

**STATE OF NEVADA BOARD TO REVIEW CLAIMS
BOARD MEETING MINUTES
DECEMBER 11, 2013**

1. CALL TO ORDER

Chairman John Haycock called the meeting to order at 10:00 a.m. from the Las Vegas location. The meeting was conducted via videoconference with locations in Las Vegas, at the Grant Sawyer Building, 555 E. Washington Ave., Room 4401 and in Carson City at the Nevada Legislative Building, 401 S. Carson St., Room 2134.

A. BOARD MEMBERS PRESENT

Chairman John Haycock, Representative of independent petroleum dealers
Vice-Chairman George Ross, Representative of petroleum refiners
Colleen Cripps, Ph.D., Nevada Division of Environmental Protection
Maureen Tappan, Representative of the general public
Wayne Seidel, Department of Motor Vehicles
Peter Mulvihill, State Fire Marshal
Michael Cox, Representative of the independent retailers of petroleum

BOARD MEMBERS ABSENT

None

OTHERS PRESENT

Rose Marie Reynolds, State Attorney General's Office – Las Vegas
Chad Schoop, Gail Dansby, Steve Fischenich, Matt McAuliffe, Rex Heppe, Todd Croft,
Kim Valdez, Valerie King, Victoria Joncas – Nevada Division of Environmental
Protection (NDEP)
George Hagan – McGinley & Associates, Inc.
Joe McGinley – McGinley & Associates, Inc.
Jon Bell – Broadbent & Associates, Inc.
Stephanie Holst – Broadbent & Associates, Inc.
Mark Zimmerman – Frias
Keith Stewart – Stewart Environmental Inc.
Rob Gegenheimer and Keith Houk – Converse Consultants
Rob Thompson – OGI Environmental LLC
Andy Rausch – OGI Environmental LLC
Lawrence Banks – The Westmark Group

2. PUBLIC FORUM

There were no requests to speak.

3. APPROVAL OF THE AGENDA

Ms. Cripps moved to approve the agenda. Mr. Seidel seconded the motion. There was no discussion. Motion carried unanimously.

4. **APPROVAL OF THE SEPTEMBER 12, 2013 MINUTES**

Ms. Tappan moved to approve the minutes. Mr. Cox seconded the motion. There was no discussion. Motion carried unanimously.

5. **STATUS OF THE FUND**

Ms. King reported on the status of the State of Nevada Petroleum Fund (Fund) for the balance forward regarding fiscal year 2013 was approximately \$7.5 million. Approximately \$408,000 had been collected for storage tank enrollment. Approximately \$3.4 million was collected from the ¾ cent per gallon fee and the cumulative revenue was \$11,329,167.29.

Ms. King reported the expenditures were very nominal for the Board's salary, In-State travel and operating. The transfer to NDEP was approximately \$345,000 to administer the Petroleum Fund program. Approximately \$2,000 was transferred to the Environmental Commission. Reimbursement of claims as of July 1, 2013 was approximately \$1.6 million. Cumulative expenditures were approximately \$2 million.

Ms. King reported the "Remaining Obligations" are the projected expenditures expected. The Petroleum Board costs are expected to be just over \$12,000. The projected transfer to the highway fund is \$6 million. The transfer to NDEP to continue administration of the program is over \$1.1 million and the transfer to DMV to administer the Petroleum fee is approximately \$13,000. The pending obligated claims are approximately \$400,000, which Ms. King said she was going to explain in a minute. The total Remaining Obligations are just over \$7.5 million. The actual funding available is the cumulative revenue minus the cumulative expenditures, resulting in \$9,350,488.92.

Ms. King then addressed the "Pending Obligated Claims totaling nearly \$400,000.00." She explained that the value represented money that the Board had approved for reimbursement but NDEP had not yet allocated. She stated that there are different reasons for that to happen, including the Responsible Party not completing the vendor form accurately. She stated that when the balance sheet was printed out the previous week there were two such cases. She said NDEP has worked with the two Responsible Parties to correct their vendor forms which have enabled NDEP to allocate approximately \$343,000.00. The remaining money belongs to five different Responsible Parties who have not provided their proof of payment to NDEP for previous claims reimbursed by the Fund. She stated the proof of payment is required by law and demonstrates that the consultant/contractor doing the remediation work on-site has been paid. Ms. King stated that NDEP will allocate the remaining money when the proof of payment is received.

6. **SITE SPECIFIC BOARD DETERMINATION**

**A. Site Specific Board Determination No. C2013-03
Site Specific Board Determination to Provide Third Party Liability Coverage to the former DeLuca Liquor & Wine, 2548 West Desert Inn Rd., Las Vegas, NV
Facility ID No. 8-000299, Petroleum Fund Case ID No. 1994000012**

Mr. Matt McAuliffe stated that the Board previously approved that the subject site receive \$990,000, representing \$1 million in fund coverage for one UST system with a \$10,000 deductible. As of this Board meeting, the subject site has been reimbursed \$980,386.12. Despite progress in remediating the site, contamination remains at concentrations in excess of Nevada State Action Levels. Because additional remediation

is necessary for concentrations to reach levels for regulatory closure, there also exists the potential for contaminants to migrate off property. Due to the potential for third party liability, third party liability coverage has been requested in accordance with Board Policy Resolution No. 2007-10 that clarifies the policy regarding the use of third party liability monies.

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.

Mr. McAuliffe stated that NDEP recommends that the subject facility receive the third party liability funds resulting in an additional \$1 million in coverage minus the \$10,000.00 deductible. This increases the cap to \$1,980,000.

Mr. McAuliffe notified the Board that there is a claim associated with this Site Specific Board Determination that is identified as a non-consent item. The recommended reimbursement amount is contingent upon the Board adopting this Board Determination.

Mr. McAuliffe notified the Board that Steve Fischenich from the NDEP Carson City office and Todd Croft from NDEP Las Vegas office are available for questions as well as OGI consultants in the Las Vegas venue.

Mr. Mulvihill moved to adopt Site Specific Board Determination C2013-03, as proposed, granting Third Party Liability Fund Coverage, for one underground storage tank system, with a \$10,000 deductible, consistent with the original coverage conditions. Ms. Cripps seconded the motion. Motion carried unanimously.

7. ADOPTION OF CONSENT ITEMS

The Board will review all items as a consent calendar item, unless the item is marked by an asterisk (*), or a member of the public wishes to speak in regards to the item.

A dagger (†) indicates previously disallowed monies have been appealed where the requested amount is less than the recommended amount.

