

**STATE OF NEVADA BOARD TO REVIEW CLAIMS
BOARD MEETING MINUTES
MARCH 10, 2016**

1. CALL TO ORDER

Vice Chairman Ross called the meeting to order at 10:00 a.m. from the Carson City location. The meeting was conducted via videoconference with locations in Carson City, at the Nevada Legislative Building, 401 S. Carson St., Room 2134 and in Las Vegas at the Grant Sawyer Building, 555 E. Washington Ave., Room 4412.

A. BOARD MEMBERS PRESENT

Vice Chairman George Ross, Representative of Petroleum Refiners
Maureen Tappan, Representative of the General Public
Wayne Seidel, Department of Motor Vehicles
Peter Mulvihill, State Fire Marshal
Dave Emme, Nevada Division of Environmental Protection
Michael Cox, Representative of the Independent Retailers of Petroleum
John Saxon, Representative of Independent Petroleum Dealers

OTHERS PRESENT

Rose Marie Reynolds, State Attorney General's Office – Las Vegas
Jeff Collins, Steve Fischenich, Valerie King, Victoria Joncas, Kim Valdez, Don Warner,
Jonathan McRae, Todd Croft, Laurie McElhannon, Rex Heppe and Gail Dansby –
Nevada Division of Environmental Protection (NDEP)
Joe McGinley – McGinley & Associates
Rob Gegenheimer – Converse Consultants
Kevin Paprocki – Converse Consultants
Brandon Reiff – Broadbent & Associates
Kalem Sessions – American Environmental Engineering Consultants
Chuck Reeves – Reno Land Development Company LLC
John Griffin, Esq. – The Griffin Company
Michael Segura – AGRI – Tech Farms
Ron Almadoua – AGRI – Tech Farms
Keith Stewart – Stewart Environmental
Malia Bowen – Stewart Environmental
Kathleen Johnson – The Westmark Group
Matt Grandjean – Stantec Consulting
David Yohey, American Environmental Engineering Consultants

2. PUBLIC COMMENTS

There were no requests to speak.

3. ELECTION OF CHAIRMAN

Ms. Tappan nominated Vice Chairman Ross as Chairman for the Board to Review Claims.
Mr. Mulvihill seconded the motion. Motion for Mr. Ross to serve as Chairman was carried
unanimously.

Chairman Ross stated it would be a good run if he could do remotely as well as his predecessor. He stated Mr. Haycock left an extraordinary legacy and that he would do his very best to run the Board and the meetings as well as Mr. Haycock, including being fair and objective and taking into account the needs of the people in the industry as well as the people that pay $\frac{3}{4}$ cent every time they purchase a gallon of gasoline.

Chairman Ross stated that the position for Vice Chairman is now vacant and he would like the Board members to think, over the next three months, who they would like to nominate for Vice Chairman.

4. APPROVAL OF THE AGENDA

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

5. APPROVAL OF THE DECEMBER 15, 2015 MINUTES

Ms. Tappan moved to approve the December 15, 2015 minutes. Mr. Cox seconded the motion. Motion carried unanimously.

6. STATUS OF THE FUND

Ms. King welcomed Mr. John Saxon as the newest member to the Board.

Ms. King reported on the status of the State of Nevada Petroleum Fund (Fund). The balance forward for fiscal year 2015 was approximately \$7.5 million. \$401,100.00 had been collected for storage tank enrollment. Approximately \$6.7 million was collected from the $\frac{3}{4}$ cent per gallon fee. The interest was just over \$15,000.00 for cumulative revenue of \$14,662,201.79.

Ms. King reported the expenditures signifying the transfer to NDEP was just over \$627,000.00. The transfer to DMV was \$12,714.00. The reimbursement of claims was approximately \$4.3 million. The cumulative expenditure was \$4,934,738.60.

Ms. King reported the liabilities for the Fund were estimated at approximately \$5.7 million.

Ms. King reported the actual funding available is \$9,727,463.19.

7. SITE SPECIFIC BOARD DETERMINATION

Proposed Site Specific Board Determination (SSBD) to Provide Third Party Liability Coverage to Former Haycock Petroleum, 715 W. Bonanza Rd., Las Vegas, NV
Petroleum Fund ID No. 1999000090, Facility ID No. 8-001512

Mr. Warner presented Item No. 7, Site Specific Board Determination No. C2016-01, to provide Third Party Liability Coverage to Former Haycock Petroleum, 715 W. Bonanza Rd., Las Vegas, NV.

