

**STATE OF NEVADA BOARD TO REVIEW CLAIMS
BOARD MEETING MINUTES
MARCH 11, 2015**

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 Nevada Division of Environmental Protection, 2030 E. Flamingo Rd. Ste. 230, Red Rock Conference Rm and in Carson City at the Nevada Department of Conservation and Natural Resources, Bryan Building, 901 S. Stewart St. 2nd Floor, Tahoe Hearing Room.

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

BOARD MEMBERS ABSENT

Michael Cox, Representative of the independent retailers of petroleum

OTHERS PRESENT

Rose Marie Reynolds, State Attorney General's Office – Las Vegas
Jeff Collins, Greg Lovato, Steve Fischenich, Valerie King, Victoria Joncas, Don Warner,
Johnathan McRae, Todd Croft, Chad Schoop, Laurie McElhannon and Valerie Rocha –
Nevada Division of Environmental Protection (NDEP)
Joe McGinley – McGinley & Associates
Brett Bottenberg– McGinley & Associates
Keith Stewart – Stewart Environmental Inc.
Stephanie Holst – Broadbent & Associates, Inc.
Sarah Hoffman – Broadbent & Associates, Inc.
Mark Zimmerman – Frias

The Board to Review Claims meeting started at 10:00 am and addressed agenda items that were for “Discussion Only” until Ms. Reynolds, the Board’s legal counsel, arrived at 10:11 am and established the Board had a quorum.

2. PUBLIC FORUM

There were no requests to speak.

3. APPROVAL OF THE AGENDA

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

4. **APPROVAL OF THE DECEMBER 18, 2014 MINUTES**

Ms. King requested that the minutes be tabled until the next board meeting.

Chairman Haycock said consider them tabled and will take them up at the next meeting.

5. **STATUS OF THE FUND**

Ms. King reported on the status of the State of Nevada Petroleum Fund (Fund). The balance forward for fiscal year 2014 was approximately \$7.5 million. Approximately \$405,000 had been collected for storage tank enrollment. Approximately \$3.5 million was collected from the $\frac{3}{4}$ cent per gallon fee. The interest, \$6,500 and total cumulative revenue was \$13,488,859.04.

Ms. King reported NDEP's expenditures saying the Board's salary and state and operating were very small. The transferred to NDEP for the administration of the program and the contractor who is developing the interactive database is upwards of \$1.1 million. The reimbursement of claims was approximately \$5.1 million.

Ms. King reported the expenditures were \$6,296,890.81. The estimated transfer to the Highway fund will be approximately \$5 million. The transfer to NDEP was approximately \$1.1 million and the transfer to DMV to administer the Petroleum fee was approximately \$12,714. The pending obligated funds were approximately \$17,000. The Remaining Obligation was approximately \$6 million.

Ms. King reported the actual funding available was the cumulative revenue minus the cumulative expenditures, resulting in a fund balance of \$7,191,968.23.

6. **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.

An omega (Ω) indicates Board approved reimbursement monies have been subtracted from the amount requested due to new information.