**STATE BOARD TO REVIEW CLAIMS
REQUESTED/RECOMMENDED AMOUNTS – DECEMBER 11, 2013**

HEATING OIL

				<u>REQUESTED</u>	<u>RECOMMENDED</u>
FOR POSSIBLE ACTION	1.	1992000102H	Lyon County School District: Yerington Elementary	\$13,590.41	\$13,590.41
FOR POSSIBLE ACTION	2.	2007000013H	Churchill County School District: Bus Barn	\$8,824.26	\$8,824.26
FOR POSSIBLE ACTION	3.	2012000017H	Churchill Co. School District: Old High School	\$13,479.08	\$12,805.12
FOR POSSIBLE ACTION	4.	2013000012H	Roger & Gemma Mateossian: Mateossian Residence	\$6,249.73	\$6,249.73
FOR POSSIBLE ACTION	5.	2013000015H	Gary Cornwall: Gary Cornwall Property	\$3,012.50	\$3,012.50
FOR POSSIBLE ACTION	6.	2013000016H	Peterson Trust: Douglas Peterson Property	\$9,695.50	\$9,445.50
FOR POSSIBLE ACTION	7.	2014000005H	Jim Muff c/o Chris Abrahanson: Muff Residence	\$6,155.95	\$5,665.95
FOR POSSIBLE ACTION	8.	2014000009H	Dr. Michael Jackson: Pulmonary Medicine Associates	\$35,883.99	\$35,633.99
FOR POSSIBLE ACTION	9.	2014000012H	John E. Fitzpatrick: Fitzpatrick Residence	\$4,346.55	\$4,096.55
FOR POSSIBLE ACTION	10.	2014000013H	Jim Brown: Brown Residence	\$4,121.19	\$3,871.19
HEATING OIL SUB TOTAL:				<u>\$105,359.16</u>	<u>\$103,195.20</u>

NEW CASES, OTHER PRODUCTS

				<u>REQUESTED</u>	<u>RECOMMENDED</u>
FOR POSSIBLE ACTION	1.	2013000014	7-Eleven, Inc.: 7-Eleven #22579	\$21,250.62	\$19,125.56
FOR POSSIBLE ACTION	2.	2013000020	7-Eleven, Inc.: 7-Eleven #26395	\$46,855.53	\$42,169.98
FOR POSSIBLE ACTION	3.	2014000003	Sterling - UN Reno, LLC: Former Luce & Sons	\$222,987.58	\$200,688.82
NEW CASES, OTHER PRODUCTS SUB TOTAL:				<u>\$291,093.73</u>	<u>\$261,984.36</u>

ONGOING CASES/OTHER PRODUCTS

				<u>REQUESTED</u>	<u>RECOMMENDED</u>
FOR POSSIBLE ACTION	1.	1993000011	7-Eleven, Inc.: 7-Eleven #29646	\$20,808.29	\$20,808.29
FOR POSSIBLE ACTION	2.	1993000102	Rebel Oil Company: Rebel #8	\$3,167.50	\$3,167.50
FOR POSSIBLE ACTION	3.	1993000103	Russell Yardley: Charlie Brown Construction	\$4,619.51	\$4,527.12
FOR POSSIBLE ACTION	4.	1993000115	City of Fallon: Former Bootlegger Texaco	\$4,492.99	\$4,351.21
FOR POSSIBLE ACTION	5.*	1994000012	Wirtz Beverage NV, Inc.: Frmr DeLuca Liquor & Wine	\$55,071.75	\$45,022.25
FOR POSSIBLE ACTION	6.	1994000027	7-Eleven, Inc.: 7-Eleven #19653	\$12,752.53	\$12,752.53
FOR POSSIBLE ACTION	7.	1994000029	7-Eleven, Inc.: 7-Eleven #20826	\$24,777.62	\$22,299.86
FOR POSSIBLE ACTION	8.	1994000037	Param Investment, LLC: Gofer Market	\$33,574.83	\$33,574.83
FOR POSSIBLE ACTION	9.	1994000065	Avis Rent A Car Systems: Avis Rent A Car	\$51,560.34	\$51,560.34
FOR POSSIBLE ACTION	10.	1994000067	Former Peppermill Truck Stop	\$27,216.40	\$27,189.75
FOR POSSIBLE ACTION	11.	1994000113	Pilot Travel Centers, LLC: Former Unocal Truck Stop	\$33,841.46	\$33,841.46
FOR POSSIBLE ACTION	12.	1994000122	Mike's Gas-A-Mart: Mike's Gas-A-Mart	\$4,276.07	\$4,276.07
FOR POSSIBLE ACTION	13.	1995000012	N. Nevada Asset Holdings LLC: Parker's Model T	\$7,406.34	\$6,665.71
FOR POSSIBLE ACTION	14.	1995000039	Al Park Petroleum, Inc.: Crescent Valley Market	\$25,582.07	\$23,023.86
FOR POSSIBLE ACTION	15.	1995000074	Glendale Service Facility	\$40,611.79	\$36,343.99
FOR POSSIBLE ACTION	16.	1995000105	Redman Petroleum Corp.: Redman Petroleum	\$8,061.59	\$7,098.96
FOR POSSIBLE ACTION	17.	1995000142	7-Eleven, Inc.: 7-Eleven #29644	\$105,389.82	\$94,850.83
FOR POSSIBLE ACTION	18.	1996000063	Joan Pennachio: V&V Automotive	\$25,430.94	\$22,887.85
FOR POSSIBLE ACTION	19.	1996000064	H&A Esslinger, LLC: Red Rock Mini Mart	\$3,086.20	\$1,920.14
FOR POSSIBLE ACTION	20.	1996000101	Phillips 66 Company: Circle K #695	\$14,659.15	\$13,193.24
FOR POSSIBLE ACTION	21.	1996000102	Phillips 66 Company: Circle K #542	\$2,216.70	\$1,596.03
FOR POSSIBLE ACTION	22.	1997000008	Ewing Brothers, Inc.: Ewing Brothers Facility	\$3,387.23	\$3,044.46
FOR POSSIBLE ACTION	23.	1998000046	Willdens Automotive Holdings: Allstate Rent A Car	\$226,656.07	\$203,990.47
FOR POSSIBLE ACTION	24.	1998000068	Phillips 66 Company: Conoco #28003	\$19,548.46	\$17,593.61
FOR POSSIBLE ACTION	25.	1999000011	Terrible Herbst Oil Company: Terrible Herbst #133	\$585.50	\$526.95
FOR POSSIBLE ACTION	26.	1999000014	Al Park Petroleum: Conoco Pit Stop #7	\$20,761.82	\$18,685.64
FOR POSSIBLE ACTION	27.	1999000022	Terrible Herbst Oil Company: Terrible Herbst #129	\$12,990.75	\$11,691.68
FOR POSSIBLE ACTION	28.	1999000029	Terrible Herbst Oil Company: Terrible Herbst #136	\$7,295.23	\$6,565.71
FOR POSSIBLE ACTION	29.	1999000048	Estate of Robert Cowan: Former Lightning Lube	\$4,764.86	\$4,764.86
FOR POSSIBLE ACTION	30.	1999000052	Estate of Martin T. Wessel: Ted's Chevron	\$6,439.46	\$5,795.51
FOR POSSIBLE ACTION	31.	1999000064	Al Park Petroleum, Inc.: Conoco Pit Stop	\$22,843.54	\$20,559.19
FOR POSSIBLE ACTION	32.	1999000066	HP Management LLC: Former Haycock Petroleum	\$13,080.30	\$11,772.27
FOR POSSIBLE ACTION	33.	1999000086	Terrible Herbst Oil Company: Terrible Herbst #126	\$17,339.15	\$15,605.24
FOR POSSIBLE ACTION	34.	1999000090	HP Management LLC: Former Haycock Petroleum	\$13,309.35	\$11,978.42
FOR POSSIBLE ACTION	35.	1999000104	Terrible Herbst Oil Company: Terrible Herbst #118	\$80,225.81	\$72,203.23