The Board previously approved the subject site owned by HP Management, LLC for \$990,000 which represents \$1 million in Fund coverage for one AST system with a copayment capped at \$10,000.00. As of this Board meeting, the subject site has been reimbursed \$863,390.83. Despite progress in remediating the site, additional monies are needed to finish corrective action activities at the site, including groundwater remediation and sampling.

In accordance with Board Policy Resolution 2007-10, Attachment A, which clarifies the policy regarding the use of 3rd 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, included in Attachment B in the Board packet.

Fund Staff therefore, recommends that the subject facility receive the Third Party Liability funds, which amounts to an additional \$1 Million in coverage (minus the \$10,000 deductible). This increases the cap for this facility to \$1,980,000.

That concludes my presentation. If you have any questions, I am available, as well as the Certified Environmental Manager from Stewart Environmental, Inc., Mr. Keith Stewart, the NDEP Case Officer, Mr. Rex Heppe, Leaking Underground Storage Tank supervisor, Mr. Jonathan McRae, Remediation Branch Supervisor, Mr. Todd Croft and Petroleum Claims Branch supervisor Valerie King.

Mr. Mulvihill moved to adopt the motion to approve Site Specific Board Determination C2016-01, as proposed. Mr. Seidel seconded the motion. Motion carried unanimously.

8. SITE SPECIFIC BOARD DETERMINATION

Proposed Site Specific Board Determination (SSBD) to Deny Reimbursement Associated with Corrective Action Activities for Rancharra Property-Beedle House, 6001 Talbot Ln., Reno, NV Petroleum Fund ID No. 2015000022(H), Facility ID No. D-000913

Ms. King respectfully requested a continuance on C2016-02. She stated there appears to be more information that requires further discussion before NDEP can make a final recommendation for reimbursement. Therefore NDEP is requesting agenda item number 8, the Site Specific Board Determination associated with the Rancharra Property-Beedle House, be continued at the June 2, 2016 meeting.

Mr. Griffin, Esq., with the Griffin Company, stated that, on behalf of the land developer for the project, and after discussions with NDEP, they are in favor of a continuance. This would allow them to continue working toward the best solution.

Chairman Ross asked if there was a motion to adopt a continuance.

Mr. Emme moved for a continuance. Ms. Tappan seconded the motion. Motion carried unanimously.

9. CEM COST GUIDELINES: TASK TABLE – INITIAL ABATEMENT FOR HEATING OIL TANK CLEANUP ACTIVITIES

Mr. Fischenich stated that Agenda item 9 is a new task table to be included in the Cost Guidelines for Initial Abatement associated with heating oil tanks.

Mr. Fischenich indicated at the December 15, 2015 Board meeting, there were activities conducted by a contractor that brought to NDEP's attention a vulnerability in the Petroleum Fund program. Specifically the initial abatement phase associated with heating oil tanks had insufficient cost control measures.

Mr. Fischenich stated the initial abatement is an important part of a remediation project because it addresses contaminated soil that is exposed immediately following tank removal, and the equipment is already on-site which allows efficient excavation of impacted soils. In the past, the way NDEP managed Initial Abatement benefited the environment, the tank owner, and the Fund. Because there are no cost control measures during this immediate phase of cleanup, the Fund recently experienced a situation where staff was requested to recommend payment for contractor costs multiple times greater than what we have typically seen in the past, and the home owners were threatened with a lien on their homes if the Fund did not pay all of their contractor costs.

Mr. Fischenich stated in order to address this program vulnerability, NDEP prepared a task table that not only shows the levels of effort for the CEM but also limits the amount the Fund will pay a contractor overseen by the CEM during this initial abatement phase.

Mr. Fischenich stated that NDEP reached out to the CEMs and industry prior to development of the final task table. We received a number of comments, the majority being positive. There were a few minor changes that we made to the table based on those comments. The only comment NDEP received in opposition was from the same contractor whose actions exposed the program vulnerability.

Mr. Fischenich stated the Task Table includes CEM levels of effort for overseeing excavation activities along with hours set aside for project management, report generation, and clerical activities. Mr. Fischenich indicated this is typical for most CEM task tables.

Mr. Fischenich stated the difference with this task table is that there is a limit for non-CEM costs for the initial Abatement phase. The non-CEM costs include everything except lab costs, tank removal costs and the CEM costs. NDEP will only recommend payment up to the tonnage and rate as stipulated in the table. The amount that will be paid is calculated by multiplying the number of tons treated, the cost per ton for disposal/treatment (approximately \$70.00 per ton at NTS), and a 3.75 multiplier. The multiplier is based on the average contractor costs from 2013-2015 for Fund home heating oil cases. The multiplier was calculated prior to the previous Board meeting. If the tonnage is expected to be slightly greater than the 48 ton limit, the CEM should contact the case officer, and an exemption may be provided for those cases.