**STATE BOARD TO REVIEW CLAIMS
REQUESTED/RECOMMENDED AMOUNTS – MARCH 11, 2015**

HEATING OIL

				<u>REQUESTED</u>	<u>RECOMMENDED</u>
FOR POSSIBLE ACTION	1.	1992000102H	Lyon County School District: Yerington Elementary	\$5,095.06	\$4,585.55
FOR POSSIBLE ACTION	2.	2007000013H	Churchill County School District: Bus Barn	\$8,534.30	\$8,534.30
FOR POSSIBLE ACTION	3.†	2012000017H	Churchill Co. School District: Old High School	\$18,191.81	\$18,926.81
FOR POSSIBLE ACTION	4.	2013000012H	Roger & Gemma Mateossian: Mateossian Residence	\$4,482.16	\$4,482.16
FOR POSSIBLE ACTION	5.	2013000015H	Gary Cornwall: Gary Cornwall Property	\$2,930.90	\$2,930.90
FOR POSSIBLE ACTION	6.	2014000019H	JEF Enterprises: Next Generation Day Care	\$2,837.50	\$2,837.50
FOR POSSIBLE ACTION	7.	2014000021H	Town of Gardnerville: Former Eagle Gas - Gardnerville	\$28,847.61	\$28,847.61
FOR POSSIBLE ACTION	8.	2014000022H	Sanders Winnemucca, LLC: Ace Hardware	\$5,755.00	\$5,755.00
FOR POSSIBLE ACTION	9.	2014000045H	Charles Mazza: Mazza-Private Residence	\$9,140.04	\$8,890.04
FOR POSSIBLE ACTION	10.	2015000004H	McCarran Mansion, LLC: McCarran Mansion	\$8,902.35	\$8,652.35

HEATING OIL SUB TOTAL: \$94,716.73 \$94,442.22

NEW CASES, OTHER PRODUCTS

				<u>REQUESTED</u>	<u>RECOMMENDED</u>
FOR POSSIBLE ACTION	1.	2014000020	Ken & Bonnie Goodness: Waterhole Truck Plaza	\$12,941.47	\$11,647.32
FOR POSSIBLE ACTION	2.	2014000033	Speedee Mart, Inc.: Speedee Mart #108	\$38,464.71	\$34,618.24