ONGOING CASES/OTHER PRODUCTS: CONTINUED

			<u>REQUESTED</u>	<u>RECOMMENDED</u>	
FOR POSSIBLE ACTION	36.	1999000114	City of Fallon: Fallon Maintenance Yard	\$4,729.93	\$4,256.94
FOR POSSIBLE ACTION	37.	1999000135	Terrible Herbst Oil Company: Terrible Herbst #106	\$7,241.30	\$6,517.18
FOR POSSIBLE ACTION	38.	1999000137	Terrible Herbst Oil Company: Terrible Herbst #152	\$13,221.97	\$11,899.77
FOR POSSIBLE ACTION	39.	1999000167	City of Las Vegas: Fire Station #1	\$2,821.94	\$2,821.94
FOR POSSIBLE ACTION	40.	1999000186	Gloria Gayle Pilger: Forger D&G Oil Facility	\$24,440.76	\$21,996.68
FOR POSSIBLE ACTION	41.	1999000199	Mary Ann Ferguson: Lakeshore Orbit Station	\$56,374.41	\$56,374.41
FOR POSSIBLE ACTION	42.†	1999000243	7-Eleven, Inc.: 7-Eleven #22607	\$11,481.00	\$22,928.85
FOR POSSIBLE ACTION	43.	1999000244	7-Eleven, Inc.: 7-Eleven #27070	\$50,453.02	\$45,407.72
FOR POSSIBLE ACTION	44.	1999000257	University of Nevada: Newlands Agriculture	\$3,920.40	\$3,920.40
FOR POSSIBLE ACTION	45.	1999000273	V.K. Leavitt: The Waterhole	\$22,099.29	\$19,889.36
FOR POSSIBLE ACTION	46.	2004000011	TA Operating: Four Way Truck Stop	\$44,082.11	\$39,656.33
FOR POSSIBLE ACTION	47.	2004000039	Clark Co. Dept. of Aviation: Former National Car Rental	\$5,175.00	\$1,675.00
FOR POSSIBLE ACTION	48.	2005000002	Carson Valley Oil Co., Inc.: Carson Valley Oil	\$10,865.99	\$9,779.39
FOR POSSIBLE ACTION	49.	2005000004	7-Eleven, Inc.: 7-Eleven #21285	\$15,368.45	\$13,831.60
FOR POSSIBLE ACTION	50.	2005000025	Bordertown, Inc.: Winner's Corner	\$5,969.79	\$5,372.82
FOR POSSIBLE ACTION	51.	2005000029	Phillips 66 Company: Circle K #1302	\$1,080.85	\$972.76
FOR POSSIBLE ACTION	52.	2005000036	Phillips 66 Company: Circle K #1791	\$2,751.72	\$1,981.24
FOR POSSIBLE ACTION	53.	2005000044	Ewing Brothers, Inc.: Ewing Brothers Facility	\$20,710.77	\$16,567.23
FOR POSSIBLE ACTION	54.	2007000004	7-Eleven, Inc.: 7-Eleven #29660	\$23,625.57	\$17,010.41
FOR POSSIBLE ACTION	55.	2007000014	Ace Cab Company: Ace Cab Company	\$32,771.17	\$27,222.83
FOR POSSIBLE ACTION	56.	2007000016	TOC Holdings Company: Former Time Oil #6-100	\$16,095.56	\$14,401.06
FOR POSSIBLE ACTION	57.	2008000005	Avis Rent A Car Systems: Former Avis Rent A Car	\$4,753.63	\$4,278.26
FOR POSSIBLE ACTION	58.	2008000017	Francois Alvandi: Flamingo AM/PM #82153	\$21,991.82	\$11,875.57
FOR POSSIBLE ACTION	59.	2008000018	B-H Ind. dba Terrible's: Terrible Herbst #830	\$15,104.62	\$13,594.15
FOR POSSIBLE ACTION	60.	2008000019	One Panou, LLC: Stop N Shop #2	\$7,171.96	\$6,373.76
FOR POSSIBLE ACTION	61.	2009000009	Mr. Tom Schwarz: Zak's Mini Mart	\$6,535.95	\$4,705.89
FOR POSSIBLE ACTION	62.	2009000017	D&J Holdings, LLC: Convenience Corner Shell	\$33,144.16	\$29,829.74
FOR POSSIBLE ACTION	63.	2009000020	Western Energetix: Flyers Energy Bulk Plant	\$5,023.77	\$4,521.39
FOR POSSIBLE ACTION	64.	2009000023	Samir Shushani: Stop & Save Mini Mart	\$12,749.00	\$6,884.46
FOR POSSIBLE ACTION	65.	2009000024	Parampreet Investment, LLC: Chuck's Circle C	\$24,398.85	\$21,958.97
FOR POSSIBLE ACTION	66.	2009000028	Vegas Rainbows, Inc.: Mick & Mac's Food Mart	\$37,834.19	\$33,192.21
FOR POSSIBLE ACTION	67.	2010000001	Smitten Oil & Tire Company: The Gas Store	\$129,068.59	\$116,161.73
FOR POSSIBLE ACTION	68.	2010000005	7-Eleven, Inc.: 7-Eleven #27071	\$17,830.50	\$16,047.45
FOR POSSIBLE ACTION	69.	2010000007	Pecos Express, Inc.: Pecos Express	\$29,813.50	\$26,832.15
FOR POSSIBLE ACTION	70.	2010000010	Petrosun Fuel, Inc.: Victorian Food Mart	\$6,635.48	\$5,971.93

