

**STATE OF NEVADA BOARD TO REVIEW CLAIMS
BOARD MEETING MINUTES
March 9, 2017**

1. CALL TO ORDER

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 Laxalt Building, 401 N. Carson St., 2nd Floor Chambers and in Las Vegas at the Grant Sawyer Building, 555 E. Washington Ave., Governor's Conference Room #5100.

A. BOARD MEMBERS PRESENT

Chairman George Ross, Representative of Petroleum Refiners
Vice-Chairman Maureen Tappan, Representative of the General Public
Dawn Lietz, Department of Motor Vehicles
John Saxon, Representative of Independent Petroleum Dealers
Greg Lovato, Nevada Division of Environmental Protection
Michael Cox, Representative of the Independent Retailers of Petroleum

BOARD MEMBERS NOT PRESENT

Bart Chambers, State Fire Marshal

OTHERS PRESENT

Peter Keegan, State Attorney General's Office – Carson City
Jeff Kinder, Jeff Collins, Valerie King, Victoria Joncas, Kristi Callahan, Don Warner,
Megan Slayden, Jonathan McRae, Todd Croft, Rex Heppe, Chuck Enberg, Diondrae
White, and Aerial Halstead – Nevada Division of Environmental Protection (NDEP)
Joe McGinley – McGinley & Associates
Tracy Johnston – McGinley & Associates
Benjamin Peterson – McGinley & Associates
Kathleen Johnson – The Westmark Group
Brett Bottenberg – McGinley & Associates, Inc.
Keith Stewart – Stewart Environmental
Terry Miller – LVCVA
Luke Pusching – LVCVA

Chairman Ross began the meeting by welcoming Mr. Peter Keegan in his newest roll as General Counsel to the Board to Review Claims.

Chairman Ross informed the Board that Mr. Dave Emme, previous NDEP administrator, retired from State service. The Chairman welcomed Mr. Greg Lovato, NDEP's new administrator, as the newest Board member. Chairman Ross stated that Mr. Lovato is not a stranger to the Board. Mr. Lovato has sat through and participated in many meetings over the years.

2. PUBLIC COMMENT

There were no requests to speak.

3. APPROVAL OF THE DECEMBER 8, 2016 MINUTES

Ms. Tappan moved to approve the December 8, 2016 minutes. Mr. Lovato seconded the motion. Motion carried unanimously.

4. STATUS OF THE FUND

Ms. King reported on the status of the State of Nevada Petroleum Fund (Fund). Ms. King stated that the balance forward from 2016 was \$7.5 million. Approximately \$392,000.00 has been collected for storage tank enrollment. Approximately \$5.86 million was collected from the \$0.0075 per gallon fee. The interest was approximately \$31,000. The cumulative revenue is \$13,786,572.34.

Ms. King reported the transfer to DMV was approximately \$13,000 to administer the Petroleum fee. The transfer to NDEP was approximately \$500,000 which facilitates the administration of the program as well as the development of the interactive database. Transfer to NDEP-lead cleanups, such as Eagle Gas North, was just over \$119,000. The reimbursement for claims was just under \$3.64 million. The total cumulative expenditures is \$4,286,237.73.

Ms. King reported on the liabilities, which are projected costs. The transfer to NDEP was approximately \$11,400. The transfer to the highway fund is an estimate, and at this time is reported as \$1 million; however, Ms. King stated that over the last six years NDEP's average transfer has been approximately \$4 million so the actual transfer will likely be different. The pending obligated claims were just over \$8,700 and the total estimated obligations were just over \$1 million. Ms. King reported the actual funding available is \$9,500,334.61

5. SITE SPECIFIC BOARD DETERMINATION

Site Specific Board Determination (SSBD) No. C2017-01 to Provide Reduced Petroleum Fund Coverage to RSS #205, 205 N. McCarran Boulevard, Sparks, Nevada
Petroleum Fund Case ID No. 2016000011, Facility ID No. 4-000328

Ms. Slayden processed this case; however, because Ms. Slayden was ill, Mr. Warner presented the case. Mr. Warner stated the subject site is owned by Frederick Enterprises, LLC. It consists of four underground storage tanks, three containing gasoline and one containing diesel fuel. On November 23, 2015, the monthly leak detection test indicated that Tank #2 had failed. The facility operator contacted LA Perks Petroleum Specialists to investigate the failed test. On December 4, 2015, LA Perks personnel were onsite and discovered a copper tube associated with the leak detection system was disconnected. They reconnected the tube and left the site. The monitoring system continued to indicate a "Fail" for Tank #2. LA Perks returned to the site on December 11, 2015. At this time, they were unable to extract information from the monitoring system and suspected the monitoring panel data was corrupt. They returned on December 14, 2015 to continue the investigation. While on site, the monitoring system indicated "Sudden Loss" alarms for Tanks #1, #2 and #3. LA Perks removed, cleaned and replaced the probes, reset the programming and cleared the alarms for all three tanks. The system continued to indicate "Sudden Loss" after the reset. On December 23, 2015, LA Perks returned to the site and performed a cold start of the system. The monthly leak detection test from December 26, 2015 produced, "No Results Available" for Tanks #1 and #2, while Tanks #3 and #4 passed.

The monthly leak detection test results from January 16, 2016, February 2, 2016 and March 2, 2016, indicated "Fail" for Tank #2. When the March 2, 2016 leak detection test indicated a failure, LA Perks recommended having Tank 2 removed from service, four months after the

initial failed test. Afforda-test was onsite on March 29, 2016 to conduct annual line tightness testing for the systems. While there, they also conducted tightness testing on the tanks. Tank #2 failed precision tightness testing. The owner reported the spill to NDEP nine days later, on April 7, 2016. On April 8, 2016, LA Perks returned to the site and removed all product to the maximum extent possible. NDEP received an application for coverage on May 10, 2016. The application identified the source of the gasoline release as Tank #2.

The alarms indicated a failure on November 23, 2015. Since the alarm was not immediately fixed, whereby subsequent monitoring could invalidate the initial results, a suspected release should have been reported and further investigation conducted within seven days. The subject UST system remained in service with failed leak detection monitoring results from November 23, 2015 to March 21 - 22, 2016, a total of four months. From January to March 2016, the system indicated a failure for Tank #2. No action was taken to reduce the effects of a release to the environment until March 21-22, 2016, when the tank was removed from service. Additionally, the subject system failed a tightness test on March 29, 2016. The release was reported to NDEP nine days later on April 7, 2016, in violation of the 24 hours reporting requirement, and the remainder of the product was not removed until April 8, 2016.

