

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

TRANSCRIPT OF MEETING
OF THE
STATE OF NEVADA
PETROLEUM BOARD TO REVIEW CLAIMS

Thursday, September 6, 2007
10:00 a.m.
Legislative Counsel Bureau Chambers
401 South Carson Street, Room 2135
Carson City, Nevada

With Televideoconferencing From
The Grant Sawyer Building, Room 4406
555 East Washington Avenue
Las Vegas, Nevada

CERTIFIED COPY

REPORTED BY: SHANNON L. TAYLOR, CCR, CSR, RMR
Certified Court, Shorthand and Registered Merit Reporter
Nevada CCR #322, California CSR #8753, Idaho CSR #485
1381 Valley View Drive, Carson City, Nevada 89701
(775) 887-0472

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

A P P E A R A N C E S

Board Members Present Via Televideoconferencing from Las Vegas:

John Haycock, Chairman
John Meeters

Others Present via Televideoconferencing from Las Vegas:

Jason Reed
Neal Tomlinson
Darla Foley
Keith Stewart
Jon Bell
Kris Everett

Board Members Present in Carson City:

Edgar Roberts
Leo Drozdoff
Jim Wright
Joanne Blystone
George Ross

Others Present in Carson City:

Steve Fischenich, NDEP
Hayden Bridwell, NDEP
Rose Marie Reynolds, Deputy Attorney General
Bill Frey, Deputy Attorney General
Teresa Larson, NDEP
Jim Najima, NDEP
Art Gravenstein, NDEP
Victoria Joncas, NDEP
Keli Simpson, NDEP

1 CARSON CITY, NEVADA, SEPTEMBER 6, 2007, 10:00 A.M.

2 -oOo-

3 CHAIRMAN HAYCOCK: It is the appointed hour, and
4 we would like to commence the meeting of the State
5 Petroleum Fund Board to Review Claims.

6 There was an amended agenda sent. So I assume
7 we are going from the amended agenda that was sent out?

8 MR. FISCHENICH: Yes. You'll have a couple of
9 errata sheets in front of you. And we'll get to those.

10 CHAIRMAN HAYCOCK: Okay. Let's start with some
11 introductions. Maybe from the north, if you could,
12 members of the board, acknowledge who you are and, also,
13 members of the department who are there.

14 MR. DROZDOFF: I'm Leo Drozdoff.

15 MS. BLYSTONE: Joanne Blystone.

16 MR. ROSS: George Ross.

17 MS. REYNOLDS: Rose Marie Reynolds, from the
18 Attorney General's Office.

19 MR. WRIGHT: Jim Wright.

20 MR. ROBERTS: Edgar Roberts.

21 MR. FISCHENICH: Okay. And for the record, I'm
22 Steve Fischenich, and I'll be conducting the meeting
23 today. I will introduce the NDEP staff present in
24 Carson City. And that includes Mr. Hayden Bridwell of
25 the Petroleum Claims Program; Ms. Victoria Joncas, the

1 board's recording secretary; Mr. Art Gravenstein, the
2 Supervisor of our UST and LUST programs; Mr. Jim Najima,
3 Chief of the Bureau of Corrective Actions; Ms. Keli
4 Simpson, Supervisor of our Carson City Bureau of
5 Corrective Actions administrative support staff;
6 Ms. Teresa Larson, Management Analyst; and Ms. Shannon
7 Taylor, Certified Court Reporter.

8 Others present in Carson City include Ms. Rose
9 Marie Reynolds, Board Counsel, and Mr. Bill Frey, with
10 the Attorney General's Office.

11 And at this time, I guess, I would also like to
12 speak about the agenda that was modified. As requested
13 by the facility owner, Item number V, B, the proposed
14 Resolution to Reduce Coverage for Ace Cab Company, has
15 been removed from the agenda. This case did have a
16 claim associated with it. So the final recommended
17 amount was reduced accordingly.

18 The errata sheets are provided to you for
19 Section IV of your board packet, shows the final
20 recommended total reduced to \$1,912,367.16. And an
21 errata sheet was also provided for Section VI that
22 revises the staff recommendation for that specific
23 claim.