NEW CASES, OTHER PRODUCTS SUB TOTAL: \$51,406.18 \$46,265.56

ONGOING CASES/OTHER PRODUCTS

			<u>REQUESTED</u>	<u>RECOMMENDED</u>	
FOR POSSIBLE ACTION	1.	1992000056	Reno Tahoe Airport Authority: National Car Rental	\$40,396.83	\$40,396.83
FOR POSSIBLE ACTION	2.	1993000011	7-Eleven, Inc.: 7-Eleven #29646	\$16,618.66	\$16,618.66
FOR POSSIBLE ACTION	3.	1993000102	Rebel Oil Company: Rebel #8	\$96,240.73	\$83,827.48
FOR POSSIBLE ACTION	4.	1993000103	Russell Yardley: Charlie Brown Construction	\$4,608.42	\$4,516.25
FOR POSSIBLE ACTION	5.	1993000115	City of Fallon: Former Bootlegger Texaco	\$4,659.46	\$4,659.46
FOR POSSIBLE ACTION	6.	1994000003	Allied Washoe: Allied Petroleum	\$7,461.48	\$7,461.48
FOR POSSIBLE ACTION	7.	1994000012	Wirtz Beverage NV, Inc.: Former DeLuca Liquor & Wine	\$30,180.81	\$30,180.81
FOR POSSIBLE ACTION	8.	1994000027	7-Eleven, Inc.: 7-Eleven #19653	\$12,822.96	\$12,822.96
FOR POSSIBLE ACTION	9.	1994000029	7-Eleven, Inc.: 7-Eleven #20826	\$30,873.73	\$27,786.36
FOR POSSIBLE ACTION	10.	1994000113	Pilot Travel Centers, LLC: Former Unocal Truck Stop	\$34,490.99	\$34,490.99
FOR POSSIBLE ACTION	11.	1994000122	Mike's Gas-A-Mart: Mike's Gas-A-Mart	\$4,051.81	\$4,051.81
FOR POSSIBLE ACTION	12.	1995000012	N Nevada Asset Holdings LLC: Parker's Model T	\$12,286.60	\$11,057.94
FOR POSSIBLE ACTION	13.	1995000039	Al Park Petroleum, Inc.: Crescent Valley Market	\$18,205.95	\$16,385.35
FOR POSSIBLE ACTION	14.	1995000042	FBF Inc. dba Gas For Less: Gas For Less	\$100,036.42	\$88,766.64
FOR POSSIBLE ACTION	15.	1995000074	Vera Hester: Glendale Service Facility	\$26,632.25	\$23,969.03
FOR POSSIBLE ACTION	16.	1995000105	Redman Petroleum Corp.: Redman Petroleum	\$15,228.46	\$13,705.61
FOR POSSIBLE ACTION	17.	1996000064	H&A Esslinger, LLC: Red Rock Mini Mart	\$6,743.00	\$6,540.71
FOR POSSIBLE ACTION	18.	1997000008	Ewing Brothers, Inc.: Ewing Brothers Facility	\$3,857.50	\$3,471.75
FOR POSSIBLE ACTION	19.	1997000071	7-Eleven, Inc.: 7-Eleven #25586	\$165,967.65	\$148,529.36
FOR POSSIBLE ACTION	20.	1998000046	Willdens Automotive Holdings: Frmr Allstate Rent A Car	\$60,154.28	\$54,138.85
FOR POSSIBLE ACTION	21.	1998000080	Seven Crown Resorts, Inc.: Echo Bay Resort	\$15,011.38	\$13,510.25
FOR POSSIBLE ACTION	22.	1999000008	7-Eleven, Inc.: 7-Eleven #23129	\$34,002.40	\$30,602.16
FOR POSSIBLE ACTION	23.	1999000014	Al Park Petroleum: Conoco Pit Stop #7	\$25,520.11	\$22,968.10
FOR POSSIBLE ACTION	24.	1999000022	Terrible Herbst: Terrible Herbst #129	\$5,246.38	\$4,487.74
FOR POSSIBLE ACTION	25.	1999000029	Terrible Herbst Oil Company: Terrible Herbst #136	\$5,793.23	\$5,213.91
FOR POSSIBLE ACTION	26.	1999000048	Estate of Robert Cowan: Former Lightning Lube	\$9,994.83	\$9,994.83
FOR POSSIBLE ACTION	27.	1999000052	Estate of Martin T Wessel: Ted's Chevron	\$23,794.16	\$21,414.75
FOR POSSIBLE ACTION	28.	1999000064	Al Park Petroleum, Inc.: Conoco Pit Stop	\$17,640.05	\$15,876.05
FOR POSSIBLE ACTION	29.	1999000066	HP Management LLC: Former Haycock Petroleum	\$14,060.00	\$12,654.00
FOR POSSIBLE ACTION	30.	1999000086	Terrible Herbst Oil Company: Terrible Herbst #126	\$5,389.00	\$3,102.07
FOR POSSIBLE ACTION	31.	1999000090	HP Management LLC: Former Haycock Petroleum	\$11,862.75	\$10,676.47
FOR POSSIBLE ACTION	32.	1999000104	Terrible Herbst Oil Company: Terrible Herbst #118	\$92,154.04	\$66,333.69
FOR POSSIBLE ACTION	33.	1999000114	City of Fallon: Fallon Maintenance Yard	\$4,574.80	\$4,117.32
FOR POSSIBLE ACTION	34.	1999000135	Terrible Herbst Oil Company: Terrible Herbst #106	\$12,584.51	\$11,326.06
FOR POSSIBLE ACTION	35.	1999000137	Terrible Herbst Oil Company: Terrible Herbst #152	\$3,912.50	\$3,521.25