Mr. Fischenich provided the Board with an example. If someone excavated, backfilled, and disposed of 10 tons of soil for Initial Abatement, NDEP would recommend a maximum payment of, $10 \times 3.75 \times \$70.00$, which is the going NTS rate, or \$2,625.00. Further, the maximum NDEP recommends for all non-CEM costs, excluding laboratory costs, would be for 48 tons of contaminated soil or \$12,600. If it is anticipated that a significant amount of additional work is needed, the work should go out for bid.

Mr. Fischenich stated that to help facilitate home heating oil cleanup efforts, NDEP is adding \$2,000 to help defray tank removal costs for properties in which a case number has been assigned. This is consistent with Fund initiatives because removal of the tank facilitates the cleanup efforts.

Mr. Fischenich stated that NDEP also made some general housekeeping changes to the Cost Guidelines document, itself, to make sure it is consistent with the addition of the new task table.

Chairman Ross asked if there is a justifiable situation were the contractor needs extra flexibility, he may contact NDEP, and with the appropriate documentation or inspection, NDEP staff has the ability to be flexible in allowing more excavation than the allowable 48 tons.

Mr. Fischenich stated there was flexibility built into the table for that purpose.

Mr. Seidel asked if NDEP has worked with all the CEMs and received input and the stakeholders have responded with their support.

Mr. Fischenich stated that not everyone has responded. However, a good number of them have with both CEM's and industry.

Ms. King indicated the task table had been sent out to NDEPs entire list of CEMs. They received approximately a dozen comments. She stated that again, all were favorable and some included minor changes with the exception of the one contractor that Mr. Fischenich eluded to, who opposed the task table.

Mr. Seidel stated he appreciated the process and is glad there are exceptions when NDEP has to work with someone outside the norm.

Mr. Seidel moved to approve the CEM Cost Guidelines. Mr. Emme seconded the motion. Motion carried unanimously.

10. 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 10, 2016**

HEATING OIL

			<u>REQUESTED</u>	<u>RECOMMENDED</u>
FOR POSSIBLE ACTION	1.	2007000013H Churchill County School District: Bus Barn	\$5,622.73	\$5,622.73
FOR POSSIBLE ACTION	2.	2012000015H Don Sinnar: Sinnar Residence	\$2,297.50	\$2,297.50
FOR POSSIBLE ACTION	3.	2012000017H Churchill Co. School District: Old High School	\$4,354.65	\$4,354.65
FOR POSSIBLE ACTION	4.	2013000015H Gary Cornwall: Gary Cornwall Property	\$1,362.76	\$1,362.76
FOR POSSIBLE ACTION	5.	2014000021H Town of Gardnerville: Former Eagle Gas - Gardnerville	\$6,369.63	\$6,369.63
FOR POSSIBLE ACTION	6.	2015000020H Lauren Evans: Evans Residence	\$2,535.00	\$2,535.00
FOR POSSIBLE ACTION	7.*	2015000022H Reno Land Development Co.: Rancharra - Beedle House	\$270,100.15	\$34,320.80
FOR POSSIBLE ACTION	8.	2015000023H Reno Land Development Co.: Rancharra - Wright House	\$20,632.76	\$20,325.26
FOR POSSIBLE ACTION	9.	2015000026H George Roope: Roope Property	\$3,153.10	\$3,144.70
FOR POSSIBLE ACTION	10.	2015000027H Judith Whitenack: Whitenack Residence	\$1,898.30	\$1,894.70
FOR POSSIBLE ACTION	11.	2015000029H Sandy Kerr: Kerr Property	\$119,248.12	\$118,145.02
FOR POSSIBLE ACTION	12.	2015000031H Steve Fercho: Fercho Property	\$110,993.54	\$109,547.79
FOR POSSIBLE ACTION	13.	2015000032H Willis Powell: Kinney Lane Residence	\$6,302.75	\$6,052.75
FOR POSSIBLE ACTION	14.	2015000033H Alayne Meeks: Meeks Residence	\$6,256.18	\$6,006.18
FOR POSSIBLE ACTION	15.	2015000035H Max McCombs: West Plumb Lane Residence	\$12,914.24	\$12,664.24
FOR POSSIBLE ACTION	16.	2016000004H Held Properties: Rolling Wheel Manor	\$3,694.37	\$3,444.37
		HEATING OIL SUB TOTAL:	<u>\$577,735.78</u>	<u>\$338,088.08</u>