ONGOING CASES/OTHER PRODUCTS: CONTINUED

				<u>REQUESTED</u>	<u>RECOMMENDED</u>
FOR POSSIBLE ACTION	71.	2010000013	Argyris Enterprises, LLC: City Stop #12	\$20,608.74	\$18,547.87
FOR POSSIBLE ACTION	72.	2011000001	Short Line Express Market: Short Line Express	\$52,034.82	\$45,313.04
FOR POSSIBLE ACTION	73.	2011000003	7-Eleven Inc.: 7-Eleven #29662	\$5,007.25	\$4,506.53
FOR POSSIBLE ACTION	74.	2011000007	Echo Bay Marina, LLC: Echo Bay Marina	\$53,451.12	\$48,106.01
FOR POSSIBLE ACTION	75.	2011000009	Cimarron West: Cimarron West	\$145,140.89	\$130,626.81
FOR POSSIBLE ACTION	76.	2012000003	7-Eleven, Inc.: 7-Eleven #26627	\$4,637.68	\$3,339.12
FOR POSSIBLE ACTION	77.†	2012000004	7-Eleven, Inc.: 7-Eleven #15426	\$13,250.70	\$23,466.10
FOR POSSIBLE ACTION	78.†	2012000005	ARAMARK Corporation: Zephyr Cove Resort	\$26,358.36	\$34,000.43
FOR POSSIBLE ACTION	79.	2012000011	Golden Gate Petroleum: Baldini's Grand Pavilion	\$5,382.74	\$4,335.09
FOR POSSIBLE ACTION	80.	2012000012	Dewey Has Gas, Inc.: Smart Mart	\$37,128.24	\$33,415.42
FOR POSSIBLE ACTION	81.	2012000018	Kamar Brothers LV, LLC: Arco AM/PM	\$1,577.85	\$1,136.05
FOR POSSIBLE ACTION	82.	2012000020	Francois Alvandi: Charleston AM/PM #85155	\$15,635.00	\$14,026.50
FOR POSSIBLE ACTION	83.	2012000022	7-Eleven, Inc.: 7-Eleven #26873	\$6,155.82	\$5,540.23
FOR POSSIBLE ACTION	84.	2013000005	RB Properties, Inc.: South Pointe Market	\$35,411.74	\$31,870.56
FOR POSSIBLE ACTION	85.	2013000008	TA Operating, LLC: Petro Stopping Center	\$4,287.50	\$3,858.75
FOR POSSIBLE ACTION	86.	2013000009	Western Petroleum: Western Petroleum	\$18,812.28	\$16,931.05
FOR POSSIBLE ACTION	87.	2013000010	Slots Unlimited, LLC, Village Shop #2	\$4,269.00	\$3,073.68
FOR POSSIBLE ACTION	88.	2013000011	Slots Unlimited, LLC, Village Shop #4	\$22,571.27	\$20,314.14
FOR POSSIBLE ACTION	89.	2013000013	7-Eleven Inc.: 7-Eleven #25156	\$26,407.18	\$23,766.46
FOR POSSIBLE ACTION	90.	2013000019	Hardy Enterprises, Inc.: Sinclair Mini-Mart	\$21,818.40	\$19,636.56

ONGOING CASES/OTHER PRODUCTS SUB TOTAL: **\$2,205,115.02 **\$2,008,251.04****

REQUESTED **RECOMMENDED**
CLAIMS TOTAL: **\$2,601,567.91 **\$2,373,430.60****

Chairman Haycock informed the Board that under Ongoing Cases C, item numbers 32 and 34, because he is involved and his vote will therefore not relate to those two items.

Vice Chairman Ross informed the Board that under Ongoing Cases C, item number 55, Ace Cab Company is still being represented by a member of the law firm by which he is employed. However, he stated this associate has no bearing on his employment or pay so he will vote.

Ms. Tappan moved for approval of the consent items, Heating Oil, 1 through 10, New Cases/Other Products, 1 through 3, Ongoing Cases/Other Products, 1 through 90. Mr. Seidel seconded the motion.

Motion carried unanimously.

8. EXECUTIVE SUMMARY

Ms. King presented the Executive summary and informed the Board that the Petroleum Fund (Fund) was established in 1989. Since then 1,446 cases have been evaluated for reimbursement, 122 cases were denied coverage and a total of 1,052 cases have been closed. 22 applications are in pending status awaiting staff review or additional information. 45 cases have expired. There are currently 204 active remediation sites expected to continue with requests for reimbursement. The State Fiscal Year 2014 began on July 1 of this year, and since that time 18 new cases have been received by NDEP for evaluation of Fund coverage.

Not including today's Board authorization, approximately \$175.9 million has been reimbursed. Adding today's reimbursement, approximately \$2.37 million has been reimbursed from the Fund to date. The cumulative Fund expenditure is approximately 178.3 million.

The invoicing for storage tank Fund enrollment for Federal fiscal year 2014, which runs from October 1, 2013 through September 30, 2014, commenced mid-August, 2013. 1,409 facilities have been invoiced at \$100 per storage tank system. As of November 21, 2013, 1,306 facilities, or approximately 93% have submitted the required fees.

Ms. King gave the Board a status update regarding the interactive data base that was previously discussed during the September 2013 Board meeting. She stated that the information management staff is lining things up so a contractor can be hired.

Ms. King notified the Board that, consistent with NDEP's commitment to update the Board on the Eagle Gas North cleanup which was presented to the Board during the September 12, 2013 Board meeting, NDEP was prepared to provide an update. She reminded the Board that there is a statute in place that holds NDEP responsible for a cleanup at a site where the Responsible Party is remiss and that the statute directs NDEP to use Petroleum Fund revenue. She stated that she hoped staff did a good job during the previous Board meeting explaining why Eagle Gas North fit into that category. She then introduced Todd Croft, UST/LUST Supervisor, to provide the status update.

Mr. Croft informed the Board on the progress made during the three months since the Board met in September, 2013. Mr. Croft informed the Board there were information pages in their Board packets behind the Executive Summary page for their review. Mr. Croft then touched on these pages. He stated ultimately NDEP is striving for a cost effective and time effective cleanup.