Therefore, Pursuant to Board Policy Resolution No. 94-23, there are three non-compliance issues associated with this case. One, failure to comply with release reporting, investigation and confirmation, a 40% reduction. Two, failure to comply with release response of corrective action, a 40% reduction. Three, failure to comply with the UST general operation requirements, a 10% reduction. Per Board Policy Resolution No. 94-23, in the event that a site is found to have more than one non-compliance determination, NDEP is directed to recommend to the Board that, "any reimbursement be reduced by the largest percentage associated with any single item." In this case a 40% coverage reduction is recommended. Therefore, NDEP recommends that the Board approve coverage for the subject site for one leaking UST, with a 40% reduction and a 10% copayment. This coverage condition provides a maximum reimbursable cap of \$540,000 in cleanup costs and \$540,000 in third party liability monies.

Chairman Ross stated the short version of this is to not assume your instruments are wrong but trust your instruments and respond as if they are accurate. If it turns out they are wrong, you have reported the situation and taken any needed corrective action in a timely manner.

Mr. Lovato asked if there was a documented test that passed prior to the November fail date on record. Do we know how long the system was in failure? Was November the first date which it indicated failure?

Ms. Slayden responded that all tanks had passed in October. On November 23rd, when the monthly leak detection was conducted, Tank 2 indicated a "fail."

Ms. King added that a prior conversation was held with the responsible party. The owner questioned how he was supposed to know how to report suspected releases. Ms. King stated that all UST operators are responsible for knowing the law that affects their storage tanks. However, in response to his question, NDEP put together a flyer that was emailed to all CEMs and Owners/Operators in NDEP's database that provided specific reporting instructions regarding suspected releases.

Chairman Ross indicated that it would have been good if LA Perks had reminded them of that as well. Chairman Ross stated that being in violation for three or four months results in a penalty if there is a leak, not to mention the reality of the damage from the leak.

Ms. Tappan moved to adopt SSBD C2017-01 with a 40% reduction, as recommended. Mr. Cox seconded the motion. Motion carried unanimously.

6. SITE SPECIFIC BOARD DETERMINATION (FOR POSSIBLE ACTION)

Site Specific Board Determination No. C2017-02, to provide Petroleum Fund coverage with a 30% reduction to the former Riviera Hotel, 2901 Las Vegas Boulevard South, Las Vegas, Nevada Petroleum Fund Case ID No. 2016000028, Facility ID No. 8-001540

Ms. Valerie King presented, on behalf of Ms. Slayden, SSBD C2017-02 regarding the former Riviera Hotel located in Las Vegas. She reminded the Board that this has to do with a 2002 release, 15 years ago and asked the Board to keep in mind that the facility was sold approximately two years ago to the Las Vegas Convention Center and Visitor's Authority (LVCVA). After they purchased the property, NDEP received an application for coverage through the electronic database in November 2016.

Ms. King stated back in 2000, Clark County Health District (CCHD) went to the Riviera Hotel site to conduct an inspection. The inspection results indicated that a steel fuel supply line did not have corrosion protection and needed to be upgraded. Ms. King stated that, although NDEP had no record indicating the Riviera Hotel upgraded the steel fuel supply line with corrosion protection, CCHD issued a letter six months later indicating they returned to the site and conducted another inspection which found the system in compliance.

Ms. King asked the Board to fast-forward a couple of years to the year 2002 when NDEP received a spill report indicating the Riviera Hotel released 2,300 gallons of diesel fuel. The release source was reported to be from the same steel pipeline. When further investigation was conducted, the pipeline did not actually have the corrosion protection that it was required to have. NDEP has no further documentation regarding the issue but has documentation indicating the system was out of compliance at the time of the release. Policy Resolution No. 94-23 directs NDEP to recommend a coverage reduction of 10% for this type of UST violation.

Ms. King stated when further investigation and site characterization was conducted, they realized that MTBE was comingled in the diesel plume. They identified the MTBE was from an up gradient source that was not eligible for Fund coverage. NDEP's Policy Resolution No. 99-22 addresses an eligible release source that is comingled with an ineligible release source. Under this scenario, the policy resolution directs NDEP to recommend coverage with a 20% reduction, unless they can identify that the ineligible portion is less than 20%. In this case, the Riviera Hotel could not or did not. Ms. King stated the policy resolution requires the 20% reduction to be added to any non-compliance reductions that apply. In this case, a 20% reduction plus a 10% reduction results in recommended coverage with a 30% total reduction.

Ms. King stated that in the coverage application NDEP received, the LVCVA requested coverage for four tanks. The single fuel pipeline, where the release occurred, was attached to four separate tanks. Policy Resolution No. 2014-01 addresses this exact scenario, where multiple tanks are associated with a single pipeline where the release occurs, and concludes that coverage shall be provided consistent with a single release source.

Therefore, Fund Staff recommends coverage to LVCVA for a single release with a 30% reduction. That works out to be \$1 million, less 30% plus a 10% co-pay. Total money from the Fund would be \$630,000 for clean-up costs and \$630,000 for third-party liability funds.

Mr. Lovato asked if all the work completed had been approved by a NDEP Case Officer.

Mr. Heppe introduced himself as the Case Officer with NDEP. Mr. Heppe confirmed he had approved the work.

Mr. Lovato asked if they had utilized the required bid process associated with the costs.

Mr. Heppe confirmed they had.

Mr. Lovato asked is that documentation is available for the record, in terms of the bid process they followed.

Mr. Heppe stated no. This process will be after the fact. However, conversations with the LVCVA indicate they do have that documentation available and will submit it when they submit the after-the-fact NTEPs.

Ms. Tappan stated that the Riviera was the owner in 2002 when this occurred. She asked if they had any responsibility even though the LVCVA purchased the property.

Ms. King explained that the Petroleum Fund works with the current owner/operator, which in this case is the LVCVA. She believed Ms. Tappan's question may be a third-party issue between LVCVA and the Riviera. If that is the case, NDEP is not aware of it.

Mr. Terry Miller introduced himself as being with Cordell Corporation. He represents the LVCVA. Mr. Miller stated that to their knowledge the Riviera Corporation no longer exists. As a legal entity, the Riviera Corporation is not party to any of the issues that we are discussing. When LVCVA purchased the Riviera property, the understanding was that everything on the site was part of the due diligence and was a contractual matter, which is now resolved between the LVCVA and the Riviera Hotel Corporation.

Chairman Ross asked if the Board approves coverage with a 30% reduction, will LVCVA not attempt to recover any of the cleanup costs from somebody else?

Mr. Miller confirmed that was correct.

Ms. Tappan asked if LVCVA bought this property knowing that there was this issue or was it something unknown until after closing escrow.

Mr. Miller explained as LVCVA went through the due diligence, there was information relative to the diesel fuel leakage. The Western Technologies Report that was done prior to the acquisition of the property identified the leak; however, it was identified as significantly less in the report than what was actually present in the environment.

