H)	Lyon Co. School District: Yerington Elementary
2.#	2006000001(H)	Elko Co. School District: Former Elko Co. Hospital
3.#	2006000006(H)	Eldorado Resorts: Eldorado Hotel Casino
4.#	2006000009(H)	Susan Sutton: Sutton Residence
5.#	2006000010(H)	University of Nevada Reno: S-S Ranch
6.#	2006000011(H)	Ezequial Aleman: Aleman Residence
7.#	2006000012(H)	Reno Tahoe Airport Authority: Stead Facility
8.#	2006000013(H)	Harry Shepherd: Former Deluxe Laundry
9.#	2006000014(H)	David Sinai: Sinai Property
10.#	2006000018(H)	Barbara Hightower: Hightower Property

NEW CASES, OTHER PRODUCTS: B

1.#	2006000005(N)	Con-Way Western Express: Sparks Facility
2.#	2006000016(N)	USA Petroleum Corporation: USA #207

OLD CASES: C

1.#	1991000039	7-Eleven, Inc.: 7-Eleven #29643
2.#	1992000014	BP West Coast Products LLC: ARCO #6068
3.#	1992000034	PDQ Stores, Inc.: PDQ #508
4.#	1992000056	General Motors Corporation: National Car Rental
5.#	1992000062	Allied Washoe: Allied Petroleum - Elko
6.#	1992000087	Anderson Dairy, Inc.: Anderson Dairy
7.#	1992000126	Clark County School District: RC White Transportation
8.#	1993000011	7-Eleven, Inc.: 7-Eleven #29646
9.#	1993000023	Lyon County School District: Bus Yard
10.#	1993000051	BP West Coast Products LLC: ARCO #4950

OLD CASES: CONTINUED

11.#	1993000102	Rebel Oil Company: Rebel #8
12.#	1993000103	Russell Yardley: Charlie Brown Construction
13.#	1993000107	BP West Coast Products LLC: ARCO #5310
14.#	1993000114	Linda Hansen: Zintek Properties
15.#	1993000115	City of Fallon: Former Bootlegger Texaco
16.#	1994000003	Allied Washoe: Allied Petroleum - Reno
17.#	1994000065	Avis Rent A Car Systems: Avis Rent A Car
18.#	1994000067	Peppermill Casinos, Inc.: Fmr. Mesquite Truckstop
19.#	1994000086	Falconi Motors, Inc.: Falconi's Tropicana Honda
20.#	1994000120	Conoco Phillips Company: Union 76 #3846
21.#	1994000122	Gary Michelson: Mike's Gas-A-Mart
22.#	1994000125	Conoco Phillips Company: Union 76 #5558
23.#	1995000012	Model T Casino: Parkers Model T
24.#	1995000022	Conoco Phillips Company: Union 76 #4370
25.#	1995000028	Gita Corporation: Gita Corporation Facility
26.#	1995000029	BP West Coast Products LLC: ARCO #1903
27.#	1995000042	FBF, Inc.: Fayeghi Texaco
28.#	1995000074	Vera Hester: Glendale Service Facility
29.#	1995000080	Churchill Co.: Churchill Co. Road Department
30.#	1995000092	Sierra Machinery, Inc.: Sierra Machinery
31.#	1995000105	Redman Petroleum Corp.: Redman Petroleum
32.#	1995000142	7-Eleven, Inc.: 7-Eleven #29644
33.#	1996000026	Moapa Valley Credit Union: Former Russ Auto
34.#	1996000038	Louis Monteleone: Former Murray's Transmission
35.#	1996000058	Bill Abdul: The Country Store
36.#	1996000063	Joan Pennachio: V&V Automotive
37.#	1996000101	Conoco Phillips Company: Circle K #695
38.#	1997000024	BP West Coast Products LLC: ARCO #399
39.#	1997000093	Conoco Phillips Company: Union 76 #5257
40.#	1998000014	Berry-Hinckley Industries: Berry-Hinckley #26
41.#	1998000016	Conoco Phillips Company: Circle K #1366
42.#	1998000025	Washoe Co. School Dist.: Getto Transportation
43.#	1998000046	N. & D. Willden: Allstate Rent A Car
44.#	1998000054	7-Eleven, Inc.: 7-Eleven #29659
45.#	1998000068	Conoco Phillips Company: Conoco #28003
46.#	1998000073	City of Reno: City of Reno Police Station
47.#	1998000075	Robert Duferrena: McDermitt Service & Motel
48.#	1998000080	Seven Crown Resorts: Echo Bay Resort
49.#	1999000008	7-Eleven, Inc.: 7-Eleven #23129
50.#	1999000011	Terrible Herbst Oil Co.: Terrible Herbst #133
51.#	1999000012	BP West Coast Products LLC: ARCO #5319