Mr. Croft stated that there are many ways to evaluate a site to get the information necessary to make decisions. The conventional way is to use a drill rig and collect soil samples at regular intervals which are sent to a laboratory. The samples are analyzed for certain compounds, in this case for gasoline related compounds. The resultant data provides the basis for corrective action decisions. He stated that consultants are typically the ones who do this. Besides the illustrations of boring logs demonstrating the kinds of soil encountered and the chemical composition, a cross section is completed. This allows you to look at a slice through the earth and gives an idea of what is going on underground so prudent decisions can be made. Normally this process takes multiple steps and a considerable amount of time. Several wells or borings are put into place, it takes time to take the samples and have them analyzed and only then will it be known if there are data gaps where more wells or borings must put into place and the process begins again, taking much time and resources.

Mr. Croft indicated on this site, before coming to the Board, approximately 25 monitoring wells had been installed, providing a good idea where the plume was. That is what the first illustration of the handout depicts. The more pink color is the Benzene plume and the yellow color is the

MTBE plume which is a little larger but slightly off set. There are approximately 50 – 75 feet between each of the monitoring wells, resulting in some data gaps. To more effectively and economically conduct the cleanup, we have brought in some new technology that has been around for only a few years. The technology is a cone penetrometer and a MIP (membrane interface probe). Those two probes are coupled together, one behind the other, and placed on a geo probe rig, which is similar to a drill rig. The drilling is in a rotary fashion pushes into the ground. The cone penetrometer has different sensors on it and it is collecting those data then transmitting it into a log. The information is then used to interpret the types of soil, for instance whether the soils are clays, sands or silts, and whether there is water present in those soils.

Mr. Croft asked the Board members to turn to the second to the last page where they would see a series of traces on the page. He described it as looking almost like an EKG. Those have been interpreted through an algorithm to produce the lithological log. He stated it does not specifically identify the type of sand or clay that is present, but provides information at which intervals there is material which “acts” like sand or clay. This is very important for making decisions regarding cleanup. We know that the contaminant will move pretty quickly through sand, which is how the plume spreads. It will be retained in silt or clay, which can be problematic for many different remedial methods because there is a slower release from that type of media. Trying to get a handle on the vertical and horizontal locations of the sands and clays and then super-imposing where the contamination is located is the objective of this work.

Mr. Croft asked the Board members to turn to the very last page for another series of charts. The charts are from the second probe, the MIP. Mr. Croft asked the Board members to view the second and fourth charts. The column heading reads PID for the green chart and FID for the red chart. The charts indicate that approximately nine or ten feet down to about fourteen to sixteen feet is where the bulk of the contaminant mass is located. The PID information depicts there is a lot of fresh gasoline. The FID has smaller peaks, but the units at the top are different between the two. Again, we see there is fresh gasoline present at this location, which is right off the southern end of the dispensers. When we did the underground tank removal back in July and August we found quite a bit of the release from the dispenser area. That is also where the plume, if you go back to the first illustration, where the red part of the plume is, which is the highest in contamination. That is where the geoprobe data came from.

Mr. Croft said the work was finished just prior to Thanksgiving. NDEP’s consultant is reviewing the data and generating a series of cross sections to help determine the best path forward. Possibly by the end of January NDEP will get the results of this work, including a conceptual site model (CSM), to better understand where contamination is distributed throughout the subsurface. In March NDEP anticipates its consultant to provide a corrective action plan (CAP), illustrating one or more remedial methods that will be used on this site next spring and into next summer.

Mr. Croft again stated the bulk of the contamination is portrayed in the chart to be from about nine feet to approximately fourteen to sixteen feet below land surface. He stated the charts depict very little clay material in this location. He surmised, based upon this information, that the contamination should be able to be removed using conventional methods such as excavation, pumping, or through vapor extraction. It’s likely that all of those methods may be used, depending on the conditions. The CAP we receive in March should address the conditions such as, whether there are buildings, utilities, or other obstacles that could either expedite the movement of contamination or inhibit it. Depending on the conditions of each area at the site, a different remedial method may be identified to be most effective.

Mr. Croft asked the Board members to take a look at pages 2 and 3. He then identified what each picture represented. He then informed the Board that the first picture is the geoprobe rig. A little off to the left side behind the cone is a trailer that the laboratory equipment is in which processes

all the data. There is an umbilical cord between the probe and the trailer where the electrical signals and the soil gas are transferred to the laboratory equipment. The second picture shows the probe. The bottom part of the probe is the one giving us the soil information. The top part of the probe is providing the chemical information. The yellow cord is the umbilical cord and carries both the soil gas and the electrical response. The third picture is the gas chromatograph and the other analytical device.

Twenty-six additional probe locations were distributed throughout the site where additional data was needed. When the probe was removed from each hole, a small diameter screen pvc was inserted which allowed for a water sample to be collected. At the same time water samples from the existing monitoring wells were collected which resulted in a comprehensive data set across the site for both soil and groundwater. This data will contribute to the CSM that is expected in January, 2014.

The Board members had no questions for Mr. Croft.

9. PUBLIC FORM

There were no requests to speak.

10. CONFIRMATION OF NEXT BOARD MEETING DATE

It was confirmed the next meeting date would be Wednesday, March 13, 2014 at 10:00 am.

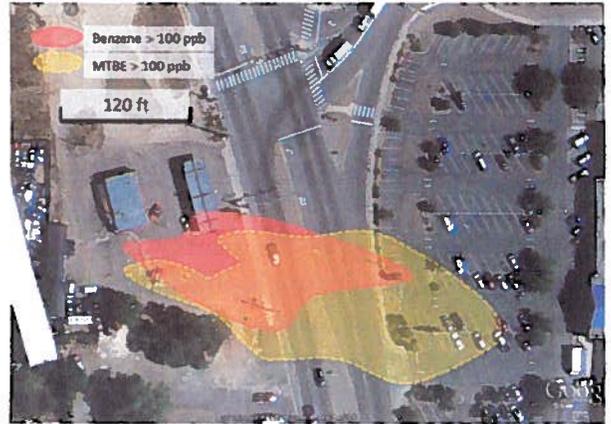
11. ADJOURNMENT

There being no further business, the meeting adjourned at 11:32 am.