Mr. Cox moved to approve Site Specific Board Determination for Petroleum Fund Case No. 2016000028 with a 30% reduction, as recommended. Mr. John Saxon seconded the motion. Motion carried unanimously.

7. **POLICY RESOLUTION 2017-01 ABOVE GROUND STORAGE TANK ENROLLMENT REQUIREMENTS AND FUND COVERAGE REDUCTIONS (FOR POSSIBLE ACTION)**

Ms. King presented proposed Policy Resolution 2017-01, which requires ASTs with underground conveyance piping that cannot be visibly inspected to demonstrate line tightness upon enrollment into the Fund and annually thereafter. In addition, it stipulates reductions in Fund coverage for certain business practices that cause or are proximate to the cause of a release to the environment.

Ms. King reminded the Board that during last Board Meeting in December, NDEP discussed with the Board the idea of a policy resolution regarding above ground storage tanks, or ASTs. It was discussed that NDEP does not have regulatory oversight over ASTs; however, some ASTs have underground pipelines, similar to underground storage tanks or USTs, which NDEP does have regulatory oversight over. This is an inequity.

Ms. King stated that ASTs with underground pipelines are required, prior to enrollment the first time, to conduct tightness testing. If they demonstrate that the below ground lines are tight and also have their 6 months of visual tank inspections, NDEP will enroll them. Once enrolled, if they do not allow their enrollment to lapse, they will never have to do a line tightness test on that underground pipeline again.

Ms. King stated that NDEP saw that as a vulnerable position, not only for the environment but clearly for the Fund as well. What NDEP proposed to do, and the Board agreed NDEP should do, is create a policy resolution that would create a more level playing field. The policy resolution should address not only ASTs conducting annual tightness tests on the underground pipelines prior to re-enrollment, but also recommend Board reductions in coverage for various business practices that may lead to releases from ASTs into the environment.

Ms. King indicated that over the last few months, NDEP has put together what they feel is a fair and protective policy resolution. They distributed it to the CEMs and industry for comment. NDEP staff received four comments. One was substantive and NDEP was able to apply it to this policy resolution. It asked the question, what length of underground pipeline will trigger the requirements of this policy resolution. The answer is “any length” and NDEP folded that into the policy resolution. The others were not substantive for this purpose.

As a result, Ms. King stated NDEP feels it was well received by the CEMs and industry. NDEP is now ready to review it with the Board and to hopefully get the policy resolution adopted today.

Ms. King began the policy resolution review at the “Therefore be it resolved that...” because it is the actual policy resolution portion of the document.

No. 1, this addresses visual inspections that are required to be conducted monthly. This is a requirement from the regulations but NDEP is asking that those reports be made available upon request.

No. 2, which is the crux of the policy resolution. ASTs with underground conveyance piping, regardless of the length, that cannot be visibly inspected, must demonstrate tightness of the pipelines prior to enrollment into the Fund and also on an annual basis, within six-months prior to renewing enrollment into the Fund.

No. 3, this addresses changes of petroleum fuel types. If the fuel type is changed, they must notify NDEP within 30 days. This helps us on various levels. If there is a release and they have changed the fuel, it can help the Fund to decide if it was an eligible or ineligible release.

Ms. King continued with the recommended coverage reductions. She explained, NDEP tried to make the recommendations consistent with the existing reductions in Policy Resolution 94-23.

No. 1, for failure to provide visual inspection to NDEP when requested is a recommended 10% reduction in coverage.

No. 2, for failure change the fuel type and not notify NDEP within 30 days is a recommended 10% reduction.

No. 3 is the standard reporting requirements. This is the exact reporting requirements in the policy resolution for violation reductions. Staff just plucked it out and put it into this policy resolution.

No. 4, this is when an AST first leaks into secondary containment. That secondary containment needs to be addressed and if it is not and a release is caused by that, then a recommendation of 40% is provided to the Board.

No. 5, this is similar to the UST Program. When a leak is observed, just like a UST, they need to go in and remove the fuel from the tank if that's where the leak is coming from. The idea is to eliminate the release source.

No. 6, this one will likely not be seen very much. It's more to address the marina tanks. The EPA has a program called the Spill Prevention Control and Countermeasure Regulation Program. It's taking measures to avoid releases to the environment, and if there is a release, how will it be contained? If there is an unresolved issue with EPA and that issue is proximate to the cause of the release, then NDEP will recommend a 40% reduction.

Mr. Cox asked if they could apply if they have 40,000 gallon tanks.

Ms. King explained NDEP enrolls tanks that are 30,000 gallons and less.

Ms. Lietz asked how AST owners would be notified of the annual tightness testing requirements.

Ms. King responded that the new Petroleum Fund interactive database has a report to collect all AST owner/operators email addresses and an email will be sent to each with the new requirements.

Ms. Lietz asked if they would receive a renewal notice or something like that.

Ms. King confirmed they will receive a notice via email and possibly snail mail, but they will be notified.

Ms. Lietz asked about the recommended coverage reductions, specifically No. 4 where it addresses removing fuel from secondary containment in a reasonable timeframe. How is the reasonable timeframe going to be defined?

Ms. King responded it is not a reasonable time if the fuel is allowed to collect in the secondary containment such that it overflows into the environment and causes the release. She stated she did not think NDEP could put a number or a timeframe on this because NDEP cannot be aware of

the size or condition of each system's secondary containment. A release from secondary containment as a result of failing to remove the fuel would be good cause and effect for a recommendation.

Ms. Lietz asked if a "not to exceed so many days" clause might be better. She explained her concern regarding the case that was just heard where the violation went on for four months. It was an alarm situation that should have been addressed and there was a timeframe for reporting the issue. This situation seems more open-ended, and if there will be a 40% reduction, maybe they could be made aware of a specific timeframe.

Ms. King agreed, on principle, that there should be a timeframe when there is a release when it gets to the environment. When it hits the environment, you have to make that call and you have to start doing something. With secondary containment, NDEP does not know, especially because they're unregulated ASTs, how big or small the secondary containment is to be able to put a value or timeframe on it.

Ms. King explained that if a timeframe is stipulated, it may overshoot the objective of the secondary containment keeping released fuel from entering the environment.

Ms. Lietz asked under No. 5 what "failure to conduct immediate action necessary" meant with respect to time. Does that mean within an hour, or maybe within a week? She stated there is ambiguity in the statement.

Ms. King noted there is room to tighten that up; however, the UST regulations stipulate that a release to the environment must be immediately eliminated. She did not believe the regulations stipulated a timeframe. There is a 24 hour timeframe for reporting; however, she did not know if there was further clarification regarding "immediate elimination" of a release. She explained that throughout the process she was trying to be consistent with the UST program regarding good business practices. She stated that perhaps her colleague, Mr. John McRae, might be able to help respond to the question.