NEW CASES, OTHER PRODUCTS

FOR POSSIBLE ACTION	1.	2015000034	City of Gardnerville: Former Eagle Gas	<u>REQUESTED</u>	<u>RECOMMENDED</u>
				\$18,798.68	\$16,918.81

NEW CASES, OTHER PRODUCTS SUB TOTAL:				<u>\$18,798.68</u>	<u>\$16,918.81</u>
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ONGOING CASES/OTHER PRODUCTS

				<u>REQUESTED</u>	<u>RECOMMENDED</u>
FOR POSSIBLE ACTION	1.†	1992000126	Clark County School District: RC White Transportation	\$9,701.50	\$11,112.67
FOR POSSIBLE ACTION	2.	1993000011	7-Eleven, Inc.: 7-Eleven #29646	\$15,456.48	\$15,456.48
FOR POSSIBLE ACTION	3.	1993000103	Russell Yardley: Charlie Brown Construction	\$5,056.78	\$4,955.64
FOR POSSIBLE ACTION	4.	1993000115	City of Fallon: Former Bootlegger Texaco	\$10,383.22	\$10,383.22
FOR POSSIBLE ACTION	5.	1994000012	Wirtz Beverage Nevada, Inc.: Former DeLuca Liquor & Wine	\$38,782.21	\$38,776.82
FOR POSSIBLE ACTION	6.	1994000027	7-Eleven, Inc.: 7-Eleven #19653	\$14,712.54	\$14,712.54
FOR POSSIBLE ACTION	7.	1994000029	7-Eleven, Inc.: 7-Eleven #20826	\$20,231.49	\$18,208.34
FOR POSSIBLE ACTION	8.	1994000067	Peppermill, Inc.: Former Peppermill Truckstop	\$5,342.25	\$5,342.25
FOR POSSIBLE ACTION	9.	1994000113	Pilot Travel Centers, LLC: Former Unocal Truck Stop	\$30,950.68	\$30,092.03
FOR POSSIBLE ACTION	10.	1994000122	Mike's Gas-A-Mart: Mike's Gas-A-Mart	\$3,309.25	\$3,309.25
FOR POSSIBLE ACTION	11.	1995000012	N Nevada Asset Holdings LLC: Parker's Model T	\$1,250.00	\$1,125.00
FOR POSSIBLE ACTION	12.	1995000039	Al Park Petroleum, Inc.: Crescent Valley Market	\$29,061.59	\$26,155.44
FOR POSSIBLE ACTION	13.	1995000105	Redman Petroleum Corp.: Redman Petroleum	\$8,848.80	\$7,963.92
FOR POSSIBLE ACTION	14.	1996000063	Joan Pennachio: V&V Automotive	\$5,300.39	\$5,300.39
FOR POSSIBLE ACTION	15.	1996000064	H&A Esslinger, LLC: Red Rock Mini Mart	\$6,417.00	\$6,224.49
FOR POSSIBLE ACTION	16.	1996000101	Phillips 66 Company: Circle K #695	\$15,912.76	\$14,307.72
FOR POSSIBLE ACTION	17.	1996000102	Phillips 66 Company: Circle K #542	\$3,383.33	\$2,436.00
FOR POSSIBLE ACTION	18.	1997000008	Ewing Brothers, Inc.: Ewing Brothers Facility	\$2,835.00	\$2,551.50
FOR POSSIBLE ACTION	19.	1997000071	7-Eleven, Inc.: 7-Eleven #25586	\$11,753.11	\$10,577.80
FOR POSSIBLE ACTION	20.	1998000046	Willdens Automotive Holdings: Frmr Allstate Rent A Car	\$56,675.37	\$51,007.83
FOR POSSIBLE ACTION	21.	1998000068	Phillips 66 Company: Conoco #28003	\$83,171.33	\$70,489.34
FOR POSSIBLE ACTION	22.	1998000080	Seven Crown Resorts, Inc.: Echo Bay Resort	\$14,563.88	\$13,107.49
FOR POSSIBLE ACTION	23.	1999000014	Al Park Petroleum: Conoco Pit Stop #7	\$23,225.44	\$20,902.90
FOR POSSIBLE ACTION	24.	1999000022	Terrible Herbst: Terrible Herbst #129	\$4,347.82	\$2,541.14
FOR POSSIBLE ACTION	25.	1999000029	Terrible Herbst Oil Company: Terrible Herbst #136	\$15,894.74	\$13,136.59
FOR POSSIBLE ACTION	26.	1999000048	Estate of Robert Cowan: Former Lightning Lube	\$7,616.02	\$7,616.02
FOR POSSIBLE ACTION	27.	1999000052	Estate of Martin T Wessel: Ted's Chevron	\$12,788.36	\$11,509.53
FOR POSSIBLE ACTION	28.	1999000064	Al Park Petroleum, Inc.: Conoco Pit Stop	\$4,330.65	\$3,897.59
FOR POSSIBLE ACTION	29.	1999000066	HP Management LLC: Former Haycock Petroleum	\$12,083.00	\$10,874.70

