

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

1. CALL TO ORDER

Vice-Chairman Ross 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 Department of Transportation, 123 E. Washington Ave., Training Room B and in Carson City at the Nevada Department of Transportation, 1263 S. Stewart St., Room 301.

A. BOARD MEMBERS PRESENT

Vice-Chairman George Ross, Representative of petroleum refiners
Dave Emme, Nevada Division of Environmental Protection
Maureen Tappan, Representative of the general public
Wayne Seidel, Department of Motor Vehicles
Peter Mulvihill, State Fire Marshal
Michael Cox, Representative of the independent retailers of petroleum

BOARD MEMBERS ABSENT

Chairman John Haycock, Representative of independent petroleum dealers

OTHERS PRESENT

Rose Marie Reynolds, State Attorney General's Office – Las Vegas
Jeff Collins, Greg Lovato, Steve Fischenich, Valerie King, Victoria Joncas, Don Warner,
Sandi Gotta, Johnathan McRae, Chad Schoop, Rex Heppe and Gail Dansby – Nevada
Division of Environmental Protection (NDEP)
James Smack Chief Deputy – State of Nevada Controller's Office
George Goodspeed – Bently Enterprises
Brett Bottenberg– McGinley & Associates
Keith Stewart – Stewart Environmental Inc.
Jon Bell – Broadbent & Associates, Inc.
Mike Nelson – Clark County Department of Aviation
Keith Houk – Converse Consultants
Rob Gegenheimer – Converse Consultants
Eric Ataman – High Desert Petroleum
Kathleen Johnson – The Westmark Group

2. PUBLIC FORUM

There were no requests to speak.

3. APPROVAL OF THE AGENDA

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

4. **APPROVAL OF THE DECEMBER 18, 2014 AND MARCH 11, 2015 MINUTES**

Mr. Mulvihill indicated that the December 18, 2014 minutes, on page 6, it reads, Vice-Chairman Ross asked if they needed a motion because Mr. Stewart withdrew his motion. The word “motion” should be struck and replaced with “request for reconsideration.” Mr. Mulvihill pointed out that Mr. Stewart stated he withdrew the motion. The word “motion” should also be struck from the minutes and replaced with “request for reconsideration.”

Mr. Mulvihill moved to approve the December 18, 2014 minutes with the two revisions on page 6. Mr. Emme seconded the motion.

Mr. Mulvihill also moved to approve the March 11, 2015 minutes, as submitted. Ms. Tappan seconded the motion. Both motions carried unanimously.

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 \$409,000 had been collected for storage tank enrollment. Approximately \$8.5 million was collected from the ¾ cent per gallon fee. Total cumulative revenue was \$16,509,151.91.

Ms. King reported the expenditures transferred to NDEP were upwards of \$1.4 million. The expenditure is a little higher due to our contractor who has been on board and developing our interactive data base. The transfer to DMV to administer the Petroleum fee was approximately \$12,000. The reimbursement of claims was approximately \$7.4 million. The cumulative expenditure was \$8,885,522.48.

Ms. King reported the liabilities for the Petroleum Board Costs were approximately \$10,880.00. The estimated transfer to the Highway fund at the end of the Fiscal Year will be approximately \$5 million. The transfer to NDEP is estimated at \$1.1 million. The pending obligated funds are approximately \$26,227.59. The total anticipated obligated funds is upwards of approximately \$6 million.

Ms. King reported the actual funding available is \$7,623,629.43

6. **SITE SPECIFIC BOARD DETERMINATION**

Proposed Site Specific Board Determination (SSBD) to Provide Third Party Liability Coverage to the Former National Car Rental, 5233 Rent A Car Road, Las Vegas, NV
Petroleum Fund ID No. 2004000039, Facility ID No. 8-000416

RECOMMENDATION: Adoption of SSBD No. C2015-01, as proposed, granting third party liability Fund coverage to the subject site for one underground storage tank system with a \$10,000 deductible.

Mr. Warner presented item number 6A, a Site Specific Board Determination No. C2015-01, which proposes to provide third-party liability coverage to former National Car Rental located at 5233 Rent-a-Car Road, Las Vegas, Nevada. It's Petroleum Fund Case ID No. 2004000039.

Mr. Warner stated that the Board previously approved this subject site, a subdivision of the State, owned by Clark County Department of Aviation for \$990,000, which represents \$1 million in fund coverage for one UST system, with a co-payment capped at \$10,000. As of this Board meeting, the subject site has been reimbursed \$990,000. Despite progress remediating the site, additional monies are needed to finish the corrective action activities at the site, including ground water remediation and sampling.

In accordance with Board Resolution 2007-10, Attachment A, which clarifies the policy regarding the use of third-party liability monies, the owner/operator has acknowledged that using third-party liability funds for corrective actions will reduce the remaining funds in the event of a third-party lawsuit, included in Attachment B in the Board packet. Fund staff, therefore, recommends that the subject facility receive 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.