Mr. McRae explained that the timeframes in the UST regulations are dictated by the federal regulations. The 24-hour reporting period is a hard timeframe. That starts the tracking clock for when the next steps were taken, when was a system check performed, when were the tanks, gauges and lines checked. If that is addressed, or is inconclusive, now a person has to go to the next phase. Now a site check must be performed, which is to find out whether or not any contamination from that underground system made it into the environment.

Because USTs may be in an urban area or in a very rural area, timing is involved to get tank handlers and tank testers to those locations. Once a system has a known failure, a person is supposed to report within 24 hours and then get the liquid out of the system to eliminate further release into the environment.

Ms. Lietz thanked everyone for the responses. She noted it should be on the record that, if we are going to be referring to this policy at a future date, it is important that we had some discussion today and that it is not just an arbitrary decision at the time a case is brought forward. There is going to have to be some testimony or some support to show that the timeframe was reasonable or else justified a reduction in coverage.

Chairman Ross noted that it is a very important point.

Mr. Lovato noted the resolution, as drafted, refers to tightness testing. He asked if the policy resolution should include definitions or industry standards associated with tightness testing as

well as reference whether a licensed tester must be used. He stated the goal is to make sure that we are getting good data, regardless of who is doing the testing, to determine whether or not the pipe is leaking.

Ms. King indicated they could strengthen the policy resolution in that area.

Chairman Ross asked Ms. King if she would need to provide additional language in the policy resolution to strengthen it.

Ms. King noted she would solicit the assistance of her UST colleagues, Mr. Croft or Mr. McRae, to ensure accurate references are placed in the policy resolution associated with tightness testing in addition to stipulating certified tank handlers and testers are used. Although the language can be strengthened, Ms. King stated she felt the policy resolution could be adopted today with the existing language and NDEP could amend the adopted resolution with the additional language and bring it back to the June Board meeting for adoption of the amendment.

Chairman Ross asked if there is a deadline associated with this policy resolution that will affect the upcoming enrollment process.

Ms. King noted there is. The end of enrollment for the 2018 enrollment process is September 30th. Therefore, the six month window that tightness testing must occur will start March 30th, if the policy resolution is adopted today.

Chairman Ross questioned whether it would be better to pass the resolution, as is, today and then bring an amendment with the tightness testing references back in three months, as opposed to waiting for three months to get a version that includes the amendment. He thought this might enable AST operators to get tightness testing in a timely manner.

Ms. King stated she believes that would be a good approach because tightness testing is a documented procedure. There are industry standards and by not having that information in the policy resolution today would not interfere with the process of actually having folks conduct their tightness testing. Ms. King thinks it would be prudent because that will not make this policy resolution weaker today. She said it would be a good idea to either approve or adopt it today and provide that amendment at the next board meeting.

Mr. Lovato noted one of the proximate causes of leaks for underground systems is corrosion if the pipelines are steel. He asked if NDEP had considered corrosion protection as part of the testing requirements or requirements that should be in place prior to granting full coverage for AST leaks.

Ms. King noted that was a very good recommendation and something that would help strengthen this policy resolution. She noted staff could amend the resolution to include that as a recommended reduction.

Ms. Tappan stated that the reporting of an AST should occur in 24 hours and not “immediately.” Ms. Tappan asked if it could be put into the resolution so that there is no question.

Ms. King stated that is actually included in No. 3 of the reductions but did not specifically say the 24-hours. It just says failure to notify NDEP of a reportable release within the reporting timeframes, and then cites the regulation that stipulates the 24 hours.

Ms. Tappan asked if No. 3 was where it says NAC 4455A has the 24 hours written.

Ms. King confirmed.

Mr. Saxon stated he believed he heard a comment made that there was standard testing procedure for underground plumbing. That is probably true in a UST scenario. In an AST scenario, NDEP may run into 18 different ways that a system has been plumbed from the tank to the aboveground rack or however the loading process is at whatever terminal it is at. Mr. Saxon stated that they will have to start testing to get it done before it hits the September timeframe. Mr. Saxon expressed that there may be old systems in rural areas of the State, some active and some not. He expressed concern about stating that this is going to be a "quick fix it" process.

Mr. Keith Stewart with Stewart Environmental stated he is familiar with many of the old AST systems and most of them are very dated. He suspected all of them have steel piping underground. Making them corrosion resistant will be a significant task.

Mr. Stewart stated most of the underground portions of the fuel system do not have testing equipment installed. He stated a UST system has special meters and valves to connect to testing equipment for a tightness test. He guessed 90% of the systems he has seen would need valves and testing equipment installed at each end of the above ground portion.

Mr. Stewart concluded by stating he imagined NDEP will run into some of these problems before people can actually get enrolled.

Mr. Lovato noted there may be a process to amend the resolution which includes going back out through the community for comment, prior to coming back before the Board. He stated he appreciated the comments and they would be addressed in the amendment.

Chairman Ross asked Mr. Stewart if he believed some AST operators might not attempt to enroll in the Fund due to what he just said. He added that sometimes people might rather not know. They might prefer, from a financial point of view, to not get themselves into a situation where they would be compelled to spend money to fix the situation. Because they have done so for 40 years, perhaps they might decide to not enroll.

Mr. Stewart agreed stating, especially if you have rural operators. They are going to look at having to dig up the pipe and put all new fiberglass piping in, probably double-walled and meeting essentially the requirements of the UST world and the underground portion.

Mr. Stewart stated he would imagine that some of the tank testers would be hesitant to come into a system that is plumbed 18 different ways and not in standard compliance like a UST system. The tank testers assume a significant amount of liability on the underground portions that they may or may not be able to properly test. If you have seen the new UST systems, they already have the testing capability as part of the design component. You are talking about 50-year old steel pipes where most likely somebody is going to have to drill and install a portal, put a valve and a T and a testing apparatus on the AST.

Chairman Ross stated that if an AST operator feels they want this test, are willing to proceed, and passes the test, then they can apply for enrollment. We would have a program that may incentivize some people to upgrade their systems. He added that it is important to be responsible for the solvency and the operation of the program, on the other hand, the reason we have the program is to clean up the environment and make sure we prevent leaks, or encourage people not to have situations that likely will lead to a leak. It is in a balance and, having this resolution will certainly lead to better behavior by a lot of folks.

Chairman Ross continued by stating the people who do apply for enrollment have no different requirements from those who do not. They now have coverage. If they identify something wrong with their tank system, they have to fix it. He believes that on the balance, that means the resolution is a good thing. At the same time, he can see the merit of passing it today, although not perfect, and then coming back with the amendments in June, as it will take some time to get this testing done.