24 And to you, Mr. Chairman.

25 CHAIRMAN HAYCOCK: Okay. Thank you, Steve.

1 In Las Vegas, we have Mr. John Meeters, member
2 of the board; and myself, John Haycock, member and
3 Chairman. From the department?

4 MR. REED: Jason Reed.

5 CHAIRMAN HAYCOCK: Jason Reed. And which brings
6 us to Item number II, which would be approval of the
7 agenda. Board members, I assume, have all received
8 copies and read. And we would entertain a motion to
9 approve the agenda.

10 MR. ROBERTS: Edgar Roberts, for the record. I
11 move that we approve the revised agenda.

12 MS. BLYSTONE: Second.

13 CHAIRMAN HAYCOCK: A motion and a second. Is
14 there a discussion of the motion?

15 All in favor say "aye."

16 (The members said "aye.")

17 CHAIRMAN HAYCOCK: Opposed?

18 The motion carries.

19 Agenda Item number III is approval of the
20 June 7th minutes. I would entertain a motion.

21 MS. BLYSTONE: Move for approval.

22 MR. ROBERTS: Second.

23 CHAIRMAN HAYCOCK: Who was the second?

24 MR. ROBERTS: Edgar Roberts.

25 CHAIRMAN HAYCOCK: Okay. We have a motion and a

1 second. Is there a discussion of the motion?

2 All in favor of the motion, say "aye."

3 (The members said "aye.")

4 CHAIRMAN HAYCOCK: Opposed, if any?

5 The motion carries.

6 Steve, we'll turn it back to you for a Status of
7 the Fund discussion.

8 MR. FISCHENICH: Yes, the Status of the Fund.
9 Fiscal year 2007, that is July 1st, 2006 through
10 June 30th, 2007, has not quite been a closed out yet.
11 So the following amounts are not final for the whole
12 fiscal year. The amounts are closer to 11 months.

13 The Fund balance forward from fiscal year 2006
14 is approximately \$4.7 million. About 432,000 was
15 collected during fiscal year 2007 from tank enrollment
16 fees and the registration of above-ground marina storage
17 tanks. In fiscal year 2007, we collected proposal
18 \$13.8 million from the three-quarter-cent per gallon
19 petroleum fee, resulting in a total fund revenue of
20 about \$16.2 million.

21 Total expenditures from the Fund for the fiscal
22 year have been approximately 7.5 million, of which
23 approximately 6.7 million has been for the reimbursement
24 of claims. Current Fund liabilities equal approximately
25 \$560,000, leaving a remaining fund balance of

1 approximately \$8.2 million.

2 Staff is recommending the approval of
3 approximately 1.9 million in reimbursement today. If
4 the Board approves all reimbursement recommendations, a
5 balance of 6.3 million will remain in the fund.

6 Back to you, Mr. Chairman.

7 MS. BLYSTONE: Mr. Haycock?

8 CHAIRMAN HAYCOCK: Did I forget to turn my mic
9 on?

10 MS. BLYSTONE: I guess so.

11 MR. FISCHENICH: Actually, another thing before
12 you get started, I want to make sure that everybody
13 identifies themselves when they speak. So.

14 CHAIRMAN HAYCOCK: Thank you. Can you hear me
15 now?

16 MR. FISCHENICH: Yes.

17 CHAIRMAN HAYCOCK: Okay. Agenda Item number V
18 is Determination of Fund Eligibility. And it is a
19 proposed resolution by staff to waive the 12-month final
20 claim submittal deadline.

21 MR. BRIDWELL: Mr. Chairman, members of the
22 Board, for the record, my name's Hayden Bridwell. I'm
23 on staff for the Petroleum Claims Program.

24 This is Resolution number 2007-08, the
25 resolution to waive the 12-month final claims submittal

1 deadline stipulated in NAC 597.80 for the Sampson
2 residence located in Reno, Nevada.

3 On May 25th, 2005, NDEP granted full coverage to
4 the subject site for accidental releases from three
5 underground storage tank heating oil systems. On
6 August 19th, 2005, NDEP granted regulatory closure to
7 the site. On April 9th, 2007, NDEP received the final
8 reimbursement claim for the site, more than 12 months
9 following the site closure.