ONGOING CASES/OTHER PRODUCTS: CONTINUED

			<u>REQUESTED</u>	<u>RECOMMENDED</u>	
FOR POSSIBLE ACTION	30.	1999000086	Terrible Herbst Oil Company: Terrible Herbst #126	\$4,767.52	\$3,673.02
FOR POSSIBLE ACTION	31.*	1999000090	HP Management LLC: Former Haycock Petroleum	\$35,533.75	\$31,673.03
FOR POSSIBLE ACTION	32.	1999000104	Terrible Herbst Oil Co.: Terrible Herbst #118	\$8,534.01	\$6,354.15
FOR POSSIBLE ACTION	33.	1999000114	City of Fallon: Fallon Maintenance Yard	\$5,370.00	\$4,833.00
FOR POSSIBLE ACTION	34.	1999000135	Terrible Herbst Oil Company: Terrible Herbst #106	\$11,395.93	\$9,572.13
FOR POSSIBLE ACTION	35.	1999000137	Terrible Herbst Oil Company: Terrible Herbst #152	\$7,856.32	\$7,070.69
FOR POSSIBLE ACTION	36.	1999000167	City of Las Vegas: Fire Station #1	\$4,615.13	\$4,615.13
FOR POSSIBLE ACTION	37.	1999000186	Gloria Gayle Pilger: Former D&G Oil Facility	\$34,674.47	\$30,255.46
FOR POSSIBLE ACTION	38.	1999000199	Mary Ann Ferguson: Lakeshore Orbit Station	\$51,757.05	\$51,637.05
FOR POSSIBLE ACTION	39.	1999000243	7-Eleven, Inc.: 7-Eleven #27607	\$20,528.80	\$18,475.92
FOR POSSIBLE ACTION	40.	1999000244	7-Eleven, Inc.: 7-Eleven #22070	\$4,441.49	\$3,997.34
FOR POSSIBLE ACTION	41.	1999000257	University of Nevada: Newlands Agriculture	\$2,212.50	\$2,212.50
FOR POSSIBLE ACTION	42.	1999000273	V.K. Leavitt: The Waterhole	\$35,242.43	\$31,718.19
FOR POSSIBLE ACTION	43.	2004000011	TA Operating LLC: Four Way Truck Stop	\$35,800.93	\$32,220.84
FOR POSSIBLE ACTION	44.	2004000039	Clark Co. Dept. of Aviation: Former National Car Rental	\$215,202.90	\$202,866.60
FOR POSSIBLE ACTION	45.	2005000002	Carson Valley Oil Co., Inc.: Carson Valley Oil	\$11,785.28	\$10,606.75
FOR POSSIBLE ACTION	46.	2005000036	Phillips 66 Company: Circle K #1791	\$3,697.19	\$2,661.97
FOR POSSIBLE ACTION	47.	2005000044	Ewing Brothers, Inc.: Ewing Brothers Facility	\$18,770.85	\$15,204.38
FOR POSSIBLE ACTION	48.	2007000014	Ace Cab Company: Ace Cab Company	\$44,504.82	\$39,001.04
FOR POSSIBLE ACTION	49.	2007000016	TOC Holdings Company: Former Time Oil #6-100	\$3,569.13	\$3,212.22
FOR POSSIBLE ACTION	50.	2008000005	Avis Rent A Car Systems: Former Avis Rent A Car	\$89,038.23	\$62,269.48
FOR POSSIBLE ACTION	51.	2008000009	Pilot Travel Centers, LLC: Flying J Travel Plaza	\$12,474.52	\$8,981.65
FOR POSSIBLE ACTION	52.	2008000017	Francois Alvandi: Flamingo AM/PM #82153	\$17,620.81	\$9,515.24
FOR POSSIBLE ACTION	53.	2008000018	Jacksons Food Stores, Inc.: Former Terrible's #830	\$13,529.40	\$11,924.46
FOR POSSIBLE ACTION	54.	2008000019	One Panou, LLC: Stop N Shop #2	\$15,333.45	\$13,800.10
FOR POSSIBLE ACTION	55.	2009000017	D&J Holdings, LLC: Convenience Corner Shell	\$16,058.67	\$14,452.80
FOR POSSIBLE ACTION	56.	2009000028	Vegas Rainbows, Inc.: Mick & Mac's Food Mart	\$29,717.87	\$25,748.37
FOR POSSIBLE ACTION	57.	2010000001	Smitten Oil & Tire Company: The Gas Store	\$2,923.25	\$2,630.92
FOR POSSIBLE ACTION	58.	2010000005	7-Eleven, Inc.: 7-Eleven #27071	\$29,021.47	\$26,119.32
FOR POSSIBLE ACTION	59.	2010000007	Pecos Express, Inc.: Pecos Express	\$15,233.21	\$13,709.89
FOR POSSIBLE ACTION	60.	2010000010	Pacific Convenience & Fuel: Victorian Food Mart	\$3,034.00	\$2,730.60
FOR POSSIBLE ACTION	61.	2011000006	7-Eleven, Inc.: 7-Eleven #29384	\$6,104.05	\$5,493.65
FOR POSSIBLE ACTION	62.	2011000007	Echo Bay Marina, LLC: Echo Bay Marina	\$18,114.50	\$16,303.05
FOR POSSIBLE ACTION	63.	2011000009	Cimarron West: Cimarron West	\$4,296.19	\$3,866.57
FOR POSSIBLE ACTION	64.	2012000003	7-Eleven, Inc.: 7-Eleven #26627	\$4,834.06	\$3,480.53