Mr. Tracy Johnston with McGinley and Associates stated the challenge they have is that NDEP is requiring more than what the regulations require. Obviously there is a cost that is incurred. He asked about situations where someone has upgraded to or has dual walled piping and everything is in place, just as an underground storage tank would. There would be no need to require the annual tightness test, just like NDEP does not require a tank that has dual walled piping with the sumps and the sensors. He reiterated in the event they upgrade or have dual walled piping with the sensors similar to an underground storage tank system, NDEP will waive the requirement to have annual line tests.

Chairman Ross asked how far back do you go to say it is new enough to fall into your scenario? Mr. Johnston stated if, at the time they enroll, they have dual wall piping, NDEP would have them do a tightness test at that time. Another option would be to only have them look at their records for the dual walled piping system.

Mr. Johnston added that many of these tanks have steel piping and they are also single walled. He has one particular client with a release that occurred from a single walled piping. They decided to upgrade all their piping to dual walled piping with sumps and all the bells and whistles. The piping is double walled and is non-metallic, so there's no cathodic protection required and no need for a tightness test.

Mr. Johnston stated that cathodic protection is going to be a challenge. Essentially, they need to have cathodic protection at the time they enroll. Before they can even enroll, they have to get everything cathodically protected and tightness tested and that could be a challenge regarding identification of where that piping is and the potential cost associated. Once they have cathodic protection, they have to certify their cathodic protection system is working and there is a cost associated with maintaining the cathodic protection system.

Mr. Johnston said again, it's above and beyond what the regulations require. He understands the intent. If the Fund is going to pay the bill when a release occurs, then they need to go above and beyond what is required.

Mr. Johnston asked does this apply to all the piping that's connected to an aboveground tank. He explained the tanks connect to the dispensers. However, there is both fueling platforms and that is a separate run of piping. He asked if they are talking about all underground piping that is connected to those ASTs, including the piping that runs from the bulk fueling platforms.

Ms. Tappan asked Mr. Johnston about his term 'substantial cost' and if he would give her a ballpark.

Mr. Johnston replied it would be site specific. It depends on the system. There are a lot of ASTs that have hundreds of feet of piping. Therefore, it could be tens of thousands of dollars.

Mr. Saxon asked if NDEP had a feel for the current percentage of AST operators at these bulk plants that are currently enrolled in the system.

Ms. King stated she did not know the exact number of enrolled ASTs systems. She said they are a small percentage of the total enrolled tanks. She indicated she did not know how many of those ASTs have underground pipelines associated with them.

Ms. Tappan asked if NDEP has had many claims for AST systems.

Ms. King explained the population of ASTs is much smaller than USTs. Proportionally, they have very few AST systems that are actively receiving coverage and getting claims reimbursed. She stated, without reviewing the records, an estimation is approximately five facilities that are ASTs compared to the approximately 160 active cases conducting cleanups and submitting claims.

Mr. Lovato thanked the members of the public for their comments. He noted he understands the concerns with respect to costs that may be associated with both the leak testing and any additional requirements associated with corrosion protection, which at this time, is not part of the resolution. He asked what they would advise the Board to do to protect the solvency of the Fund and prevent leaks if we do not start exploring some of these other options. If we allow all existing infrastructure to achieve the same coverage, regardless of what kind of protections they have in place, are we not discouraging any upgrades that would prevent leaks?

Mr. Stewart replied he would like to see tightness testing and thinks it would be the way to progress. He stated he does not think the Fund should enroll people that have hundreds of feet of piping that they can't see without testing. He indicated that standardized testing sounds easy; however, as Mr. Saxon said, there could be 18 different types of piping which would not make for an easy test. Mr. Stewart stated that the corrosion issue is a bigger animal. He stated the 60 year old pipes are still good pipes that don't need to be worried about but ultimately he does think that a testing component is necessary and we need to find the proper way.

Chairman Ross stated that the Board needs to make a decision today whether to move forward and then amend the policy, or given all the comments heard today from both the Board members and the public, delay approval of this policy. Chairman Ross said there is a reason to move forward, this would give more time for the owners to get the testing done and the Fund could cover them beginning late in the year. On the other hand, if the Board decided to exempt owners with double walls, we have an issue of an owner that had their double walls tested and did not need the testing.

Mr. McRae stated his records indicate there are 726 ASTs in the State of Nevada that are less than 30,000 gallons that could be failing at any given moment in time, regardless of double/single wall construction.

Ms. Tappan asked if only five tanks are enrolled in the program.

Ms. King stated there are approximately five facilities that are in active cleanup status and receiving reimbursement from the Fund.

Ms. Tappan asked for confirmation that 726 tanks are enrolled.

Ms. King indicated that, on record that number is the total population of ASTs in Nevada. Ms. King stated she would need to query the database to see exactly how many of those are actually enrolled in the Fund. She said it will be much less than 726 ASTs.

Mr. McRae confirmed that 726 tanks is the known universe in Nevada.

Chairman Ross stated that many facilities have multiple tanks.

Mr. McRae stated there are a couple of sites located in Elko that have fifteen tanks located at their facility.

Mr. Saxon stated that when the Board first talked about this, they discussed new enrollments going forward. He said the company that he works for has a particular facility that has paid into the Fund for 20 years. They have paid all these years without the requirements. Mr. Saxon asked if the policy resolution could be cleaned up enough to perhaps eliminate some of the testing associated with a 40-year old facility, because it would require trying to equip the older facilities with all the bells and whistles for testing. He asked if the resolution could affect only new aboveground storage tank enrollments.

Chairman Ross stated that there appears to be a lot more comment from the real world than Ms. King received when she went out for comment, and that is critical. If the policy resolution is delayed then maybe there could be another workshop or two in the North and the South, hopefully then the community will get very involved and bring forth all of their concerns. Chairman Ross said on the one hand, it's a very admirable attempt that the NDEP is trying to make. However, we are receiving new comments that NDEP apparently has not heard before. He said it's important that NDEP finds a way to take those concerns into account, and at the same time, balance what is trying to be accomplished.

Chairman Ross said he is not sure where the rest of the Board stands on the issue. However, as much as he thought it was a good idea to move forward today and adopt the resolution, he has heard enough to think the Board should take a good look at all the issues. He said part of that is achieved by the consultants coming forth and expressing their comments because everyone has learned a lot today.

Ms. Lietz agreed and added that she thinks the work that has been done was really good as a starting point. However, she thinks there are a few things that still need to be worked through before the Board adopts it as a formal policy.

Mr. Cox agreed with Mr. Saxon. There are many different ways the pipelines are plumbed. He agreed they are that way at his own facilities. He stated that to do the testing would be very expensive. He said he likes the idea and thinks that, as they move forward, anything put in the resolution will go into effect; therefore, perhaps we do more studies and receive more comments from people. At this point he would not recommend passing the policy resolution.