10 NAC 597.80 stipulates that a final claim must be
11 submitted within 12 months of site closure to be
12 accepted for reimbursement unless good cause is provided
13 for the failure to comply with the deadline.

14 Information accompanying the claim indicates that the
15 reason for the delay was due to the fact that the
16 claimant had moved out of state and has just recently
17 come back into contact with her consultant.

18 NDEP also recognizes that the delay in claim
19 submittal was not caused by nor resulted in a delay in
20 remediation activities and recommends that the Board
21 waive the 12-month final claim submittal deadline for
22 the subject site. If the Board agrees to adopt this
23 recommendation, the claimant will receive \$2,707.43 in
24 reimbursement pursuant to today's meeting.

25 I'd like to point out that the subject claim

1 that I'm speaking of is listed in your agendas under
2 Heating Oil Cases. It is Item number II, and it's
3 listed as a nonconsent item.

4 If the Board adopts this resolution today, this
5 claim will become a consent item.

6 CHAIRMAN HAYCOCK: Are there any questions from
7 the members of the Board?

8 That being the case, the Chair would entertain a
9 motion to act on the resolution.

10 MS. BLYSTONE: Move for approval of Item number
11 5, A.

12 MR. ROBERTS: Edgar Roberts, for the record.
13 Second.

14 CHAIRMAN HAYCOCK: A motion and the second. Is
15 there a discussion of the motion?

16 All in favor of the motion, say "aye."

17 (The members said "aye.")

18 CHAIRMAN HAYCOCK: Opposed, if any?

19 The motion carries.

20 5, B, has been struck. Is that correct?

21 MR. FISCHENICH: That's correct. That's
22 correct.

23 CHAIRMAN HAYCOCK: Agenda Item number VI would
24 be the Adoption of Consent Items.

25 ///

1 (The Board will review all items marked with a pound
 2 sign (#) as a consent calendar item, unless a member of
 3 the public wishes to speak in regard to a certain
 4 issue.)

4 HEATING OIL: A

- 5 1.# 1992000102H Lyon County School District:
 Yerington Elementary
- 6 2. 2005000026H Suzanne Sampson: Sampson Property
- 7 3.# 2006000020H Bruno Benna: Benna Residence
- 7 4.# 2006000021H Andrea Nichols: Nichols Residence
- 8 5.# 2007000013H Churchill County School District:
 CCSD Bus Barn
- 8 6.# 2007000017H Barbara James: James Residence
- 9 7.# 2007000021H Washoe County School District:
 WCSD Property
- 10 8.# 2007000021H Reno-Tahoe Airport Auth. Steel
 Nash Ranch House

12 NEW CASES, OTHER PRODUCTS: B

- 13 1.# 2007000003 7-Eleven, Inc.: 7-Eleven #29648
- 13 2.# 2007000004 7-Eleven, Inc.: 7-Eleven #29660
- 14 3. 2007000014 Ace Cab Company, Inc.: Ace Cab
 Company
- 15 4.# 2007000015 H. Singh & B. Bhullar:
 S&S Mini Mart

17 ONGOING CASES, OTHER PRODUCTS: C

- 18 1.# 1992000014 BP West Coast Products, LLC:
 ARCO #6068
- 19 2.# 1992000034 PDQ Stores, Inc.: PDQ #508
- 19 3.# 1992000087 Anderson Dairy, Inc.: Anderson Dairy
- 20 4.# 1993000010 7-Eleven, Inc.: 7-Eleven #20687
- 20 5.# 1993000011 7-Eleven, Inc.: 7-Eleven #29646
- 21 6.# 1993000051 BP West Coast Products LLC:
 ARCO #4950
- 22 7.# 1993000102 Rebel Oil Company: Rebel #8
- 22 8.# 1993000103 Russell Yardley: Charlie Brown
 Construction
- 23 9.# 1993000114 Linda Hansen: Zintek Properties
- 24 10.# 1994000003 Allied Washoe: Allied Petroleum-Reno
- 24 11.# 1994000027 7-Eleven, Inc.: 7-Eleven #19653
- 25 12.# 1994000029 7-Eleven, Inc.: 7-Eleven #20826