ONGOING CASES/OTHER PRODUCTS: CONTINUED

			<u>REQUESTED</u>	<u>RECOMMENDED</u>	
FOR POSSIBLE ACTION	36.	1999000167	City of Las Vegas: Fire Station #1	\$109,518.61	\$109,518.61
FOR POSSIBLE ACTION	37.	1999000186	Gloria Gayle Pilger: Former D&G Oil Facility	\$42,551.54	\$38,051.38
FOR POSSIBLE ACTION	38.	1999000199	Mary Ann Ferguson: Lakeshore Orbit Station	\$44,136.93	\$44,136.93
FOR POSSIBLE ACTION	39.	1999000244	7-Eleven, Inc.: 7-Eleven #22070	\$14,931.59	\$12,354.67
FOR POSSIBLE ACTION	40.	1999000257	University of Nevada: Newlands Agriculture	\$5,556.60	\$5,374.10
FOR POSSIBLE ACTION	41.	1999000273	V.K. Leavitt: The Waterhole	\$34,811.44	\$31,330.30
FOR POSSIBLE ACTION	42.	2004000011	TA Operating LLC: Four Way Truck Stop	\$21,350.28	\$19,215.25
FOR POSSIBLE ACTION	43.	2004000039	Clark Co. Dept. of Aviation: Former National Car Rental	\$50,339.97	\$45,814.38
FOR POSSIBLE ACTION	44.	2005000002	Carson Valley Oil Co., Inc.: Carson Valley Oil	\$10,402.33	\$9,362.10
FOR POSSIBLE ACTION	45.	2005000025	Bordertown, Inc.: Winner's Corner	\$6,159.73	\$5,543.76
FOR POSSIBLE ACTION	46.	2005000029	Phillips 66 Company; Circle K #1302	\$47,103.10	\$13,617.51
FOR POSSIBLE ACTION	47.Ω	2005000044	Ewing Brothers, Inc.: Ewing Brothers Facility	\$19,078.11	\$12,818.05
FOR POSSIBLE ACTION	48.	2007000003	7-Eleven, Inc.: 7-Eleven #29648	\$8,336.52	\$4,501.72
FOR POSSIBLE ACTION	49.	2007000014	Ace Cab Company: Ace Cab Company	\$34,352.49	\$29,823.74
FOR POSSIBLE ACTION	50.	2007000016	TOC Holdings Company: Former Time Oil #6-100	\$31,378.15	\$28,239.21
FOR POSSIBLE ACTION	51.	2007000023	7-Eleven, Inc.: 7-Eleven #29643	\$29,982.17	\$21,587.16
FOR POSSIBLE ACTION	52.	2008000009	Pilot Travel Centers, LLC: Flying J Travel Plaza	\$11,381.23	\$8,194.48
FOR POSSIBLE ACTION	53.	2008000017	Francois Alvandi: Flamingo AM/PM #82153	\$18,608.75	\$10,048.86
FOR POSSIBLE ACTION	54.	2008000018	Jacksons Food Stores, Inc.: Former Terrible's #830	\$100,003.89	\$86,779.07
FOR POSSIBLE ACTION	55.	2008000019	One Panou, LLC: Stop N Shop #2	\$11,283.16	\$10,154.85
FOR POSSIBLE ACTION	56.	2009000017	D&J Holdings, LLC: Convenience Corner Shell	\$15,994.33	\$14,394.90
FOR POSSIBLE ACTION	57.	2009000024	Parampreet Investments, Chuck's Circle C	\$19,518.39	\$17,509.85
FOR POSSIBLE ACTION	58.	2009000028	Vegas Rainbows, Inc.: Mick & Mac's Food Mart	\$24,131.90	\$21,175.74
FOR POSSIBLE ACTION	59.	2010000001	Smitten Oil & Tire Company: The Gas Store	\$2,360.00	\$2,124.00
FOR POSSIBLE ACTION	60.	2010000005	7-Eleven, Inc.: 7-Eleven #27071	\$5,535.97	\$4,982.37
FOR POSSIBLE ACTION	61.	2010000007	Pecos Express, Inc.: Pecos Express	\$17,928.35	\$13,284.55
FOR POSSIBLE ACTION	62.	2010000010	Pacific Convenience & Fuel: Victorian Food Mart	\$13,518.85	\$12,166.97
FOR POSSIBLE ACTION	63.	2011000007	Echo Bay Marina, LLC: Echo Bay Marina	\$27,178.70	\$24,460.83
FOR POSSIBLE ACTION	64.	2011000009	Cimarron West: Cimarron West	\$5,730.78	\$5,157.70
FOR POSSIBLE ACTION	65.	2012000003	7-Eleven, Inc.: 7-Eleven #26627	\$5,131.31	\$3,694.55
FOR POSSIBLE ACTION	66.	2012000005	ARAMARK Corporation: Zephyr Cove Resort	\$302,724.99	\$210,790.64
FOR POSSIBLE ACTION	67.	2012000011	Golden Gate Petroleum: Baldini's Grand Pavilion	\$3,259.39	\$2,933.45
FOR POSSIBLE ACTION	68.	2012000012	Dewey Has Gas, Inc.: Smart Mart	\$242,477.68	\$217,945.51
FOR POSSIBLE ACTION	69.	2012000020	Francois Alvandi: Charleston AM/PM #85155	\$4,747.25	\$4,272.53
FOR POSSIBLE ACTION	70.	2013000005	RB Properties, Inc.: South Pointe Market	\$18,810.51	\$16,929.45