OLD CASES: CONTINUED

52.#	1999000015	Terrible Herbst Oil Co.: Terrible Herbst #144
53.#	1999000017	Reed Distributing: Reed R-Place Shell
54.#	1999000022	Terrible Herbst Oil Co.: Terrible Herbst #129
55.#	1999000029	Terrible Herbst Oil Co.: Terrible Herbst #136
56.#	1999000037	Longley Construction Co.: Longley Construction
57.#	1999000061	Rich Sorani: Former Rich's Unocal
58.#	1999000066	Haycock Petroleum Company: Haycock Petroleum
59.#	1999000086	Terrible Herbst Oil Co.: Terrible Herbst #126
60.#	1999000089	Jerry Maeder: Jerry's Shell
61.#	1999000090	Haycock Petroleum Company: Haycock Petroleum
62.#	1999000104	Terrible Herbst Oil Co.: Terrible Herbst #118
63.#	1999000108	Gold Ranch Casino: Gold Ranch Casino
64.#	1999000117	Berry-Hinckley Industries: Berry-Hinckley #45
65.#	1999000135	Terrible Herbst Oil Co.: Terrible Herbst #106
66.#	1999000137	Terrible Herbst Oil Co.: Terrible Herbst #152
67.#	1999000145	Jerry Appelhans: Gagne Coach Maintenance
68.#	1999000155	Varney Padgett: Old Washoe Station
69.#	1999000162	Terrible Herbst Oil Co.: Terrible Herbst #159
70.#	1999000167	City of Las Vegas: Fire Station #1
71.#	1999000182	Berry-Hinckley Industries: W. Mountain Oil #200
72.#	1999000186	Gloria Pilger: Former D&G Oil Facility
73.#	1999000199	Mary Ann Ferguson: Lakeshore Orbit Station
74.#	1999000204	Berry-Hinckley Industries: Trailside General Store
75.#	1999000224	BP West Coast Products LLC: ARCO #5326
76.#	1999000237	Ralph Lisle: Beatty General Store
77.#	1999000239	Callville Bay Marina: Callville Bay Marina
78.#	1999000243	7-Eleven, Inc.: 7-Eleven #27607
79.#	1999000244	7-Eleven, Inc.: 7-Eleven #22070
80.#	1999000252	Berry-Hinckley Industries: Winner's Corner #14
81.#	1999000257	University of Nevada: Newlands Agriculture
82.#	1999000273	V.K. Leavitt: The Waterhole
83.#	1999000275	Conoco Phillips Company: Circle K #1248
84.#	1999000276	Robert Harris: Pecos Station Texaco
85.#	2004000011	William Rodriguez: Four Way Truck Stop
86.#	2004000014	BP West Coast Products LLC: ARCO #437
87.#	2004000025	BP West Coast Products LLC: ARCO #1580
88.#	2004000027	BP West Coast Products LLC: ARCO #5309
89.#	2004000029	V-R Property Management: Gas-N-Save
90.#	2004000035	Seven Crown Resorts: Echo Bay Marina
91.#	2005000002	Carson Valley Oil Co., Inc.: Carson Valley Oil
92.#	2005000004	7-Eleven, Inc.: 7-Eleven #21285