1	13.#	1994000065	Avis Rent A Car Systems: Avis Rent A Car
2	14.#	1994000067	Peppermill, Inc.: Former Mesquite Truck Stop
3	15.#	1994000086	Falconi Motors, Inc.: Falconi's Tropicana Honda
4	16.#	1994000120	Conoco Phillips Company: Union 76 #3846
5	17.#	1994000122	Gary Michelsen: Mike's Gas-A-Mart
	18.#	1994000125	Conoco Phillips Company: Union 76 #5558
6	19.#	1995000012	Model T Casino: Parker's Model T
7	20.#	1995000028	Gita Corporation: Gita Corporation Facility
8	21.#	1995000029	BP West Coast Products LLC: ARCO #1903
9	22.#	1995000042	FBF, Inc.: Fayeghi Texaco
	23.#	1995000080	Churchill County: Churchill County Road Department
10	24.#	1995000105	Redman Petroleum Corp.: Redman Petroleum
11	25.#	1995000112	Chevron USA Products Company: Chevron #563
12	26.#	1995000142	7-Eleven, Inc.: 7-Eleven #29644
13	27.#	1996000026	Moapa Valley Credit Union: Former Russ Auto
14	28.#	1996000063	Joan Pennachio: V&V Automotive
	29.#	1996000101	Conoco Phillips Company: Circle K #695
15	30.#	1997000008	Ewing Brothers, Inc.: Ewing Brothers Facility
16	31.#	1997000024	BP West Coast Products, LLC: ARCO #399
17	32.#	1997000093	Conoco Phillips Company: Union 76 #5257
18	33.#	1998000016	Conoco Phillips Company: Circle K #1366
19	34.#	1998000025	Washoe Co. School Dist.: Getto Transportation
20	35.#	1998000046	Willdens Automotive Holdings: Allstate Rent A Car
21	36.#	1998000053	7-Eleven, Inc.: 7-Eleven #27361
22	37.#	1998000054	7-Eleven, Inc.: 7-Eleven #29659
	38.#	1998000059	7-Eleven, Inc.: 7-Eleven #29661
23	39.#	1998000068	Conoco Phillips Company: Conoco #28003
24	40.#	1998000073	City of Reno: City of Reno Police Station
25			

1	41.#	1998000075	Anne Dufurrena: McDermitt Service Motel
2	42.#	1998000080	Seven Crown Resorts: Echo Bay Resort
	43.#	1999000007	7-Eleven, Inc.: 7-Eleven #21850
3	44.#	1999000008	7-Eleven, Inc.: 7-Eleven #23129
	45.#	1999000011	Terrible Herbst Oil Company:
4			Terrible Herbst #133
	46.#	1999000012	BP West Coast Products LLC:
5			ARCO #5319
	47.#	1999000015	Terrible Herbst Oil Company:
6			Terrible Herbst #144
	48.#	1999000017	Reed, Inc.: Reed R-Place Shell
7	49.#	1999000022	Terrible Herbst Oil Company:
			Terrible Herbst #129
8	50.#	1999000029	Terrible Herbst Oil Company:
			Terrible Herbst #136
9	51.#	1999000048	Estate of Robert Cowan:
			Former Lightning Lube
10	52.#	1999000052	Ted Wessel: Ted's Chevron
	53.#	1999000061	Rich Sorani: Former Rich's Unocal
11	54.#	1999000066	HP Management, LLC: Former Haycock Petroleum
12	55.#	1999000082	S&G Properties, LLC:
			Standard Wholesale Supply
13	56.#	1999000086	Terrible Herbst Oil Company:
			Terrible Herbst #126
14	57.#	1999000089	Jerry Maeder: Jerry's Shell
	58.#	1999000090	HP Management, LLC: Former Haycock Petroleum
15	59.#	1999000104	Terrible Herbst Oil Company:
16			Terrible Herbst #118
	60.#	1999000108	Gold Ranch Casino: Gold Ranch Casino
17	61.#	1999000135	Terrible Herbst Oil Company:
18			Terrible Herbst #106
	62.#	1999000137	Terrible Herbst Oil Company:
19			Terrible Herbst #152
	63.#	1999000155	Varney Padgett: Old Washoe Station
20	64.#	1999000162	Terrible Herbst Oil Company:
			Terrible Herbst #159
21	65.#	1999000167	City of Las Vegas: Fire Station #1
	66.#	1999000186	Gloria Pilger: Former D&G Oil Facility
22	67.#	1999000199	Mary Ann Ferguson: Lakeshore Orbit Station
23	68.#	1999000204	Berry-Hinckley Industries:
24			Trailside General Store
	69.#	1999000224	BP West Coast Products LLC:
25			ARCO #5326