ONGOING CASES/OTHER PRODUCTS: CONTINUED

			<u>REQUESTED</u>	<u>RECOMMENDED</u>	
FOR POSSIBLE ACTION	71.	2013000009	Western Petroleum: Western Petroleum	\$26,570.50	\$23,913.45
FOR POSSIBLE ACTION	72.	2013000010	Slots Unlimited, LLC, Village Shop #2	\$4,076.25	\$2,934.90
FOR POSSIBLE ACTION	73.	2013000011	Slots Unlimited, LLC, Village Shop #4	\$29,500.80	\$26,550.72
FOR POSSIBLE ACTION	74.	2013000019	Hardy Enterprises, Inc.: Sinclair Mini-Mart	\$4,205.00	\$3,784.50
FOR POSSIBLE ACTION	75.	2013000020	7-Eleven, Inc.: 7-Eleven #26395	\$15,814.50	\$14,233.05
FOR POSSIBLE ACTION	76.	2014000003	Sterling-UN Reno, LLC: Former Luce & Sons	\$2,987.50	\$2,688.75
FOR POSSIBLE ACTION	77.	2014000004	Alsaker Corporation: Broadway Colt Service Center	\$44,156.91	\$39,741.22
FOR POSSIBLE ACTION	78.	2014000016	Fran Smitten: Smedley's Chevron	\$9,730.00	\$8,757.00
FOR POSSIBLE ACTION	79.	2014000025	Superior Campgrounds of America: Silver City RV Resort	\$53,519.44	\$28,898.24
FOR POSSIBLE ACTION	80.	2014000029	Red Lion Hotel and Casino: Red Lion Chevron	\$5,940.00	\$5,346.00

ONGOING CASES/OTHER PRODUCTS SUB TOTAL: \$2,529,874.02 \$2,144,313.98

REQUESTED RECOMMENDED
CLAIMS TOTAL: \$2,675,996.93 \$2,285,021.76

Chairman Haycock informed the Board that under Ongoing Cases C, item numbers 29 and 31, relative to HP Management LLC, he is the managing partner in the company and his vote will therefore not relate to those two items.

Mr. Mulvihill moved for approval of the consent items, Heating Oil, 1 through 10, New Cases/Other Products, 1 & 2, Ongoing Cases/Other Products, 1 through 80. Ms. Tappan seconded the motion. Motion carried unanimously.

7. EXECUTIVE SUMMARY

Ms. King presented the Executive Summary. She informed the Board that since the inception of the Fund in 1989, 1,479 applications have been received for reimbursement. Of those, 125 cases were denied coverage and a total of 1,125 cases have been closed. Ten applications are in pending status awaiting staff review or additional information. Forty-five cases have expired. There are currently 174 active remediation sites. The State Fiscal Year 2015 began on July 1, 2014, and since that time 9 new cases have been received by NDEP for evaluation of Fund coverage.