OLD CASES: CONTINUED

93.#	2005000010	Great Basin College Foundation: Former Fallon Shell
94.#	2005000018	BP West Coast Products LLC: ARCO #1718
95.#	2005000021	Berry-Hinckley Industries: Berry-Hinckley #95
96.#	2005000024	City of Reno: Former Unocal #0077
97.#	2005000025	Bordertown, Inc.: Winner's Corner
98.#	2005000039	Time Oil Company: Taylor Street Market
99.#	2005000044	Ewing Brothers, Inc.: Ewing Brothers

Ms. Blystone moved that under Heating Oil, VII A, Item No. A, 1-10, New Cases, Other Products, VII B, Item No. B, 1 and 2, Old Cases, VII C, Item No. 1 through 99 be approved. Mr. Miller seconded the motion. Discussion followed.

Chairman Haycock disclosed under Old Cases, Item No. C, 58 and 61; he has a vested interest in those cases and will abstain from voting on those two items.

Motion carried unanimously with Chairman Haycock abstaining from Old Cases, Items No. C, 58 and 61.

VIII. REVIEW OF NON-CONSENT ITEMS

There were no non-consent items to review.

IX. EXECUTIVE SUMMARY

Mr. Cerruti reported the status of the Fund for Fiscal Year 2006, which ends on June 30, 2006. 19 new cases have been received for evaluation of Petroleum Fund coverage. Since inception of the program, l,273 cases have been evaluated for reimbursement. Currently, there are 260 active remediation sites expected to continue with requests for reimbursement. Of the total cases: 838 cases have been closed; 102 cases have been denied coverage; and, 41 cases have expired. There are 32 cases currently in a pending status, awaiting either submittal of information or staff evaluation for coverage. Not counting the awards made today, l25.3 million dollars have been reimbursed from the Petroleum Fund to date. To date, the Fund has disallowed l4.6 million dollars in requests. In addition, l0.2 million dollars have been collected in deductibles or co-payments. The total requested amount submitted to staff has been l53 million dollars.

Today's reimbursements of approximately 2.9 million will be added to the 125.3 million dollars mentioned above. Mr. Cerruti reviewed the work of the staff regarding the Petroleum Fund case load. Staff tracks how many cases we have

listed as ongoing in the Fund, but is not always sure how many of those cases have been closed. That information is not forth coming. For example, many of the Heating Oil cases file an application and then receive their first reimbursement. We have no idea if it's their first and last claim or if it's going to continue. Therefore we hold those cases open as in the case similar to regulated tanks.

We rely on various data feeds to let us know what cases have been closed including a tracking program call PT (Project Tracking) and others.

When a case officer is finished with a case they enter that information into PT identifying the case has been closed. Case officers rely on the consultants to inform them when it's the last claim so the case can be closed. In general these data bases are not always maintained with the highest degree of accuracy.

Every so often the Petroleum Fund data base is checked to see when the last time we gave the owner/operator a check. We make the assumption if a check hasn't been issued or a reimbursement awarded in the last two years, the case is probably closed.

Mr. Cerruti has recently looked over the information, and advised the Board to expect the next meeting to be an upward revision in the number of closed cases to total 900- 950. The number of active cases will go from 260 to some where around 150 – 175. This contrasts sharply with the past history of the Petroleum Fund, when we started this back in 1995 – 96 the Fund had 330 ongoing cases.

Ms. Blystone inquired what happened to the 10.2 million in co-payments.

Mr. Cerruti clarified that the 10.2 million dollars in deductibles and co-payments is reimbursement funding not provided; it is not payments made back to the Fund.

Mr. Cerruti concluded by stating that the total number of tanks enrolled in the Fund, both above and below ground is l,418. Approximately 99% of the enrollment fees have been collected.

X. PUBLIC FORUM

There were no requests to speak presented.

XI. CONFIRMATION OF NEXT MEETING DATE

It was confirmed that the next meeting date will be September 7, 2006.

Ms. Blystone moved to adjourn the meeting. Mr. Drozdoff seconded the motion. Motion carried unanimously.

XII. ADJOURNMENT

There being no further business, the meeting was adjourned at ll:01 a.m.