Mr. Warner stated there is not a claim associated with this Site Specific Board Determination for this Board meeting. However, \$4,525.59 was denied from the previous claim because the \$1 million ceiling was surpassed.

Mr. Warner informed the Board those available to answer questions were him, a representative from Converse Consultants, a representative from the Clark County Department of Aviation, the NDEP case officer, Mr. Rex Heppe, LUST supervisor, Mr. Jonathan McRae, and the Petroleum Claims supervisor, Valerie King.

Mr. Mulvihill moved to approve Site Specific Board Determination C2015-01, as proposed. Mr. Cox seconded the motion.

7. CONTROLLER'S OFFICE – COLLECTION STATUS UPDATE

Mr. Smack Chief Deputy in the Nevada Controller's Office introduced himself. He provided an update to the Board regarding Eagle Gas North debt currently placed with the Nevada Controller's Office Debt Collection Division. He provided a brief history on the placement of this debt in his office. The account in question was referred to the Controller's Office in July of 2010 and was immediately placed with a collection agency in the Controller's Office that they no longer contract with. In August of 2011, the debt was recalled and placed under Linebarger, which is a collection agency that the Controller's Office contracts with currently. It was recalled again in 2013, January, and placed with Chapman. And finally, it was recalled in September 2013 and placed with ConServe, which is where it is still housed at this time. So far, through the four different collection agencies, there have been no dollars collected on this debt.

Mr. Smack stated the debt has a judgment attached to it against Eagle Gas, Mr. Mohammad Ahmad, and other companies that Mr. Mohammad is associated with. He discussed what was currently happening with the debt. He said in speaking with ConServe, they share with the Controller's Office the fact that they have left numerous messages at the business for Mr. Mohammad, but have not actually spoken to him. During a meeting with Ms. Katie Armstrong, Deputy Attorney General, and Mr. Greg Lovato from the Division of Environmental Protection, the Controller's Office was able to obtain a cell phone number that the Controller's Office had not previously had for Mr. Mohammad. The Controller's Offices provided the cell phone number to ConServe approximately a week ago and so far, ConServe has not reported anything further on this.

Mr. Smack said ConServe reported they have done a skip trace which yielded no new contact information. In addition, ConServe conducted an asset investigation, which shows the state has placed a lien on the property associated with the business. He quoted ConServe from their asset investigation, "Basic review of the premises shows the business is largely unspectacular in most regards." ConServe estimated the assets associated with the business to be approximately 15% of the amount due, which ConServe opined does not bode well for recovery.

During the meeting with Mr. Lovato and Ms. Armstrong, it was disclosed to the Controller's Office that Mr. Mohammed has been making payments on another debt with the Nevada Department of Environmental Protection. This was important information, since the Controller's Office now may recall the debt to their agency and work with Mr. Mohammed to set something similar up with this debt.

Mr. Smack stated that currently his debt collection department is in the midst of setting up an automated system for debt collection. This will bring the Controller's Office the in-house ability to do garnishments and bank levies, which they have not had before. In speaking with ConServe, they are not able to execute on judgments that were placed prior to placement with their agency, so ConServe has not had bank levy work or anything of that nature due to the restriction. However, Mr. Smack stated that his office should be able to work with the judgment to apply some additional pressure, up to and including a bank levy on his accounts. This is an option the Controller's Office intends to explore once the system upgrade is completed, which should be sometime later this summer.

Mr. Smack said in closing, during the research on this debt, his personal feeling is that not enough has been done to collect at least something on this debt. The last few months, since Controller Knecht took office and Mr. Smack was brought in as his deputy, they have been consumed with upgrading automated system. Once the system is in place, it is the intent of their team to review all large debts for recall and placement within the Controller's office. He said it will deliver not only a larger return on collections, since they will not be subject to the additional fees from the collection agency, but also more accountability for those debts and greater confidence in their ability to collect them vs. the manual, spreadsheet program they are currently using.

Mr. Smack said he will be the first to admit that debt collection, in general, is one of the greatest areas of opportunity for his agency and it is an area where he will personally be concentrating as well as Controller Knecht upon improving the overall operation going forward.

Mr. Smack said he was prepared at this point to answer any questions.

Vice-Chairman Ross thanked Mr. Smack and said that was very interesting. He said it is good to see the Controller's Office begin to act more aggressively on these issues, particularly this one which has been quite a sticking point for the organization, to say the least. Vice-Chairman Ross asked what kind of leverage the Controller's Office has besides having the leveraging ability to put a lien on the property. He asked if the Controller's Office can garnish his bank account or if they have any other leverage available to them.

Mr. Smack said the Controller's Office has more leverage on utilizing the judgment because the Controller's Office is actually part of the State of Nevada as opposed to an outside collection agency. In regards to the garnishment process, legislation just passed Senate Bill 26 that is going to make that a little bit more robust. However, garnishment is against wages, it is not necessarily against the business. Mr. Smack stated he believes the better approach may be the bank levy possibility or looking at setting up a payment plan like Mr. Mohammad already has with another debt, and trying to at least start getting something collected on the debt to show a good-faith effort on Mr. Mohammad's part to recognize that he owes the State money.