ONGOING CASES/OTHER PRODUCTS: CONTINUED

			<u>REQUESTED</u>	<u>RECOMMENDED</u>	
FOR POSSIBLE ACTION	65.	2012000011	Golden Gate Petroleum: Baldini's Grand Pavilion	\$5,075.33	\$4,567.80
FOR POSSIBLE ACTION	66.	2012000012	Dewey Has Gas, Inc.: Smart Mart	\$25,355.68	\$18,042.95
FOR POSSIBLE ACTION	67.	2012000020	Francois Alvandi: Charleston AM/PM #85155	\$11,207.50	\$10,086.75
FOR POSSIBLE ACTION	68.	2012000022	7-Eleven, Inc.: 7-Eleven #26873	\$6,004.56	\$5,404.11
FOR POSSIBLE ACTION	69.	2013000003	7-Eleven, Inc.: 7-Eleven #25586	\$11,753.11	\$10,577.80
FOR POSSIBLE ACTION	70.	2013000004	7-Eleven, Inc.: 7-Eleven #29665	\$48,699.93	\$43,829.94
FOR POSSIBLE ACTION	71.	2013000005	RB Properties, Inc.: South Pointe Market	\$6,368.33	\$5,731.50
FOR POSSIBLE ACTION	72.	2013000009	Western Petroleum: Western Petroleum	\$8,756.00	\$7,880.40
FOR POSSIBLE ACTION	73.	2013000011	Slots Unlimited, LLC, Village Shop #4	\$15,566.18	\$14,009.56
FOR POSSIBLE ACTION	74.	2013000020	7-Eleven, Inc.: 7-Eleven #26395	\$41,975.63	\$37,749.71
FOR POSSIBLE ACTION	75.	2013000021	7-Eleven, Inc.: 7-Eleven #27700	\$7,960.85	\$7,164.76
FOR POSSIBLE ACTION	76.	2014000003	Sterling-UN Reno, LLC: Former Luce & Sons	\$2,964.31	\$2,667.88
FOR POSSIBLE ACTION	77.	2014000004	Alsaker Corporation: Broadway Colt Service Center	\$24,635.56	\$22,172.01
FOR POSSIBLE ACTION	78.	2014000007	7-Eleven, Inc.: 7-Eleven #29658	\$23,266.98	\$20,940.28
FOR POSSIBLE ACTION	79.	2014000010	7-Eleven, Inc.: 7-Eleven #29667	\$10,426.29	\$9,383.66
FOR POSSIBLE ACTION	80.	2014000016	Fran Smitten: Smedley's Chevron	\$9,142.23	\$8,228.01
FOR POSSIBLE ACTION	81.	2014000020	Ken & Bonnie Goodness: Waterhole Truck Plaza	\$1,327.02	\$1,008.00
FOR POSSIBLE ACTION	82.	2014000025	Superior Campgrounds of America: Silver City RV Resort	\$8,555.98	\$4,620.23
FOR POSSIBLE ACTION	83.	2014000026	7-Eleven, Inc.: 7-Eleven #26637	\$56,991.18	\$51,292.06
FOR POSSIBLE ACTION	84.	2014000033	Speedee Mart, Inc.: Speedee Mart #108	\$18,038.20	\$16,234.38
FOR POSSIBLE ACTION	85.	2014000041	Callville Bay Resort Marina: Callville Bay Resort	\$26,576.00	\$23,918.40
FOR POSSIBLE ACTION	86.	2015000005	Red Lion Hotel & Casino: Red Lion Chevron	\$4,720.88	\$4,248.79
FOR POSSIBLE ACTION	87.	2015000009	Travel Centers of America: Petro Stopping Center	\$5,587.50	\$5,027.40
FOR POSSIBLE ACTION	88.	2015000013	7-Eleven, Inc.: 7-Eleven #16896	\$5,477.70	\$4,929.93
FOR POSSIBLE ACTION	89.	2015000014	City Express: City Express	\$7,213.16	\$6,449.56
FOR POSSIBLE ACTION	90.	2015000018	Sierra Rental & Transport: Sierra Rental & Transport	\$2,995.00	\$2,695.50