Chairman Ross noted that he would ask Val and her staff to go back and review some of the details that have been raised and try to take some of them into account, at the same time, realizing why there is a policy in the first place. Chairman Ross stated he is looking forward to something in three months. He then highly encouraged everyone that participated during the meeting, and any of their colleagues, to make themselves available to work with Ms. King to make sure she receives their input.

8. 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 9, 2017**

<u>HEATING OIL</u>			<u>REQUESTED</u>	<u>RECOMMENDED</u>	
FOR POSSIBLE ACTION	1.	2007000013	Churchill County School District: Church. Co. S.d. Bus Barn	\$4,221.82	\$4,221.82
FOR POSSIBLE ACTION	2.	2012000015	Don Sinnar: Sinnar Residence	\$1,065.00	\$1,065.00
FOR POSSIBLE ACTION	3.	2012000017	Churchill County School District: Old High School	\$8,381.11	\$8,381.11
FOR POSSIBLE ACTION	4.	2016000032	Richard Fallahee: Richard Fallahee Residence	\$14,513.65	\$14,263.65
FOR POSSIBLE ACTION	5.	2017000003	Coralynn Estrada: Coralynn Silva Estrada Property	\$12,787.85	\$12,537.85
			HEATING OIL SUB TOTAL:	<u>\$40,969.43</u>	<u>\$40,469.43</u>
<u>NEW CASES</u>			<u>REQUESTED</u>	<u>RECOMMENDED</u>	
FOR POSSIBLE ACTION	1.	2016000023	Al Park Petroleum Inc.: Pit Stop #1	\$16,645.69	\$11,984.89
FOR POSSIBLE ACTION	2.	2016000025	Topaz Lodge Inc.: Topaz Lodge INC. (Chevron)	\$4,122.50	\$3,710.25
			SUB TOTAL:	<u>\$20,768.19</u>	<u>\$15,695.14</u>
<u>ONGOING CASES</u>			<u>REQUESTED</u>	<u>RECOMMENDED</u>	
FOR POSSIBLE ACTION	1.	1992000126	Clark County School Dist.: RC White (Arville) Trans. Satellite	\$12,068.50	\$12,068.50
FOR POSSIBLE ACTION	2.	1993000011	7-Eleven Inc.: 7-Eleven #29646	\$21,940.58	\$21,940.58
FOR POSSIBLE ACTION	3.	1993000103	Charlie Brown Construction: Charlie Brown Const.	\$3,248.44	\$3,183.47
FOR POSSIBLE ACTION	4.	1993000115	City Of Fallon: Former Bootlegger Texaco	\$4,740.50	\$4,740.50
FOR POSSIBLE ACTION	5.	1994000015	Pilger Family Holdings: Former D & G Oil Company	\$3,747.50	\$3,372.75
FOR POSSIBLE ACTION	6.	1994000027	7-Eleven Inc.: 7-Eleven #19653	\$218,860.59	\$218,860.59

ONGOING CASES: CONTINUED

ONGOING CASES: CONTINUED			REQUESTED	RECOMMENDED	
FOR POSSIBLE ACTION	7.	1994000067	Peppermill Casinos Inc.: Frmr Peppermill Truckstop	\$2,802.25	\$2,802.25
FOR POSSIBLE ACTION	8.	1994000122	Michelsen's Gas A Mart, Inc.: Mike's Chevron	\$535.00	\$535.00
FOR POSSIBLE ACTION	9.	1995000012	N. Nevada Asset Holdings, LLC: Parker's Model T	\$1,670.00	\$1,503.00
FOR POSSIBLE ACTION	10.	1995000039	Al Park Petroleum Inc.: Crescent Valley Market	\$32,437.35	\$29,193.61
FOR POSSIBLE ACTION	11.	1995000042	FBF Inc.: Gas 4 Less	\$3,958.50	\$3,562.65
FOR POSSIBLE ACTION	12.	1996000063	Joan Pennachio: V & V Automotive	\$5,740.44	\$5,740.44
FOR POSSIBLE ACTION	13.	1996000064	H & A Esslinger, LLC: Red Rock Mini Mart	\$18,278.59	\$17,730.23
FOR POSSIBLE ACTION	14.	1996000101	Phillips 66 Company: Circle K #695	\$17,494.65	\$15,745.19
FOR POSSIBLE ACTION	15.	1996000102	Phillips 66 Company: Circle K #542	\$2,980.75	\$2,146.14
FOR POSSIBLE ACTION	16.	1997000008	Ewing Bros Inc.: Ewing Bros Inc.	\$3,052.50	\$2,747.25
FOR POSSIBLE ACTION	17.	1997000071	7-Eleven Inc.: 7-Eleven #25586	\$15,843.59	\$14,259.23
FOR POSSIBLE ACTION	18.	1998000046	Willdens Automotive Holdings: Frmr Allstate Rent A Car	\$32,706.69	\$29,435.75
FOR POSSIBLE ACTION	19.	1998000068	Phillips 66 Company: Conoco #28003	\$18,984.57	\$17,081.65
FOR POSSIBLE ACTION	20.	1999000014	Al Park Petroleum Inc.: Pit Stop #7 Conoco	\$21,746.71	\$19,572.04
FOR POSSIBLE ACTION	21.	1999000017	Reed Incorporated: R Place #2 (Shell)	\$53,985.37	\$48,586.83
FOR POSSIBLE ACTION	22.	1999000022	Terrible Herbst Oil Co Inc.: Terrible Herbst #129 (Chevron)	\$10,176.85	\$9,159.17
FOR POSSIBLE ACTION	23.	1999000029	Terrible Herbst Oil Co Inc.: Terrible Herbst #136 (Arco)	\$10,294.69	\$9,265.22
FOR POSSIBLE ACTION	24.	1999000048	Estate Of Robert Cowan: Former Lightning Lube	\$3,957.08	\$3,944.70
FOR POSSIBLE ACTION	25.	1999000052	Estate Of Martin T. Wessel: Ted's Chevron	\$12,826.96	\$11,478.17
FOR POSSIBLE ACTION	26.	1999000064	Al Park Petroleum Inc.: Pit Stop #4 (Conoco)	\$6,010.98	\$5,409.88
FOR POSSIBLE ACTION	27.	1999000066	HP Management, LLC: Former Haycock Petroleum	\$4,607.00	\$4,146.30
FOR POSSIBLE ACTION	28.	1999000086	Terrible Herbst Oil Co Inc.: Terrible Herbst #126 (Arco)	\$9,499.37	\$8,549.43
FOR POSSIBLE ACTION	29.	1999000090	HP Management, LLC: Former Haycock Petroleum	\$25,424.25	\$22,881.83
FOR POSSIBLE ACTION	30.	1999000104	Terrible Herbst Oil Co Inc.: Terrible Herbst #118 (Arco)	\$9,307.69	\$8,376.92
FOR POSSIBLE ACTION	31.	1999000114	City Of Fallon: Fallon Maint. Yard	\$5,244.55	\$4,720.09
FOR POSSIBLE ACTION	32.	1999000135	Terrible Herbst Oil Co Inc.: Terrible Herbst #106 (Gas) & #108 (Lube)	\$14,514.94	\$13,063.45
FOR POSSIBLE ACTION	33.	1999000137	Terrible Herbst Oil Co Inc.: Terrible Herbst #152 (Gas) & #155 (Lube)	\$9,569.35	\$8,612.41
FOR POSSIBLE ACTION	34.	1999000167	City Of Las Vegas: Fire Station #1	\$3,625.74	\$3,625.74
FOR POSSIBLE ACTION	35.	1999000186	Pilger Family Holdings: Former D & G Oil Company	\$18,544.12	\$16,689.71
FOR POSSIBLE ACTION	36.	1999000199	Village Springs, LLC: Lakeshore Orbit Station	\$97,806.43	\$97,693.93
FOR POSSIBLE ACTION	37.	1999000243	7-Eleven Inc.: 7-Eleven #27607	\$11,789.68	\$10,610.71
FOR POSSIBLE ACTION	38.	1999000257	University Of Nevada Reno: Newlands Agriculture	\$13,742.43	\$13,742.43
FOR POSSIBLE ACTION	39.	1999000273	Mr. V. K. Leavitt: The Waterhole	\$42,775.10	\$38,497.59
FOR POSSIBLE ACTION	40.	2004000011	Travel Centers Of America: Wells Petro Truck Service	\$37,581.82	\$33,823.64
FOR POSSIBLE ACTION	41.	2004000039	Clark County Dept Of Aviation: Frmr National Car Rental	\$86,328.10	\$86,328.10
FOR POSSIBLE ACTION	42.	2005000036	Phillips 66 Company: Circle K #1791	\$2,972.32	\$2,140.07
FOR POSSIBLE ACTION	43.	2005000044	Ewing Bros Inc.: Ewing Bros Inc.	\$17,047.43	\$14,521.09
FOR POSSIBLE ACTION	44.	2007000014	Ace Cab Company: Ace Cab Company	\$21,081.99	\$18,973.79
FOR POSSIBLE ACTION	45.	2007000016	TOC Holdings Company: Time Oil - Former	\$3,957.13	\$3,561.42
FOR POSSIBLE ACTION	46.	2008000005	Avis Rent A Car System LLC: Avis Rent A Car	\$39,960.26	\$35,964.23
FOR POSSIBLE ACTION	47.	2008000017	Big Daddy's Oil LLC: Arco Am/pm Mini Market	\$16,396.00	\$12,869.10
FOR POSSIBLE ACTION	48.	2008000018	Jacksons Food Stores Inc.: Jacksons Food Stores #0145	\$10,245.34	\$9,220.80
FOR POSSIBLE ACTION	49.	2008000019	One Panou LLC: Golden Market #3	\$16,454.42	\$14,808.98