Mr. Smack stated it is unlikely the State will collect the entire \$1.6 million. If the State can get in the tens of thousands of dollars, that would be a start. Mr. Smack said he would like to start there. He would like to move towards a collection plan and get a monthly payment plan going with Mr. Mohammad. Mr. Smack stated he would rather use bank levies as a secondary option.

Vice-Chairman Ross stated the reason he asked about the leverage was that Mr. Mohammad seems to be a rather recalcitrant individual. Vice-Chairman Ross stated it appeared that Mr. Mohammad does not feel too much responsibility. Therefore, he wondered if there was some way to urge Mr. Mohammad to be a little more responsible.

Mr. Smack stated that the first time the Controller's Office hits his bank account and drains \$50,000.00, it might get his attention.

Mr. Seidel asked if the Controller's Office was connected with the Secretary of State as far as corporate licensing and annual licensing. Are there connections to his corporate status?

Mr. Smack stated that in regards to the business in question, the license has been revoked by the Secretary of State. The Controller's Office does not have direct relation, however, Mr. Smack did, in advance, look up the information regarding Eagle Gas and the license has been revoked. He stated Mr. Mohammad is currently operating under a couple other corporations, LLCs, within the state that the Controller's Office is aware of. He stated he would like to set Mr. Mohammad up with a payment plan similar to what he is doing with his other debt with the NDEP. Mr. Smack said that Mr. Mohammad is paying approximately \$500 a month. Mr. Smack would like to get more than \$500 a month on \$1.6 million.

Mr. Seidel asked if in the future Mr. Mohammad sets up another corporation, will he apply with the Secretary of State. Is that attached to the individual?

Mr. Smack said the way the judgment read when reviewed was that it is against the individual, it is against Eagle Gas and those 1 through 25 and corporations A through Z. Mr. Smack said he is not a lawyer but the way he would review that is that Controller's Office could probably go after any corporation that Mr. Mohammad is involved with to try and recover the money.

Mr. Seidel asked if that included future corporations.

Mr. Smack stated it did. The only caveat the State has is that the judgment expires in one year. Mr. Smack indicated he felt that Mr. Mohammad may be thinking he will run out the clock.

Mr. Smack was made aware that it sounds like the judgment will be reviewed, therefore, that is probably not going to be a realistic option for Mr. Mohammad.

Mr. Mulvihill asked what the nature of the claim is that Mr. Mohammad has with NDEP where he is making partial payments.

Mr. Lovato informed the Board that NDEP first took action to clean up the release at the site in August of 2013. NDEP needed to find out where the release locations were. In order to do that, NDEP had to do a tank system tightness test which required fuel in the tanks. Mr. Mohammad did not have enough fuel in the tanks so NDEP had to buy fuel and then later had to dispose of that fuel Mr. Mohammad is paying for the purchase of the fuel used for the tank tightness test.

Mr. Mulvihill thanked Mr. Lovato.

Vice-Chairman Ross thanked Mr. Lovato as well and stated that it is all actually tied in.

Mr. Lovato stated it was.

Vice-Chairman Ross told Mr. Smack that the Board certainly appreciated the work the Controller's office is doing, and hopefully it will be able to continue because it is a pretty substantial hit to the fund.

Mr. Smack agreed with Vice-Chairman Ross and thanked the Board for their time.

Mr. Cox asked what the current status is, noting he is aware that the amount is \$1.6 million. He asked how much more is needed to be done at the site.

Mr. Lovato said he believes that NDEP was planning on giving that update later. However, the update could be provided to the Board now. Mr. Lovato called Mr. McRae to speak.

Mr. McRae gave the Board an update regarding the Eagle Gas remediation system from February 15th to June 8th. He said as of right now, the SVE system has a runtime of approximately 85%. That is due to the minimal downtime because NDEP added an additional water treatment system. Approximately 105,000 gallons of water have been pumped through the water treatment system since startup, and to date, approximate amount of contamination captured is 1,800 pounds.

To date, the cost that we have invoiced and paid out of the \$1.6 million judgment is approximately \$926,451.78. At this point, NDEP still has one or two hot wells. He stated that NDEP will have more news regarding the remediation at Eagle Gas at the next Board meeting.

8. PETROLEUM FUND PROGRAM REFORMS

Ms. King informed the Board that NDEP held two program reform workshops. One was held in Reno and the other in Las Vegas. She was pleased to inform the Board that two of the Board members, Mr. Seidel and Mr. Mulvihill, attended the workshop in Reno. They were able to observe what NDEP was presenting and see how it was received. The Board members provided valuable input. She thanked them for attending the workshop.

Ms. King stated that prior to the workshop NDEP sent each of the Board members a notice and agenda with all of the items that would be discussed. She stated there were two proposed resolutions that were new and one existing resolution that will be modified. She said the two new resolutions are the bid policy resolution and the proof of payment resolution. The modified existing resolution is the CEM Cost Guidelines. She gave a summary to the Board regarding the three resolutions.