ONGOING CASES/OTHER PRODUCTS SUB TOTAL: \$1,707,620.26 \$1,515,824.04

REQUESTED RECOMMENDED

CLAIMS TOTAL: \$2,304,154.72 \$1,870,830.93

Ms. Tappan moved for approval of the consent items, Heating Oil, 1 through 16, New Cases/Other Products, 1, and Ongoing Cases/Other Products, 1 through 90. Mr. Emme seconded the motion. Motion carried unanimously.

11. EXECUTIVE SUMMARY

Ms. King presented the Executive Summary. She informed the Board that since the inception of the Fund in 1989, 1,512 applications have been received for reimbursement. Of those, 126 cases were denied coverage and a total of 1,173 cases have been closed. Four applications are in pending status awaiting NDEP's review or additional information. Forty-five cases have expired. There are currently 164 active remediation sites.

Ms. King stated prior to this Board meeting, the Board approved approximately \$193.7 million for reimbursement to petroleum storage tank operators throughout Nevada for cleanup expenses. With the approval of approximately \$1.8 million today, the cumulative fund expenditures are approximately \$195 million. With respect to tank enrollment, the tank invoices were issued in August of last year. A total of 1,307 facilities were invoiced at \$100 per tank. Out of those, 1,257 facilities, or approximately 96% have submitted the required fees.

Ms. King updated the Board on the Petroleum Fund interactive database. The contractor developing the database started actively working in June, 2014. NDEP recently rolled out the Enrollment component of the database and it went well. As of Monday – March 7, 2016, CEMs can submit coverage applications electronically with the database system. There has been great progress.

Ms. King informed the Board that the Attorney General's office has contracted with Lewis Roca Rothgerber, LLP to identify potential oil companies who have “double-dipped,” or, obtained insurance money to pay for the cost of the cleanup and also obtained money from the Petroleum Fund for the very same costs. The Attorney General's contractor has reviewed all of Nevada's records and is currently scheduling meetings with various oil companies to discuss initial findings.

Chairman Ross asked if they are looking for settlements or full reimbursements.

Ms. King stated that they are settlement negotiations, but that the negotiations are confidential at this point.

Ms. King informed the Board that SB89 was approved during the past legislative session. The bill amends Chapter 590 to do two things. First, to clarify the amount of money from the Petroleum Fund that the Division may spend cleaning up releases of petroleum products in those rare cases where responsible parties are unable or unwilling to respond and the release presents an imminent and substantial hazard. The bill eliminates the \$250,000 per release limit and replaces it with an annual limit of \$2,000,000 statewide to respond to all releases, unless additional authorization is provided by the Interim Finance Committee. Ms. King stated the bill also allows the cleanup of releases of petroleum-based chemicals such as PCE which is a dry cleaning solvent. By having the ability to use the Petroleum Fund to conduct the cleanup 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 off-site into commercial or residential areas and into groundwater, reduce the overall cleanup costs and protect public health. Because NDEP will lead the cleanups, claims will not be presented to the Board for approval; however, the Board will be updated on a quarterly basis regarding costs associated with this bill.

Ms. King updated the Board on the program reforms and regulation amendments. She stated that LCB is in the process of finalizing the legal review for the regulatory petition. Public workshops are to be held on Monday – March 14th in Las Vegas and Tuesday March 15th in Carson City. The proposed regulation changes will address the Small Business Exemption and also increase the dollar amount required for three bids using the Consumer Price Index (CPI).