- 1 70.# 1999000237 Ralph Lisle: Beatty General Store
- 71.# 1999000243 7-Eleven, Inc.: 7-Eleven #27607
- 2 72.# 1999000244 7-Eleven, Inc.: 7-Eleven #22070
- 73.# 1999000257 University of Nevada: Newlands
- 3 Agriculture
- 74.# 1999000273 V.K. Leavitt: The Waterhole
- 4 75.# 1999000275 Conoco Phillips Company:
- Circle K #1248
- 5 76.# 1999000276 Robert Harris: Pecos Station Texaco
- 77.# 2004000011 William Rodriguez: Four Way Truck
- 6 Stop
- 78.# 2004000014 BP West Coast Products LLC:
- 7 ARCO #437
- 79.# 2004000027 BP West Coast Products LLC:
- 8 ARCO #5309
- 80.# 2004000029 V-R Property Management: Gas-N-Save
- 9 81.# 2004000035 Seven Crown Resorts: Echo Bay Marina
- 82.# 2005000002 Carson Valley Oil Co., Inc.:
- 10 Carson Valley Oil
- 83.# 2005000010 Great Basin College Foundation:
- 11 Former Fallon Shell
- 84.# 2005000018 BP West Coast Products LLC:
- 12 ARCO #1718
- 85.# 2005000021 Berry-Hinckley Industries:
- 13 Berry-Hinckley #95
- 86.# 2005000025 Bordertown, Inc.: Winner's Corner
- 14 87.# 2005000039 Time Oil Company: Taylor Street
- Market
- 15 88.# 2005000044 Ewing Brothers, Inc.: Ewing Brothers
- Facility
- 16 89.# 2006000007 7-Eleven, Inc.: 7-Eleven #33022
- 90.# 2007000002 Berry-Hinckley Industries:
- 17 Berry-Hinckley #201

18 MS. BLYSTONE: Mr. Chairman, I'll move for
 19 adoption of consent items: Heating Oil, including Item
 20 number II. So it would be Items number 1 through 8.
 21 New Cases, 1, 2 and number 4. Number 3 has been
 22 deleted. Old cases, number 1 through 90.

23 MR. DROZDOFF: This is Leo Drozdoff. I'll
 24 second.

25 CHAIRMAN HAYCOCK: Okay. We have had a motion

1 and a second. Is there discussion of the motion?

2 This is Chairman Haycock. I would like to point
3 out that relative to consent items, C, Ongoing
4 Cases/Other Products, numbers 54 and 58, I am the
5 managing partner in HP Management LLC, for the record,
6 and would disqualify myself from a vote relative to
7 those two items.

8 Is there any other discussion?

9 MR. ROSS: This is George Ross. I believe that
10 I can vote on this. I do have -- I was a former
11 employee of BP. And I do have BP options available to
12 me. I do not believe that anything I do here will have
13 the slightest impact on the value of those options.

14 CHAIRMAN HAYCOCK: Well said.

15 Okay. Is there any other discussion?

16 We have a motion and a second. All in favor of
17 the motion, say "aye."

18 (The members said "aye.")