Ms. King began with the bid policy resolution. In general, she felt it was well-received. She stated that currently the process is for bids to be obtained, the bidder selected, the work done, and the claims eventually submitted to NDEP with the bid information. That is where NDEP has the first opportunity to review all the information. What NDEP is proposing in this resolution is that when a selected bid is greater than \$25,000, the bid packet will be submitted to NDEP prior to the work being done. NDEP will have an opportunity to review the packet and object if there is something that raises a red flag. NDEP is also introducing the requirement for certification statements. She said certifications would be signed by the contractor, owner, and the CEM.

Ms. King said the stakeholders were generally amenable to this proposed resolution. The greatest concern was the ineligible contractor cost list. Many stated they need to be better defined. If a contractor is going to certify that he/she did not include those costs in his/her bid, the contractor needs to have a better understanding of what those costs are so that everyone has the same expectations. Ms. King gave a quick example. One of the ineligible contractor costs brought up during the meeting was excessive markup over customary and usual rates. That is a subjective term and needs to be addressed. She stated she believed the proposed resolution would be presented at the September Board meeting for adoption.

Ms. King next addressed the proof of payment resolution. The proposed resolution is in response to two existing regulatory citations that address proof of payment. The first regulation states that when the Fund pays an owner, the owner has 30 days from that date to make payments to his/her contractors who conducted the work. If the owner does not pay, then he/she must refund that money back to the Fund. The second regulatory citation is proof of payment, ensuring proof that payment happened. NDEP is required, by regulation, to receive proof that everyone was paid within that same 30-day time period.

Ms. King stated NDEP is proposing that when an owner receives money and does not pay his/her consultant/contractor within 30 days, he/she has to refund that money back to the Fund. However, as soon as the owner does pay his/her consultant/contractor, he/she can resubmit the claim associated with the refund for payment. Until the refund is made, all subsequent claims for that case will not be brought to the Board for payment.

Ms. King said the other regulation requires documentation of proof of payment that the CEM's, are within 30 days. The workshops brought out the fact that 30 days is too short and should be extended perhaps 45-60 days. What NDEP is looking for is that the consultants/contractors receive payment within the 30 days, not necessarily that NDEP receive the documentation stating payment was received. This will require a modification of the regulation, not a resolution, for the extension of time which will be presented to this Board for adoption at a later date.

Ms. King went over the proposed changes to the CEM Cost Guideline Resolution Amendments relating to the following items: NTEP submittal requirements, written records retention, timesheets and reimbursable costs versus non-reimbursable costs.

Ms. King said the overall response was positive. NDEP believes it will not be asking for timesheets; however, NDEP will require timesheets to be retained for review, should NDEP request them. NDEP will do more research on what type of records must be retained for inspection. Ms. King said NDEP believes it will bring this Resolution to the next Board meeting in September for adoption.

Ms. King said overall the workshops were a success.

NDEP was able to work with Water Resources to allow for CEUs (Continuing Education Units) for the well drillers who attended. She said the turn-out was good. There were approximately 20 attendees at each venue. It was a collaborative effort and NDEP received great feedback. She said NDEP needs to take the constructive feedback and make revisions for another review by the Stakeholders.

Vice Chairman Ross thanked Ms. King. He asked if anyone had any questions or comments for Ms. King.

Ms. Tappan asked if it was feasible for the Fund to write the check directly to a contractor when an owner does not pay within 30 days of receiving Fund money so they are not waiting another 30 days for reimbursement.

Ms. King said that question had come up during the workshops. She said there are things that can possibly be done in regards to the vendor form that may allow payments to go directly to another person instead of the owner; however, that is an agreement between the owner and the consultant.

Mr. Emmy asked, in terms of process, if NDEP will be bringing the bid process resolution to the next Board meeting, and in the meantime, working on the proof of payment.

Ms. King stated he was correct.

Vice Chairman Ross asked if there were any other comments or any other questions. There were none. He then thanked NDEP and Ms. King.