Ms. King stated that in 1989, the value was assigned through regulation at \$3,000. Using the CPI, today, rounding to the nearest thousand dollars, that value is \$6,000. She stated that another proposed regulatory amendment is to extend the timeframe from 30 days to 60 days for CEMs to submit Proof of Payment documentation and to delay reimbursement in cases where the documentation has not been submitted. Also proposed is to delay payment when the owner has not paid the consultants/vendors/contractors within 30 days. This amendment will delay future reimbursements until all payments have been made. The last proposed amendment is to provide a process for owners to request reimbursement of any money refunded to the Petroleum Fund. Currently if the owners do not pay for the work done within 30 days of receiving payment from the Fund, they have to refund it to the Fund. With this proposed amendment the money will be able to go back into the hands of the people doing the work.

Ms. King addressed the newly adopted task table that will be added to the Cost Guidelines. The task table will provide needed cost control for initial abatement work. She stated that although not proposed as one of the original program reforms, the task table is part of the overall program reform process NDEP and the Board have been engaged in.

Ms. King highlighted that during the September 2014 Board meeting, several reforms were discussed. Those reforms included addressing the irregular bid process, addressing program issues that could be captured with an amendment of the existing Cost Guidelines, and addressing the Proof of Payment process. She stated that in the last one and a half years, the Board has successfully adopted a Bid Policy Resolution, has adopted important changes to the Cost Guidelines Policy Resolution, and, at the next Board meeting in June, will have a regulatory petition with key program enhancements for adoption. She concluded by stating that a lot of good work has been done in a little amount of time and indicated that it is something the Board and NDEP can collectively be proud of.

Ms. King addressed the question of the Secretary of State having the authority to revoke or suspend a business license if an owner owes a debt to the state. NDEP's deputy Attorney General looked into this issue and confirmed that a business license cannot be suspended or revoked for that reason.

Mr. Jonathan McRae introduced himself as the Supervisor for the UST and LUST Programs for the State of Nevada. Mr. McRae addressed the Eagle Gas North Cleanup Status with the first quarter 2016 update. Pursuant to NRS 590.870(1) and NRS 590.830(2), NDEP is responsible for the cleanup, using Petroleum Fund resources, if the responsible party is remiss. At the beginning of December 2015, the NDEP approved a work plan for optimization of an air sparge (AS) system. Three of the AS wells closest to the property boundary, closest to the contamination in the center of North Carson Street, will be pulsed to create mixing that will potentially reach and remove some of the contaminants in the median of North Carson Street. The AS optimization was completed this week and the data is being evaluated by McGinley and Associates. Results of the AS optimization will be included in the First Quarter 2016 Remediation/Groundwater Monitoring Report and findings will be reported at the next Board meeting.

Mr. McRae stated that groundwater sampling for the first quarter 2016 has not been completed as it had to be pushed to later in the quarter to accommodate the air sparge system optimization. It is being completed this week and will be reported at the next Board meeting. The results from the fourth quarter 2015 were reported: Benzene was only detected in one monitoring well associated with the site. Benzene is present in a well in the median of N. Carson Street at a concentration of

1,200 micrograms per liter and MTBE in groundwater is only above the action level of 200 micrograms per liter and that concentration is 520.

Mr. McRae stated that the remediation system run time for the first quarter 2016 so far has been 70%. System down time is attributed to issues with the auto drain system and the AS optimization test. It is not anticipated that there will be any down time in the next quarter of operation.

Mr. McRae further reported that the water produced by the system for the first quarter of 2016 is close to 29,000 gallons. Since the water treatment system was hooked up in February 2015, approximately 247,970 gallons of water have been produced and treated.

Mr. McRae stated that the total mass of Total Petroleum Hydrocarbons (TPH) removed by the remediation system in the 1Q thus far is 4.8 lbs. of TPH. Since the activation of the remediation system in October 2014, approximately 1,893 pounds of TPH has been removed. The vapor concentration of TPH is at a non-detect level in the system.

Mr. McRae concluded that currently approximately \$1,081,000 has been spent on the project.

Chairman Ross voiced his frustrations regarding State counterparts not being able to move forward and get the bills out from under the collection agencies for cost recovery.

12. PUBLIC COMMENTS

There were no requests to speak.

13. CONFIRMATION OF NEXT BOARD MEETING DATE

It was confirmed the next meeting date would be Thursday, June 2, 2016 at 10:00 am.

14. ADJOURNMENT

The meeting adjourned at 10:38 am.