With today's Board authorization, approximately \$2.29 million has been reimbursed. The cumulative Fund expenditure is approximately \$1.9 million.

The invoicing for storage tank Fund enrollment for Federal fiscal year 2015, which runs from October 1, 2014 through September 30, 2015, commenced mid-August, 2014. 1,397 facilities have been invoiced at \$100 per storage tank system. As of February 27, 2015, 1,315 facilities, or approximately (~94%) have submitted the required fees.

Ms. King gave the Board a status update regarding the interactive database. She said the contractor and NDEP have been meeting on a frequent basis and are hoping to roll the database out by the summer of next year.

Ms. King said NDEP has introduced a bill to amend NRS 590. She read, verbatim, the testimony that Dr. Cripps gave to the Senate Natural Resource Committee on February 19th.

"This bill, SB89, amends Chapter 590 to do two things. First, to clarify the amount of money from the Petroleum Fund that the Division may expend cleaning up releases of petroleum products in those rare cases where responsible parties are unable to respond and the release presents an imminent and substantial hazard. The bill proposes to eliminate the \$250,000.00 per release limit and replace it with an annual limit of \$2 million statewide to respond to all releases, unless additional authorization is provided by the Interim Finance Committee. The suggested language will eliminate any ambiguity of the existing statutory language and provide NDEP sufficient funds to conduct necessary cleanup at a site that has caused off-site groundwater contamination.

Second, the bill will broaden the authority of the Division to use these funds for the cleanup of releases of petroleum-based chemicals, such as dry cleaning solvents. By having the ability to use the Petroleum Fund to conduct the cleanups or implement other corrective measures, the Division will be able to address these releases as soon as possible in order to minimize the migration of those pollutants offsite into commercial or residential areas and into groundwater, reduce the overall cleanup cost and protect public health."

Vice-Chairman Ross asked what the Senate Bill number was.

Ms. King replied SB89

Dr. Cripps informed the Board there was no opposition to the bill and the Department of Transportation had been present and provided support at the legislature.

Ms. King updated the Board members on the progress of the Attorney General's contract with Lewis Roca Rothgerber to investigate potential double-dipping. Ms. King said Lewis Roca Rothgerber has identified, in other states, where large oil companies used the other states' Petroleum Fund as well as their own private insurance to pay for the same cleanup costs. Lewis Roca Rothgerber are looking at Nevada's records to see if some of the same oil companies have done double dipped into NDEP's Petroleum Fund. Lewis Roca Rothgerber has requested files and NDEP has provided them. Ms. King said she received an email approximately an hour ago that said they would like more information and more files. Ms. King said at this time, the status for this project is "under review."

Ms. King said that during the last couple of meetings there had been discussion about a specific irregular bid process that occurred and how it should be reimbursed. She stated that due to NDEP's fiduciary responsibility with respect to the administration of the Fund and the discussion held by this Board during the last two meetings regarding this instance, NDEP has referred this case to the AG's Office and it is currently under investigation.

Ms. King stated the bid situation was an unfortunate event, but it has provided NDEP a wonderful opportunity to take a hard look at the program to see where it can be tightened up and improved upon. NDEP wants to keep an eye towards a level playing field and treating everyone the same.

Ms. King informed the Board that in their board packets was a table that had a list of NDEP's proposed reforms. She said NDEP would appreciate the Board's thoughts and any additional ideas they may have. In addition to receiving the Board's input, NDEP will be reaching out to the CEM's and industry to gather input and working collaboratively with them to come up with what will work best for everyone. She said two of the reforms will be policy resolutions. Ms. King reviewed the table with the Board members. The topics included the bid process, that will be a Policy Resolution. NDEP will be involved early in the game and will also require bid certification forms and a bid summary table. The Cost Guidelines, also a Policy Resolution will be modified, providing information regarding the bid process and ineligible bid costs. Also, NDEP will attend pre-bid site walks intermittently and conduct audits.