9. 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 – JUNE 11, 2015**

HEATING OIL

			<u>REQUESTED</u>	<u>RECOMMENDED</u>	
FOR POSSIBLE ACTION	1.	1992000102H	Lyon County School District: Yerington Elementary	\$4,183.30	\$3,764.97
FOR POSSIBLE ACTION	2.	2007000013H	Churchill County School District: Bus Barn	\$11,234.91	\$11,234.91
FOR POSSIBLE ACTION	3.	2012000017H	Churchill Co. School District: Old High School	\$22,414.03	\$22,414.03
FOR POSSIBLE ACTION	4.	2013000012H	Roger & Gemma Mateossian: Mateossian Residence	\$2,963.62	\$2,963.62
FOR POSSIBLE ACTION	5.	2013000015H	Gary Cornwall: Gary Cornwall Property	\$1,853.50	\$1,853.50
FOR POSSIBLE ACTION	6.	2014000021H	Town of Gardnerville: Former Eagle Gas - Gardnerville	\$5,805.50	\$5,805.50
FOR POSSIBLE ACTION	7.	2014000022H	Sanders Winnemucca, LLC: Ace Hardware	\$6,217.65	\$6,217.65
FOR POSSIBLE ACTION	8.	2014000035H	Jay Olcott: Olcott Residence	\$19,437.22	\$18,485.09
FOR POSSIBLE ACTION	9.	2015000006H	Veterans Guest House, Inc.: Residence	\$8,919.38	\$8,669.38
FOR POSSIBLE ACTION	10.	2015000008H	Airport Gardens Investors: Airport Gardens	\$9,780.10	\$8,802.09
FOR POSSIBLE ACTION	11.	2015000012H	Randy Lamb: Lamb Residence	\$8,778.00	\$8,528.00
FOR POSSIBLE ACTION	12.	2015000015H	Jean Knowles: Knowles Residence	\$9,930.22	\$9,680.22
			HEATING OIL SUB TOTAL:	<u>\$111,517.43</u>	<u>\$108,418.96</u>

NEW CASES, OTHER PRODUCTS

			<u>REQUESTED</u>	<u>RECOMMENDED</u>	
FOR POSSIBLE ACTION	1.	2014000041	Callville Bay Resort Marina: Callville Bay Resort	\$155,334.68	\$130,176.06
FOR POSSIBLE ACTION	2.	2014000042	TCA/TA Operations, LLC: Petro Stopping Center #338	\$55,792.44	\$50,213.20
FOR POSSIBLE ACTION	3.	2015000001	Bently Enterprises: Cowboys Corner	\$24,798.03	\$22,318.23
FOR POSSIBLE ACTION	4.	2015000005	Red Lion Hotel & Casino: Red Lion Chevron	\$39,406.10	\$35,465.49
FOR POSSIBLE ACTION	5.	2015000007	Jackson's Food Stores: Jackson's Food Store #19	\$5,405.62	\$4,865.06

NEW CASES, OTHER PRODUCTS SUB TOTAL:**\$280,736.87****\$243,038.04****ONGOING CASES/OTHER PRODUCTS**

			<u>REQUESTED</u>	<u>RECOMMENDED</u>	
FOR POSSIBLE ACTION	1.	1993000103	Russell Yardley: Charlie Brown Construction	\$7,348.85	\$7,201.87
FOR POSSIBLE ACTION	2.	1993000115	City of Fallon: Former Bootlegger Texaco	\$5,072.55	\$5,072.55
FOR POSSIBLE ACTION	3.	1994000003	Allied Washoe: Allied Petroleum	\$6,353.37	\$6,353.37
FOR POSSIBLE ACTION	4.	1994000037	Param Investment, LLC: Kanu Patel	\$20,580.55	\$18,440.80
FOR POSSIBLE ACTION	5.	1994000067	Peppermill, Inc.: Former Peppermill Truckstop	\$3,250.00	\$3,250.00
FOR POSSIBLE ACTION	6.	1994000113	Pilot Travel Centers, LLC: Former Unocal Truck Stop	\$34,325.31	\$34,325.31
FOR POSSIBLE ACTION	7.	1994000122	Mike's Gas-A-Mart: Mike's Gas-A-Mart	\$3,532.58	\$3,532.58
FOR POSSIBLE ACTION	8.	1995000012	N Nevada Asset Holdings LLC: Parker's Model T	\$17,910.11	\$16,119.10
FOR POSSIBLE ACTION	9.	1995000039	Al Park Petroleum, Inc.: Crescent Valley Market	\$23,363.04	\$21,026.74
FOR POSSIBLE ACTION	10.	1995000042	FBF Inc. dba Gas For Less: Gas For Less	\$6,390.00	\$14,046.68
FOR POSSIBLE ACTION	11.	1995000074	Vera Hester: Glendale Service Facility	\$14,263.50	\$12,837.15
FOR POSSIBLE ACTION	12.	1996000064	H&A Esslinger, LLC: Red Rock Mini Mart	\$36,539.50	\$35,443.31
FOR POSSIBLE ACTION	13.	1996000101	Phillips 66 Company: Circle K #695	\$21,850.32	\$18,560.54
FOR POSSIBLE ACTION	14.	1996000102	Phillips 66 Company: Circle K #542	\$3,171.57	\$2,283.53
FOR POSSIBLE ACTION	15.	1997000008	Ewing Brothers, Inc.: Ewing Brothers Facility	\$3,447.50	\$3,102.75
FOR POSSIBLE ACTION	16.	1997000071	7-Eleven, Inc.: 7-Eleven #25586	\$23,738.35	\$21,364.51
FOR POSSIBLE ACTION	17.	1998000046	Willdens Automotive Holdings: Frmr Allstate Rent A Car	\$107,406.76	\$91,086.46
FOR POSSIBLE ACTION	18.	1998000068	Phillips 66 Company: Conoco #28003	\$28,617.61	\$27,704.80
FOR POSSIBLE ACTION	19.	1999000014	Al Park Petroleum: Conoco Pit Stop #7	\$21,670.84	\$19,503.75
FOR POSSIBLE ACTION	20.	1999000022	Terrible Herbst: Terrible Herbst #129	\$4,995.00	\$4,495.50
FOR POSSIBLE ACTION	21.	1999000029	Terrible Herbst Oil Company: Terrible Herbst #136	\$12,467.38	\$11,100.94
FOR POSSIBLE ACTION	22.	1999000048	Estate of Robert Cowan: Former Lightning Lube	\$14,236.46	\$13,416.46
FOR POSSIBLE ACTION	23.	1999000052	Estate of Martin T Wessel: Ted's Chevron	\$22,677.02	\$20,409.32
FOR POSSIBLE ACTION	24.	1999000064	Al Park Petroleum, Inc.: Conoco Pit Stop	\$7,876.64	\$7,088.97
FOR POSSIBLE ACTION	25.	1999000066	HP Management LLC: Former Haycock Petroleum	\$10,443.00	\$9,398.70