December 11, 2013 Petroleum Fund Board Presentation

Facility: **Eagle Gas North**
2152 N. Carson Street
Carson City, NV
Facility ID # 1-000030

Owner: **VR Property Management, Inc.**



Overview

This briefing package is to provide the Board with a summary of Corrective Actions implemented by NDEP at the Eagle Gas North Facility at 2152 N. Carson Street, Carson City, Nevada and the status of cost recovery by NDEP and the Attorney General's Office.

Background (Presented at September 12, 2013 Board Meeting)

NDEP presented information at the September 12, 2013 Petroleum Fund Board meeting regarding a decision to use Petroleum Fund money to reimburse the NDEP for necessary remediation expenses at the Eagle Gas North facility following provisions outlined in NRS 590.835. The decision to use State resources to remediate soil and groundwater contamination at and adjacent the referenced facility followed a 6-year period where NDEP's efforts to seek voluntary compliance with UST operational criteria and Leaking UST assessment criteria were met with recalcitrance. A summary of key actions and dates follows:

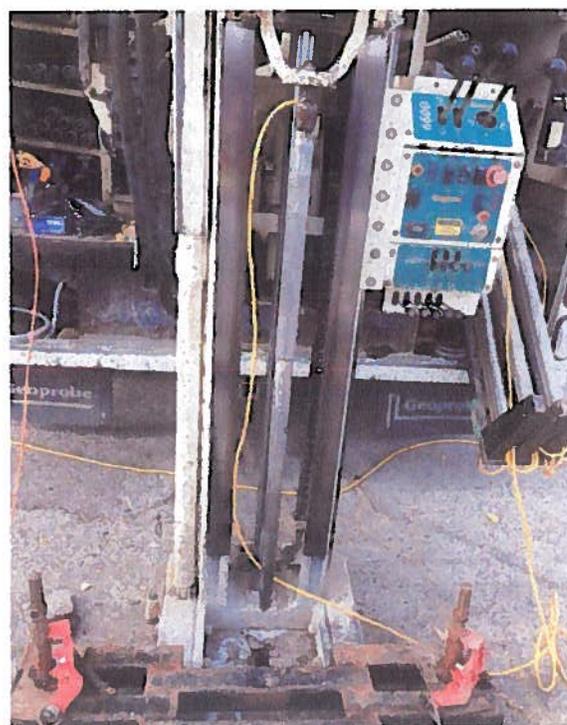
- 2007 thru 2008 NDEP requested the property owner conduct necessary assessment work to evaluate the source, magnitude, and extent of gasoline-related groundwater contamination that appeared to emanate from the Eagle Gas North property.
- 2009 thru 2010 NDEP issued formal enforcement actions; initiated site assessment activities; obtained a Mandatory Injunction for past costs; and obtained a Default Judgment requiring the owner to reimburse NDEP for remediation costs expended to date and pay estimated future remediation costs. Federal LUST/Trust funds totaling over \$ 220,000 were used to conduct site assessments and evaluate the lateral extent of contaminated shallow groundwater.
- June 2013 The First Judicial District Court of Nevada issued a Mandatory Injunction granting NDEP and their agent's the authority to permanently close all on-site underground storage tank (USTs) systems and enter the property to assess, monitor, and remediate soil and groundwater contaminated by releases from the UST systems.
- July & August 2013 All four (4) UST systems were tested for tightness and subsequently removed from service by excavation and off-site disposal/recycling. A combination of Federal LUST/Trust cleanup funds and State revenue was used to facilitate the tightness testing & permanent closure of these 40-year old, lined, single-walled, steel USTs and related piping and dispensers. Project Costs: ~ \$130,000.

High-resolution Conceptual Site Model

NDEP is successively moving through a planning and data gap infilling phase to inform the next amount of fieldwork; site dewatering, source soil removal, and follow-up remediation. A high-resolution cone penetrometer test (CPT) survey was conducted between November 18th and November 26th to evaluate soil properties beneath and adjacent the Eagle Gas North site to a depth of approximately 35 feet. The CPT probe was coupled with a membrane interface probe (MIP) to additionally collect detailed information about contaminant presence throughout the soil column.

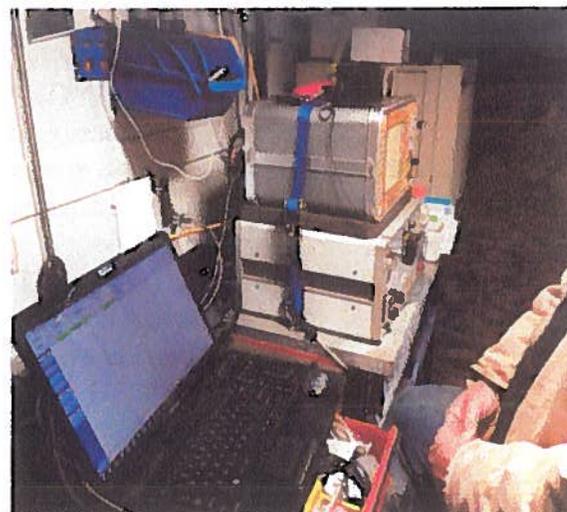


The MIP/CPT probe was advanced at 26 locations throughout the site area to help determine the types of soil responsible for retaining contaminant mass and for allowing the dissolved gasoline constituents to extend approximately 250 feet down-gradient from the release locations as a dissolved contaminant plume.



A semi-permeable membrane placed in a heated block attached to the MIP probe allows volatile organic compounds (VOCs) to enter the probe and be carried through a dedicated tube to the surface where a gas chromatograph (GC) equipped with three different detectors is used by an operator to analyze the VOCs.

The three detectors used in this survey included a photoionization detector (PID), flame ionization detector (FID), and electron capture detector (ECD). Each detector provides discrete information about the type and nature of the VOCs present in the heated gaseous sample collected from the subsurface. Outputs from each detector are logged on a graph and show the relative degree of contamination present in relation to the depth of the probe.



The PID provides information about the relative amount of the more mobile fractions of gasoline. The FID provides information about the relative amount of heavier hydrocarbons (i.e., the less mobile fractions of gasoline; residual hydrocarbons remaining after weathering; and diesel fuel constituents). The ECD provides information about the relative amount of solvent-related contaminants if present.

A copy of a representative MIP and CPT log is provided as an attachment to this briefing package.

Additionally, groundwater samples were collected from each probe location to allow for laboratory analysis of the VOCs present (benzene, toluene, ethyl-benzene, total xylenes, and MtBE) in shallow groundwater. Small diameter screened PVC was placed in each probe boring following removal of the MIP/CPT probe.

The groundwater analytical results will be used to develop updated maps of the groundwater contaminant plume as well as provide context for the MIP survey results.