Dr. Cripps asked when staff thought they would roll it out or have it prepared and ready for the Board to adopt the resolutions.

Ms. King said they are hopeful to propose it to the board either in the September meeting or the December Board meeting of 2015. That would give NDEP staff several months to work collectively with CEMs and industry.

Dr. Cripps asked if they would like any comments from the Board in the next couple of months.

Ms. King said they should have made progress for the June Board meeting. At that time staff will update the Board on how things are starting to form. Staff will check in with the Board regarding any input they may have.

Vice-Chairman Ross asked if they would be consulting directly with people affected by this.

Ms. King responded NDEP absolutely would be. Staff is aware of the industries that will be impacted, however, they need to identify the players and who will be engaged in the process.

Vice-Chairman Ross said staff probably has a mailing list. Maybe let them know that the June meeting would be an excellent opportunity to come in and make some comments so the Board can hear them as well.

Ms. King stated she thought that was a great idea.

Mr. Seidel asked if staff anticipated doing a pilot or demonstration to work through the details, worksheets, actually build one as a pilot and get some feedback.

Ms. King said the way she envisioned it, staff would work with the CEMs and industry to develop the policy resolutions and forms. They will make sure they work for their business and with their business practices.

Mr. Mulvihill said he concurred. Saying they did a pilot project with UNR it was adjusted and tweaked it was so successful they incorporated it in their last round of regulation updates and it now applies to any state facility. It would be a good idea to find a volunteer to work through the forms, process, and procedures. He said it has been very successful for them.

Ms. King stated she thought that was a great idea.

Chairman Haycock wanted to encourage CEM input for the duration until it is finalized. He recalled one of the issues the Board dealt with, the case that brought this up, was the fact that there were not enough responsive eligible bidders. He said in the bid process, there is nothing there that says there needs to be three bidders, three responsive bids at a minimum. He assumed it is written somewhere in the regulations. He was concerned that in the event they cannot get three responses, who would have the authority to waive the regulation? He said he remembered having the discussion before. They were trying to set up several invitations to bid and only had a couple of responses. Part of what caused the problem, was going out and trying to find people to bid that probably weren't eligible to bid.

Ms. King said that NDEP does have in their regulations the requirement to obtain three bids or get a waiver from NDEP. The case officer in every single case will be able to assess the situation, work with the CEM and make an informed decision on a waiver.

Chairman Haycock asked if that was written somewhere.

Ms. King responded that it is in NDEP's regulations.

Vice-Chairman Ross said he thinks it is a very good start. He went on to say the Board will try to make sure they have listened and received the CEMs' input. He said the Board should take into account when the CEMs show us glitches.

Ms. King said "absolutely." She said they have put together the summary bid table, as an example, however, she is sure it is going to change based upon the actual practices and NDEP looks forward to working with them to make sure it works best for everybody possible.

Ms. King introduced Mr. McRae the UST/LUST Supervisor for an update on the Eagle Gas North.

Mr. McRae summarized the remediation activities for the Board. He said remediation activities were conducted at the Eagle Gas location from October 16, 2014 to February 15th of this year.

Chairman Haycock said he is concerned with the cleanup, but is more concerned with the money part of this project. He stated he does not understand it as well, although he is confident that it is being handled prudently. He stated he would like to hear more information about what the cost of this project has been to-date and what are some of the estimated costs involved? Where is this money coming from exactly? The first line item, how is this funded? Probably more

importantly, he would like an update every time we talk about this. He would like an update on the collection activity. There is a little statement that NDEP is trying to collect the money, but he does not know where that the money is? He asked where NDEP is in that process.