ONGOING CASES/OTHER PRODUCTS: CONTINUED

			<u>REQUESTED</u>	<u>RECOMMENDED</u>	
FOR POSSIBLE ACTION	26.	1999000086	Terrible Herbst Oil Company: Terrible Herbst #126	\$9,736.40	\$8,762.76
FOR POSSIBLE ACTION	27.	1999000090	HP Management LLC: Former Haycock Petroleum	\$19,271.25	\$17,344.13
FOR POSSIBLE ACTION	28.	1999000114	City of Fallon: Fallon Maintenance Yard	\$5,264.95	\$4,738.44
FOR POSSIBLE ACTION	29.	1999000135	Terrible Herbst Oil Company: Terrible Herbst #106	\$11,826.87	\$10,542.47
FOR POSSIBLE ACTION	30.	1999000137	Terrible Herbst Oil Company: Terrible Herbst #152	\$9,017.11	\$8,033.73
FOR POSSIBLE ACTION	31.	1999000167	City of Las Vegas: Fire Station #1	\$5,974.41	\$5,974.41
FOR POSSIBLE ACTION	32.	1999000186	Gloria Gayle Pilger: Former D&G Oil Facility	\$39,229.50	\$35,306.55
FOR POSSIBLE ACTION	33.	1999000199	Mary Ann Ferguson: Lakeshore Orbit Station	\$53,948.03	\$53,828.03
FOR POSSIBLE ACTION	34.	1999000257	University of Nevada: Newlands Agriculture	\$15,241.33	\$15,241.33
FOR POSSIBLE ACTION	35.	1999000273	V.K. Leavitt: The Waterhole	\$36,989.68	\$33,290.71
FOR POSSIBLE ACTION	36.	2004000011	TA Operating LLC: Four Way Truck Stop	\$11,927.74	\$10,532.47
FOR POSSIBLE ACTION	37.	2005000002	Carson Valley Oil Co., Inc.: Carson Valley Oil	\$11,914.58	\$10,723.12
FOR POSSIBLE ACTION	38.	2005000025	Bordertown, Inc.: Winner's Corner	\$3,090.90	\$2,781.81
FOR POSSIBLE ACTION	39.	2005000029	Phillips 66 Company; Circle K #1302	\$0.00	\$24,657.45
FOR POSSIBLE ACTION	40.	2005000036	Phillips 66 Company; Circle K #1791	\$2,700.68	\$1,944.48
FOR POSSIBLE ACTION	41.	2005000044	Ewing Brothers, Inc.: Ewing Brothers Facility	\$19,769.18	\$16,013.04
FOR POSSIBLE ACTION	42.	2007000014	Ace Cab Company: Ace Cab Company	\$31,666.14	\$27,973.02
FOR POSSIBLE ACTION	43.	2007000016	TOC Holdings Company: Former Time Oil #6-100	\$5,257.55	\$4,731.79
FOR POSSIBLE ACTION	44.	2008000009	Pilot Travel Centers, LLC: Flying J Travel Plaza	\$22,801.78	\$16,417.28
FOR POSSIBLE ACTION	45.	2008000017	Francois Alvandi: Flamingo AM/PM #82153	\$20,659.50	\$11,156.13
FOR POSSIBLE ACTION	46.	2008000018	Jacksons Food Stores, Inc.: Former Terrible's #830	\$14,965.89	\$16,331.44
FOR POSSIBLE ACTION	47.	2008000019	One Panou, LLC: Stop N Shop #2	\$24,560.22	\$22,104.19
FOR POSSIBLE ACTION	48.	2009000017	D&J Holdings, LLC: Convenience Corner Shell	\$17,649.60	\$15,884.64
FOR POSSIBLE ACTION	49.	2009000024	Parampreet Investments, Chuck's Circle C	\$10,184.62	\$9,166.16
FOR POSSIBLE ACTION	50.	2009000028	Vegas Rainbows, Inc.: Mick & Mac's Food Mart	\$24,516.29	\$21,513.05
FOR POSSIBLE ACTION	51.	2010000001	Smitten Oil & Tire Company: The Gas Store	\$5,590.00	\$5,031.00
FOR POSSIBLE ACTION	52.	2010000007	Pecos Express, Inc.: Pecos Express	\$18,958.76	\$19,913.85
FOR POSSIBLE ACTION	53.	2010000010	Pacific Convenience & Fuel: Victorian Food Mart	\$5,492.00	\$4,942.80
FOR POSSIBLE ACTION	54.	2011000007	Echo Bay Marina, LLC: Echo Bay Marina	\$8,205.04	\$7,384.54
FOR POSSIBLE ACTION	55.	2011000009	Cimarron West: Cimarron West	\$7,062.09	\$6,355.88
FOR POSSIBLE ACTION	56.	2012000005	ARAMARK Corporation: Zephyr Cove Resort	\$24,759.11	\$22,154.06
FOR POSSIBLE ACTION	57.	2012000011	Golden Gate Petroleum: Baldini's Grand Pavilion	\$6,027.71	\$5,424.94
FOR POSSIBLE ACTION	58.	2012000012	Dewey Has Gas, Inc.: Smart Mart	\$23,408.63	\$21,067.76
FOR POSSIBLE ACTION	59.	2012000020	Francois Alvandi: Charleston AM/PM #85155	\$4,184.75	\$3,766.27
FOR POSSIBLE ACTION	60.	2012000023	Bently Enterprises, LLC.: Cowboys Corner	\$577.50	\$519.75