19 CHAIRMAN HAYCOCK: Opposed?

20 The motion carries.

21 That brings us to agenda Item number VII, which
22 would be the Executive Summary.

23 MR. FISCHENICH: Okay. The Executive Summary
24 for fiscal year 2008, which began July 1st, 2007, NDEP
25 has received three new cases for evaluation of Petroleum

1 Fund coverage. Since inception of the program, 1,300
2 cases have been evaluated for reimbursement. There are
3 currently 168 active remediation sites expected to
4 continue with requests for reimbursement. A total of
5 955 cases have been closed. Two previously closed cases
6 were reopened during the reporting period.

7 A total of 111 cases have been denied coverage,
8 and 44 cases have expired. That is, an initial claim
9 was not submitted within 12 months from the date of
10 discharge discovery, and an appeal has not been filed.
11 A total of a 24 cases are currently in pending status,
12 awaiting either submittal of additional information or
13 initial staff evaluation for coverage.

14 Not counting this Board meeting's
15 authorizations, over 134.9 million has been reimbursed
16 from the Petroleum Fund to date.

17 Including today's reimbursement recommendations,
18 over 136.8 million will have been reimbursed from the
19 Petroleum Fund to date.

20 Invoicing for tank enrollment into the Fund for
21 fiscal year 2008 -- that is, October 1st, 2007 through
22 September 30th, 2008 -- commenced on August 8th, 2007.
23 1,433 facilities were invoiced at \$100 per petroleum
24 tank system. As of September 4th, 2007, 405 facilities
25 have paid.

1 That ends the Executive Summary.

2 CHAIRMAN HAYCOCK: Very good. Are there any
3 questions?

4 That being the case, we'll move to agenda Item
5 number VIII, which is the Public Forum discussion. Are
6 there any members of the public, either in the north or
7 down here, that would like to address the board? I've
8 not been informed of any.

9 MR. FISCHENICH: Not up north.

10 CHAIRMAN HAYCOCK: Very good. Agenda Item
11 number IX is confirmation of the next board meeting,
12 which is, reportedly, scheduled for December 6th, which
13 is a Thursday. Is there any conflicts? Do we need
14 action?

15 Steve, do we need action to confirm the next
16 board meeting?

17 MR. FISCHENICH: I believe, we do.

18 CHAIRMAN HAYCOCK: Okay.

19 MS. BLYSTONE: Move for approval.

20 MR. ROBERTS: Edward Roberts, for the record.
21 Second.

22 CHAIRMAN HAYCOCK: We have a motion and a
23 second. Is there discussion of the motion?

24 All in favor of the motion, say "aye."

25 (The members said "aye.")

1 CHAIRMAN HAYCOCK: Opposed, if any?

2 The motion carries.

3 Is there any other business to come before the
4 Board at this time?

5 MR. FISCHENICH: Not in the north.

6 CHAIRMAN HAYCOCK: Okay. That being the case,
7 this meeting stands adjourned. Thank you.

8 MR. FISCHENICH: Thank you for coming.

9 * * * * *

10 (The meeting adjourned at 10:20 a.m.)

11 -oOo-

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

REPORTER'S CERTIFICATE

I, SHANNON L. TAYLOR, a Nevada Certified Court Reporter, Nevada CCR #322, do hereby certify:

That I was present at the Legislative Counsel Bureau Chambers in the State Legislative Building, Room 2135, Carson City, Nevada, on Thursday, September 6, 2007, and commencing at 10:00 a.m. took stenotype notes of a meeting of the State of Nevada, Petroleum Board to Review Cases;

That I thereafter transcribed the aforementioned stenotype notes into typewriting as herein appears, and that the foregoing transcript, consisting of pages 1 through 18, is a full, true, and correct transcription of said stenotype notes of said meeting;

That a list of items for this meeting has been inserted into this transcript, beginning on page 10, line 1, and ending at page 13, line 17, at the request of the Bureau of Corrective Actions, Department of Conservation & Natural Resources, Nevada Division of Environmental Protection, and is not a part of the verbatim portion of this transcript but is included for reference purposes;

I further certify that I am not an attorney or counsel for any of the parties, nor a relative or employee of any attorney or counsel connected with the actions, nor financially interested in the actions.

DATED: At Carson City, Nevada, this 13th day of September, 2007.

Shannon L. Taylor
SHANNON L. TAYLOR
Nevada CCR #322, RMR

CERTIFIED COPY