ONGOING CASES: CONTINUED

			<u>REQUESTED</u>	<u>RECOMMENDED</u>	
FOR POSSIBLE ACTION	50.	2009000017	D & J Holdings, LLC: Convenience Corner Shell	\$17,378.13	\$15,640.32
FOR POSSIBLE ACTION	51.	2009000028	Vegas Rainbows, Inc.: Mick & Mac's Food Mart	\$25,040.64	\$21,973.16
FOR POSSIBLE ACTION	52.	2010000001	Smitten Oil And Tire Co Inc.: The Gas Store	\$4,568.35	\$4,111.51
FOR POSSIBLE ACTION	53.	2010000005	7-Eleven Inc.: 7-Eleven #27071	\$19,446.10	\$17,501.49
FOR POSSIBLE ACTION	54.	2010000007	Pecos Express: Pecos Station	\$6,712.64	\$6,041.38
FOR POSSIBLE ACTION	55.	2010000010	Pacific Convenience & Fuels LLC: Victorian Foodmart	\$6,021.25	\$5,419.13
FOR POSSIBLE ACTION	56.	2011000006	7-Eleven Inc.: 7-Eleven #29384	\$11,798.78	\$10,618.90
FOR POSSIBLE ACTION	57.	2011000009	Cimarron West: Cimarron West	\$5,933.00	\$5,339.70
FOR POSSIBLE ACTION	58.	2012000003	7-Eleven Inc.: 7-Eleven #26627	\$9,272.67	\$6,676.33
FOR POSSIBLE ACTION	59.	2012000005	Aramark Corporation: Zephyr Cove Resort	\$1,578,676.70	\$1,420,546.02
FOR POSSIBLE ACTION	60.	2012000011	Golden Gate Petroleum Of Nevada LLC: Baldinis Grand Pavilion	\$9,135.62	\$8,222.06
FOR POSSIBLE ACTION	61.	2012000012	Dewey Has Gas, Inc.: Smart Mart	\$24,420.48	\$21,540.04
FOR POSSIBLE ACTION	62.	2013000003	7-Eleven Inc.: 7-Eleven #25586	\$15,843.67	\$14,259.30
FOR POSSIBLE ACTION	63.	2013000004	7-Eleven Inc.: 7-Eleven #29665	\$23,110.53	\$20,799.48
FOR POSSIBLE ACTION	64.	2013000005	R B Properties Inc.: South Pointe Market	\$5,022.53	\$4,520.28
FOR POSSIBLE ACTION	65.	2013000009	Western Petroleum: Western Petroleum	\$9,519.00	\$8,567.10
FOR POSSIBLE ACTION	66.	2013000011	Slots Unlimited, LLC: Village Shop #4	\$15,939.29	\$14,345.36
FOR POSSIBLE ACTION	67.	2013000019	Hardy Enterprises Inc.: Elko Sinclair #53	\$13,636.23	\$12,272.61
FOR POSSIBLE ACTION	68.	2013000021	7-Eleven Inc.: 7-Eleven #27700	\$7,941.41	\$7,147.27
FOR POSSIBLE ACTION	69.	2014000003	HRA Sierra, LLC: Former Luce & Sons	\$9,343.25	\$8,408.93
FOR POSSIBLE ACTION	70.	2014000004	Alsaker Corp: Broadway Colt Service Center	\$37,932.31	\$34,139.08
FOR POSSIBLE ACTION	71.	2014000007	7-Eleven Inc.: 7-Eleven #29658	\$20,945.88	\$18,851.29
FOR POSSIBLE ACTION	72.	2014000010	7-Eleven Inc.: 7-Eleven #29667	\$75,738.69	\$68,164.82
FOR POSSIBLE ACTION	73.	2014000016	Golden Gate S.E.T. Retail Of NV LLC: Golden Gate Fac. #65-Fallon	\$8,332.81	\$7,499.53
FOR POSSIBLE ACTION	74.	2014000025	Superior Campgrounds Of America LLC: Silver City Rv Resort	\$81,917.34	\$73,725.61
FOR POSSIBLE ACTION	75.	2014000033	Speedee Mart Inc.: Speedee Mart #108	\$93,348.75	\$82,599.52
FOR POSSIBLE ACTION	76.	2014000041	Forever Resorts: Callville Bay Resort Marina	\$20,425.00	\$18,382.50
FOR POSSIBLE ACTION	77.	2015000005	Elko Acquisitions LLC dba Red Lion Chevron: Red Lion Chevron	\$57,806.34	\$52,025.71
FOR POSSIBLE ACTION	78.	2015000013	7-Eleven Inc.: 7-Eleven #16896	\$5,914.01	\$5,322.61
FOR POSSIBLE ACTION	79.	2015000025	Blue Horizon Investments, Inc.: Horizon Market #5	\$17,444.90	\$15,700.41
FOR POSSIBLE ACTION	80.	2015000034	Town Of Gardnerville: Eagle Gardnerville	\$119,364.14	\$107,427.73
FOR POSSIBLE ACTION	81.	2016000005	Golden Gate S.e.t. Retail Of NV LLC: Golden Gate Fac. #65 - Fallon	\$11,069.46	\$9,962.51
FOR POSSIBLE ACTION	82.	2016000006	Wendover Fuels LLC: Chevron	\$745.00	\$536.40
FOR POSSIBLE ACTION	83.	2016000009	7-Eleven Inc.: 7-Eleven #13685	\$52,971.34	\$47,674.21