ONGOING CASES/OTHER PRODUCTS: CONTINUED

				<u>REQUESTED</u>	<u>RECOMMENDED</u>
FOR POSSIBLE ACTION	61.	2013000003	7-Eleven, Inc.: 7-Eleven #25586	\$23,738.34	\$21,364.51
FOR POSSIBLE ACTION	62.	2013000004	7-Eleven, Inc.: 7-Eleven #29665	\$31,206.25	\$27,775.66
FOR POSSIBLE ACTION	63.	2013000005	RB Properties, Inc.: South Pointe Market	\$14,031.74	\$12,628.57
FOR POSSIBLE ACTION	64.	2013000009	Western Petroleum: Western Petroleum	\$23,339.45	\$21,005.51
FOR POSSIBLE ACTION	65.	2013000010	Slots Unlimited, LLC, Village Shop #2	\$7,680.00	\$5,529.60
FOR POSSIBLE ACTION	66.	2013000011	Slots Unlimited, LLC, Village Shop #4	\$25,656.40	\$15,204.28
FOR POSSIBLE ACTION	67.	2013000013	7-Eleven, Inc.: 7-Eleven #25156	\$10,223.37	\$9,201.04
FOR POSSIBLE ACTION	68.	2013000019	Hardy Enterprises, Inc.: Sinclair Mini-Mart	\$28,477.58	\$25,629.82
FOR POSSIBLE ACTION	69.	2014000003	Sterling-UN Reno, LLC: Former Luce & Sons	\$2,592.50	\$2,315.70
FOR POSSIBLE ACTION	70.	2014000004	Alsaker Corporation: Broadway Colt Service Center	\$31,453.45	\$28,308.11
FOR POSSIBLE ACTION	71.	2014000010	7-Eleven, Inc.: 7-Eleven #29667	\$28,514.58	\$25,663.12
FOR POSSIBLE ACTION	72.	2014000016	Fran Smitten: Smedley's Chevron	\$11,835.00	\$10,651.50
FOR POSSIBLE ACTION	73.	2014000020	Ken & Bonnie Goodness: Waterhole Truck Plaza	\$1,192.50	\$1,073.25
FOR POSSIBLE ACTION	74.	2014000025	Superior Campgrounds of America: Silver City RV Resort	\$8,885.13	\$4,797.98
FOR POSSIBLE ACTION	75.	2014000033	Speedee Mart, Inc.: Speedee Mart #108	\$4,101.00	\$3,690.90

ONGOING CASES/OTHER PRODUCTS SUB TOTAL: \$1,246,884.89 \$1,143,558.72

REQUESTED RECOMMENDED
CLAIMS TOTAL: \$1,639,139.19 \$1,495,015.72

Mr. Cox informed the Board that under Ongoing Cases C, item number 3, relative to Allied Washoe, he is the principle owner of the company and his vote will therefore not relate to that item.

Mr. Mulvihill moved for approval of the consent items, Heating Oil, 1 through 12, New Cases/Other Products, 1 through 5, and Ongoing Cases/Other Products, 1 through 75. Mr. Seidel seconded the motion. Motion carried unanimously.

10. EXECUTIVE SUMMARY

Ms. King presented the Executive Summary. She informed the Board that since the inception of the Fund in 1989, 1,489 applications have been received for reimbursement. Of those, 126 cases were denied coverage and a total of 1,139 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 173 active remediation sites. Since January 1st of this year, 15 new cases have been received by NDEP for evaluation of Fund coverage.