Each MIP/CPT boring was backfilled with hydrated bentonite to provide for boring abandonment. The small diameter casings were removed, open borings filled with bentonite chips, tap water added to hydrate, and the surface expose patched with cold patch asphalt concrete.

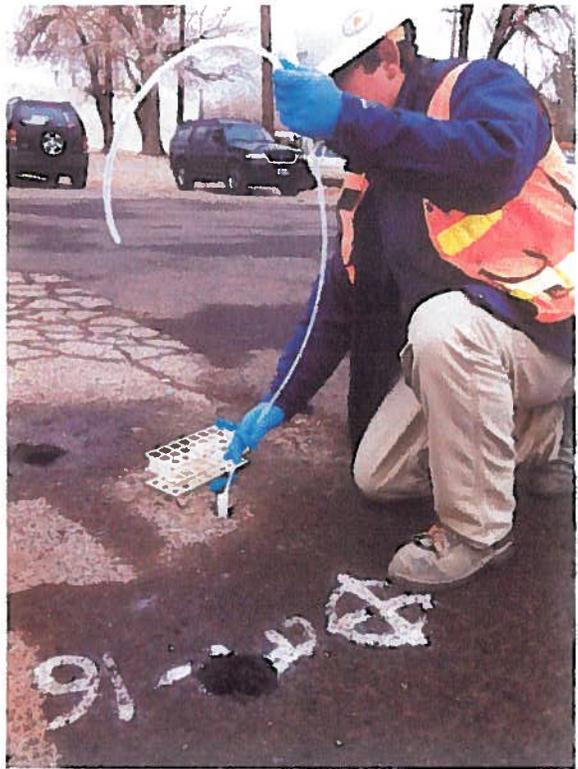
Existing monitoring wells were also sampled during the MIP/CPT survey to assist with groundwater contaminant plume characterization. Conducting monitoring well sampling concurrently with the sampling of groundwater from the MIP/CPT probe locations is intended to provide a robust updated map of the dissolved groundwater contaminant plume.

The results of the MIP/CPT survey are being reviewed and interpreted to develop a high-resolution Conceptual Site Model (CSM). The CSM is expected in January 2014 and will include high-resolution cross-sections throughout the site and site area. The cross-sections are expected to show:

- soil types / soil properties;
- depth/position of the groundwater surface;
- presence or absence of petroleum hydrocarbon contamination vertically & horizontally;
- relative amount of petroleum hydrocarbon contamination in the soil column;
- former location of the UST infrastructure (tanks, piping, dispenser islands);
- location of release sources determined during the August 2013 UST removal activities;
- presence of structures, utilities, and other features that may affect the migration of contaminants or performance of a remediation technique.

The CSM is a key submittal to assist with selection and development of a cost-effective remediation approach. A corrective Action Plan (CAP) is expected in approximately March 2014 that summarizes a recommended remediation approach for use at the Eagle Gas North site.

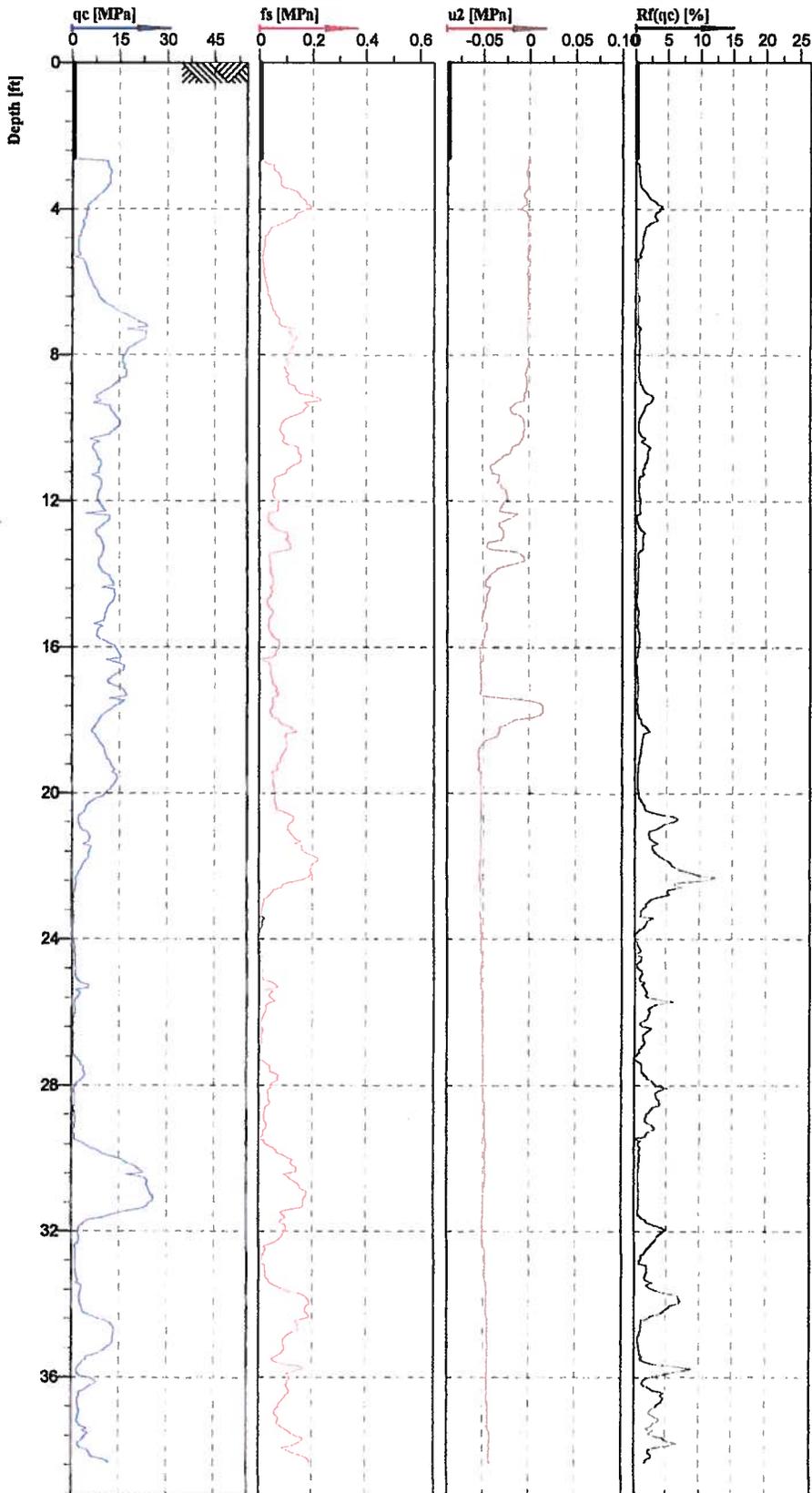
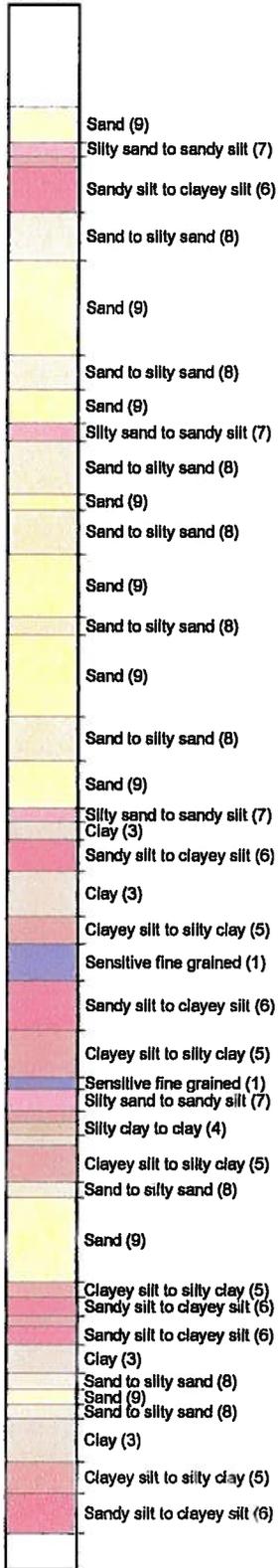
The estimated project cost through development of the CSM is ~ \$95,000.