ONGOING CASES/OTHER PRODUCTS SUB TOTAL: \$3,481,281.33 \$3,173,448.85

CLAIMS TOTAL: REQUESTED RECOMMENDED
\$3,543,018.95 \$3,229,613.42

Ms. Tappan moved for approval of the consent items, Heating Oil, 1 through 5, New Cases, 1 & 2, and Ongoing Cases, 1 through 83 as listed. Ms. Lietz seconded the motion. Motion carried unanimously.

9. EXECUTIVE SUMMARY

Ms. King presented the Executive Summary. She informed the Board that since the inception of the Fund in 1989, 1,531 applications have been received for reimbursement. Of those, 173 cases were denied coverage and a total of 1,193 cases have been closed. Four applications are in pending status awaiting NDEP's review or additional information. There are currently 161 active remediation sites. Since January 1, 2016, NDEP has received 3 new applications.

Ms. King stated prior to this Board meeting, the Board approved approximately \$202.69 million for reimbursement to petroleum storage tank operators throughout Nevada for cleanup expenses. With the approval of approximately \$3.230 million today, the cumulative fund expenditure is approximately \$205.92 million. With respect to tank enrollment, the tank invoices were issued in August of last year. A total of 1,300 facilities were invoiced at \$100 per tank. As of February 24, 2016, 1,251 facilities, or approximately 98%, have submitted the required fees.

Ms. King updated the Board on the Petroleum Fund interactive database. The database was rolled out in its full capacity on Monday, December 12, 2016 with a very successful launch. There were a few bugs that the database developer, who works onsite, was able to address and fix in real time. Everything in the Boards' packets today has gone through the database in some aspect. In the last quarter, all of the coverage applications, NTEPs, claims, and the proof of payments were successfully received and processed electronically. NDEP is already realizing the efficiencies that the database is providing. NDEP has also received positive feedback from the CEMs with respect to efficiencies.

Chairman Ross congratulated NDEP. He said from his life experience, he believes the biggest problem the State of Nevada has is State Government. The State Government has outdated databases that result in inadequacies in almost every department. If the other State agencies are aware of what NDEP has accomplished, they must be extraordinarily envious.

Ms. King thanked Chairman Ross and gave credit to Ms. Slayden and Mr. Warner for their efforts in making the database successful. Ms. King stated that efficient government is good government.

Ms. King continued by stating that the Petroleum Fund program is continuing to realize efficiencies on a day-to-day basis, but just as important is the information that they will be able to extract from the database with respect to trends different reports that will be able to be generated. The new database will provide NDEP the tremendous ability to make informed decisions and help to further improve the program over the next several years and well into the future. Ms. King stated that she could not be more proud of how successful the database roll out was and how it will now support and facilitate the program.

Ms. King asked Mr. McRae to provide the Eagle Gas North Project update.

Mr. Jonathan McRae noted the Eagle Gas North Project is progressing through post-remediation groundwater monitoring events. The 1st quarter 2017 they had a 4th quarter monitoring event in 2016. In July the remediation system was deactivated. They are in post-mediation, marching towards the groundwater exemption process. They need at least four quarters of monitoring events to apply for that process. The results are still consistent with results since July, which is, the highest benzene concentration is in the well in the median of North Carson Street. It has been one of the highest ones since July.

MTBE was in six of the wells that were sampled; however, only one is above the state action level of 200 ug/L. That one is obviously in the middle of the median of North Carson Street and

that level is 220 ug/L. There is still some residual MTBE contamination at the Cal Ranch Shopping Center, but those concentrations are low, approximately 15, 9 and 11. Obviously, much lower than the 200 ug/L action level.

During the 4th quarter, the groundwater elevations have risen from one half to two feet because of our very wonderful winter, depending on where you live. The next quarterly sampling will occur at the end of this month.

Mr. McRae stated that NDEP switched their LUST/TRUST contractors. McGinley and Associates originally worked on the project. They are responsible for many of the wells, much of the soil and source removal and remediation. McGinley has been the driving force on this project as the LUST/TRUST contractor. Mr. McRae wanted to give McGinley & Associates much-needed recognition.

As of January 1, 2017, Broadbent & Associates became the new LUST/TRUST contractor and will be doing the quarterly monitoring events. Broadbent started the project with some wells in the initial phase of the project, several years ago, and will now complete the project. Both of our contractors did a lot of good work and hopefully this is going to be a posterchild for future remediation cases. He said this is what happens when money is spent at the correct spots and correct locations for a cleanup. With that he stated the amount that NDEP has spent so far is \$1.18 million.

Chairman Ross stated that is some great work. He said the collections department is probably going to move over to the Governor's Administration Office. Once it is finalized and in effect, we should get together with whomever the new person is that is in charge to see if we can get a new effort to retrieve the Fund's \$1.8 million.

10. PUBLIC COMMENTS

There were no requests to speak.

11. CONFIRMATION OF NEXT BOARD MEETING DATE

It was confirmed the next meeting date would be Thursday, June 8, 2017 at 10:00 am.

12. ADJOURNMENT

The meeting adjourned at 11:19 am.