Prior to this Board meeting, the Board approved approximately \$189.8 million. With the approval of approximately \$1.5 million today, the cumulative fund expenditures are approximately \$191.3 million. With respect to tank enrollment, the tank invoices were issued in August of last year. A total of 1,401 facilities were invoiced at \$100 per tank. Out of those, 1,321 facilities, or approximately 94% have submitted the required fees.

Ms. King updated the Board about the contractor who is developing the interactive database. The contractor started last summer and NDEP is anticipating the database to be rolled out next summer. She said for this enrollment cycle, NDEP is going live with just the enrollment module and NDEP will have active users beginning August. During the workshops she asked attendees to volunteer to be beta testers. Only one person was interested. NDEP is excited to get started on the enrollment module of the database.

Ms. King informed the Board that the Attorney General's office has contracted with Lewis Roca Rothgerber, which is a law firm. She informed the Board that there is no cost to the Fund for them to look at big oil companies who, in other states, have used the other states' petroleum fund in addition to their own insurance to pay for the same remediation costs. That is known as double-dipping. Because those same oil companies have done business in the State of Nevada, the law firm approached Nevada and asked if we would be interested in having the law firm look at our files to see if the same activities have happened in Nevada. The Attorney General's office consequently contracted with the law firm. NDEP thought the law firm had reviewed all the records they needed; however, it turned out the law firm is still looking for more documents. NDEP is engaged and trying to help them find some of those documents.

Mr. Lovato updated the Board on SB 89 now that the legislature is over. He said Senate Bill 89 was passed this legislative session and was signed by the governor. NDEP sponsored the bill that is related to NDEP-lead clean-up projects under NRS 590 which are funded by the Petroleum Fund. These projects are directly managed by NDEP as opposed to owner/operator-lead projects that received reimbursements approved by this Board. NDEP takes the lead on cleanups in case of a release that requires attention. This can be either a growing or uncontrolled plume where the owner/operator is unable or unwilling to complete cleanup. This has been a rare activity historically since the Fund's inception in 1989. Most recently is the case of Eagle Gas North which began in August 2013. In cases such as these, the statute requires NDEP to seek cost recovery.

Mr. Lovato said the existing statutes specify the amount that can be used by NDEP is \$250,000 per discharge per year. Because one tank system could have multiple release points, this could amount to varying amounts for different tank systems. At the October 2013 Legislative Interim Finance Committee (IFC), NDEP sought approval of the Budget Authority of \$2 million to clean up eight separate leaks at the Eagle Gas North site. This generated questions regarding how the \$250,000 cap would apply and the IFC requested NDEP clarify the statute.

SB 89 makes two main changes to the Petroleum Fund statute. First, the new language places a statutory cap at \$2 million statewide per year for all releases, total, unless the IFC approves an increase. As is the requirement now, NDEP will continue to be required to seek Budgetary Authority to access these funds both above and below the \$2 million cap.

Mr. Lovato said the second change to the statute is the expansion of the contaminants that can be cleaned up to include petro chemicals, which is defined to include the dry cleaning solvent perchloroethylene, or, PCE. The intent is to provide funding for cleaning up certain high-priority dry cleaning sites where the responsible party is unable or unwilling to conduct the cleanup in a timely manner. Several of these sites have the potential to impact commercial areas, residential neighborhoods and municipal drinking water wells. NDEP has identified 15 sites across the state that may be eligible. One of the highest-priority sites is the old Mercury Cleaners site located across from the legislature on Carson Street. He pointed out that the statute will require NDEP cost recovery.

Mr. Lovato said supporters of the bill included NDOT, the Nevada Petroleum Marketers and Convenient Store Association, the Washoe County Remediation District and the Nevada Conservation League. The next steps for NDEP will be to take a look at the logistics, timing, NDEP's budget authority and resources to come up with a plan for prioritizing the sites on a list. He stated that as NDEP moves forward with Eagle Gas, NDEP will be reporting the status to the Board during the quarterly meetings.

Vice-Chairman Ross stated these sites need to be cleaned up and NDEP has the appropriate skills to tackle it. He thanked and complimented NDEP and thanked Mr. Lovato for the report.

Mr. Lovato wanted to inform the Board of another update regarding the legislative session. Specifically, the Department of Agriculture sponsored Bill AB 77. They consolidated their statutes that are in NRS 590, which currently contains the Petroleum Fund statutes. They moved the Petroleum Fund sections out of NRS 590 and into a new chapter, 445C, without change to the sections. He said the Board will see some references to Chapter 445C instead of 590 when the changes are made.

Vice-Chairmen Ross said he appreciated Mr. Lovato informing the Board.

11. PUBLIC FORM

There were no other requests to speak.

12. CONFIRMATION OF NEXT BOARD MEETING DATE

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

13. ADJOURNMENT

The meeting adjourned at 10:52 am.