Cost Recovery

The Attorney General's Office is pursuing cost recovery in the District Court for reimbursement of costs associated with the purchase and disposal of gasoline. Additionally, the Attorney General's Office is prepared to file an action in District Court to enjoin the site owner from installing new USTs prior to completion of the remediation.

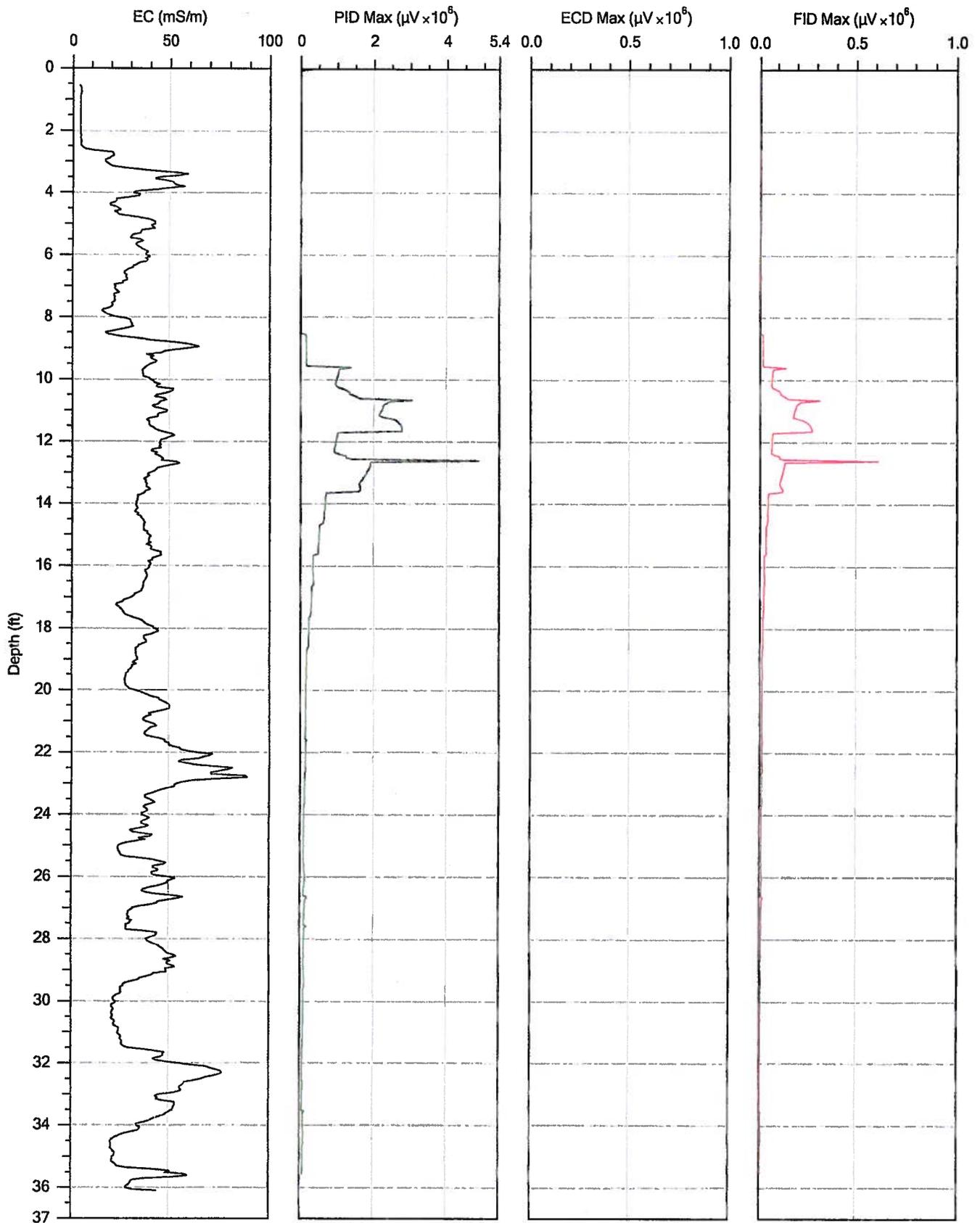
**Classification by
Robertson 1986**



Cone No: 3335
Tip area [cm²]: 10
Sleeve area [cm²]: 150



Location: Carson City, Nv	Position: X: 0.00 ft, Y: 0.00 ft	Ground level: 0.00	Test no: CPT8
Project ID: G3969	Client: McGinley & Associates	Date: 11/20/2013	Scale: 1 : 55
Project: Eagle Gas		Page: 1/1	Fig:
		File: eaglegas08.cpd	



Company:	McGinley & Associates	Operator:	FISCH	File:	EGLGAS08.DAT
Project ID:	Eagle Gas	Client:		Date:	11/20/2013
				Location:	