Mr. McRae informed the Board about the Eagle Gas expenditures through NDEP's UST/LUST contractor with costs up-to-date as of March 6th of this year. He said one of the categories we have is Category 08, which is the Petroleum Fund. We were authorized tasks of approximately a million dollars. To-date, we have paid out of the Petroleum Fund \$876,373.33. That has approximately been paid out through 15 task numbers through the UST/LUST contract. In Category 09, which ties to the EPA Grant, we have authorized tasks of \$20,000 and we have paid out close to \$19,000 from that category. Category 20, which is another EPA Grant, we have authorized tasks of close to \$40,000, and we have paid, to-date, \$39,000. So the authorized tasks total as of March 6th for Eagle Gas was \$1,108,229.96. To-date, as of March 6th, \$935,357.80 has been paid.

With the Petroleum Fund summary for Category 08, the contract authority through McGinley is approximately \$1.6 million. The project authority is \$1,047,835. Payments made are \$876,373. The balance not invoiced but authorized is \$171,000. The total Petroleum Fund money available for additional costs is \$548,000. Those are the numbers as of March 6th.

Chairman Haycock said he would like to see a hard copy of the information the next time they are debriefed on the subject which could be part of the presentation. He would also like to know if there is any progress being made in the collection and what are the consequences to somebody who just decides they do not want to do what they are supposed to do.

Mr. Lovato, Deputy Administrator with NDEP, introduced himself. He answered the Chairman's question regarding the collection efforts. NDEP had a judgment from a Carson City judge for the entire amount of the cleanup, and that collection has been referred to the Controller's Office. As far as we understand, the Controller's Office has been looking at assets and trying to locate those assets, what are liquid bank accounts, but for now, the State procedure is to refer collections to the Controller's Office and let that group handle it. He stated that for the next meeting we could ask the Controller's Office to present an account of their activities to the Petroleum Fund Board, if the Board would like us to make that request.

Chairman Haycock said yes, that would be interesting to him.

Mr. Lovato said NDEP has referred the matter to the Attorney General's Office. They obtained a judgment for collection of either 1.6 or 1.9 million in penalties, in addition to the amount we are spending. That collection has been referred to the Controller's Office and we are not sure if they have been able to locate liquid assets, bank accounts, things that they can actually collect. He said NDEP can request the Controller's Office to give NDEP some information or possibly be present at the next Board meeting.

Chairman Haycock said he would like to know that they are being aggressive. He stated the ultimate outcome will likely be bankruptcy. However, he would like to know that those who do not cooperate and do not do their part are being held accountable, financially. He then asked Ms. King if the numbers have an effect or show up anywhere on the balance sheet.

Ms. King responded the numbers do not show up on the balance sheet. She stated that at the end of every fiscal year anything over \$7.5 Million is passed on to NDOT. Millions have been transferred over the past years because the fund is not using all of the money. The status of the Fund, which pays the claims, is solvent.

Chairman Haycock asked if there anything else under the Executive Summary.

There was nothing more.

8. PUBLIC FORM

Mr. Keith Stewart, with Stewart Environmental, stated he had two concerns with the proposed bidding process. He said as a CEM, they are already held to ethical standards for bidding. He is concerned that the process will be bogged down with multiple, additional forms. He is worried that the owners or responsible parties will have to sign off on bids as well. That will mean the CEMs will have to chase some of these people down. Some of the owners or responsible parties live out of state. His concern was that it will become cumbersome and will add time and expense. He said he has been at these meetings since 1991 and has only heard one time, in this recent event, about irregularities in bidding. He said that the issue has already been turned over to the AG's Office.

Chairman Haycock said he certainly encourages Mr. Stewart to get involved in the process as they formalize the steps.

Ms. King welcomed Mr. Stewart's participation saying it is supposed to improve the process, not bog it down.

Chairman Haycock asked if there were any other members of the public that would like to discuss anything with the Board.

There were no other requests to speak.

9. CONFIRMATION OF NEXT BOARD MEETING DATE

It was confirmed the next meeting date would be Thursday, June 11, 2015 at 10:00 am.

10. ADJOURNMENT

The meeting adjourned at 10:59 am.