

**STATE OF NEW MEXICO ENVIRONMENT DEPARTMENT
STORAGE TANK COMMITTEE MEETING
Old PERA Building, Second Floor
1120 Paseo de Peralta, Santa Fe, NM**

November 18, 2015 Minutes

The meeting of the Storage Tank Committee was called to order by Dana Bahar, Acting Chair, at 10:02 a.m.

Members Present:

Dana Bahar, Acting Chair for Kathryn Roberts
Benjamin Hodges, STC Member
Brent Neil, STC Member
Jeff Scarbrough, STC Member
Stephen McLin, STC Member

Ryan Briggs, STC Member Absent

Others Present:

Lorena Goerger, NMED/PSTB
Kalvin Martin, NMED/PSTB
Antonette Cordova, NMED/PSTB
Micaela Fierro, NMED/PSTB
Roberta Vigil, NMED
Jennifer Fullam, NMED/PSTB
Bonney Hughes, NMED/PSTB
Albert Dye, Los Alamos National Lab
Ruben Baca, NM Petroleum Marketers' Assoc.
Eileen Marcillo, Intera
Jenice Gallegos, AMEC FW
Matt Earthman, Souder Miller & Associates

Item #1 ROLL CALL

Roll call was taken and it was determined that a quorum was present.

Item #2 APPROVAL OF THE AGENDA

The Acting Chair called for a motion to approve the agenda. Stephen McLin moved to approve the agenda, and Brent Neil seconded the motion. Approval of the agenda was passed unanimously.

Item #3 APPROVAL OF THE MINUTES

The Acting Chair called for a motion to approve the April 15, 2015 minutes. Stephen McLin moved to approve the minutes and Benjamin Hodges seconded the motion. Approval of minutes was passed unanimously.

Item #4 REMEDIAL ACTION SITES UPDATE

Ms. Lorena Goerger, Remedial Action Program Manager, reported on the *January, February, March, April, May, and June 2015* workplan spreadsheets. Workplan approvals are summarized below by month.

January 2015

<u>Responsible Party</u>		<u>State Lead</u>	
28	\$714,973.64	6	\$229,385.38
<u>Addendums</u>		<u>Addendums</u>	
3	\$ 57.54	0	\$.0
Total	\$715,031.18	Total	\$229,385.38
GRAND TOTAL	\$944,416.56		

Ms. Goerger stated that most of the expenditures were for continued monitoring at sites.

February 2015

<u>Responsible Party</u>		<u>State Lead</u>	
34	\$715,201.61	4	\$76,136.14
<u>Addendums</u>		<u>Addendums</u>	
4	\$ 103.13	0	\$.0
Total	\$715,304.74	Total	\$76,136.14
GRAND TOTAL	\$791,440.88		

Ms. Goerger stated that most of the expenditures were for continued monitoring at sites.

March 2015

<u>Responsible Party</u>		<u>State Lead</u>	
31	\$1,044,369.96	4	\$152,293.68
<u>Addendums</u>		<u>Addendums</u>	
9	\$ 285.76	0	\$.0
Total	\$1,044,655.72	Total	\$152,293.68
GRAND TOTAL	\$1,196,949.40		

Ms. Goerger stated that in March, there was one large workplan approval to assess a site for a remediation system.

April 2015

<u>Responsible Party</u>		<u>State Lead</u>	
48	\$1,308,526.07	3	\$38,775.99
<u>Addendums</u>		<u>Addendums</u>	
3	\$ 142.20	0	\$.0
Total	\$1,308,668.27	Total	\$38,775.99
GRAND TOTAL	\$1,347,444.26		

Ms. Goerger stated that in April, there was one larger approval for a remediation system modification.

May 2015

<u>Responsible Party</u>		<u>State Lead</u>	
6	\$1,767,881.86	0	\$
<u>Addendums</u>		<u>Addendums</u>	
5	\$ 61.77	0	\$.0
Total	\$1,767,943.63	Total	\$
GRAND TOTAL		\$1,767,943.63	

Ms. Goerger stated that a large portion of the expenditures in May were for a dig and haul in Cimarron, which has been completed.

June 2015

<u>Responsible Party</u>		<u>State Lead</u>	
31	\$849,710.81	5	\$270,291.20
<u>Addendums</u>		<u>Addendums</u>	
11	\$ 174.54	0	\$.0
Total	\$849,885.35	Total	\$270,291.20
GRAND TOTAL		\$1,502,571.02	

Ms. Goerger stated that a large number of these expenditures were for monitoring at sites.

(The entire monthly reports are available at www.env.nm.gov/ust/ustcom.html.)

Item #5 CORRECTIVE ACTION FUND UPDATE

In the absence of Ms. Delia Flores, the Reimbursement Section Manager, Ms. Goerger presented the Corrective Action Fund updates for the months of *January, February, March, April, May and June 2015*.

January 2015:

Beginning Cash	\$16,382,049	Reserve	\$1,000,000
Loading Fee	\$1,584,029	Work plan liabilities	\$11,848,350
Payments	(\$487,569)	Unobligated balance	\$4,110,962
Adjustment to cash	28,416		
Due From FY14	\$169,449		
Utilities	(\$528)		
Operating Transfers	(\$716,533)	Ending Cash	\$16,959,312

February 2015:

Beginning Cash	\$16,959,312	Reserve	\$1,000,000
Loading Fee	\$1,599,551	Work plan liabilities	\$12,021,672
Payments	(\$557,733)	Unobligated balance	\$4,263,703
Adjusting journal entry	\$900		
Utilities	(\$121)		
Operating Transfers	(\$716,533)	Ending Cash	\$17,285,375

March 2015:

Beginning Cash	\$17,285,375	Reserve	\$1,000,000
Loading Fee	\$1,643,189	Work plan liabilities	\$11,521,424
Payments	(\$1,640,303)	Unobligated balance	\$4,049,666
Utilities	(\$638)		
Operating Transfers	(\$716,533)	Ending Cash	\$16,571,089

April 2015:

Beginning Cash	\$16,571,089	Reserve	\$1,000,000
Loading Fee	\$1,413,069	Work plan liabilities	\$11,557,005
Payments	(\$1,198,300)	Unobligated balance	\$3,516,129
Warrant	\$4216		
Due back to CAF	\$345		
Utilities	(\$752)		
Operating Transfers	(\$716,533)	Ending Cash	\$16,073,134

May 2015:

Beginning Cash	\$16,073,134	Reserve	\$1,000,000
Loading Fee	\$1,644,920	Work plan liabilities	\$12,327,108
Payment	(\$928,262)	Unobligated balance	\$2,745,813
Utilities	(\$337)		
Operating Transfer	(\$716,533)	Ending Cash	\$16,072,921

June 2015:

Beginning Cash	\$16,072,921	Reserve	\$1,000,000
Loading Fee	\$1,601,338	Work plan liabilities	\$12,089,550
Payment	(\$1,304,307)	Unobligated balance	\$2,563,784
Overpayment	\$209		
Utilities	(\$294)		
Operating Transfer	(\$716,533)	Ending Cash	\$15,653,334

Ms. Goerger directed the committee's attention to the second page of each month's report, which shows a breakdown of House Bill 19 operating transfers.

(The entire monthly report is available at www.env.nm.gov/ust/ustcom.html.)

Mr. Hodges asked about the \$169,449 deposit in January 2015. Bureau staff responded that it was unexpended program funds from FY14 that are returned to the fund. Ms. Bahar clarified that this occurs once a year based on the previous fiscal year's expenditures. That is, there may be a return to the fund in FY16 based on FY15 expenditures and if so the funds will be returned around January to March time frame.

Mr. McLin asked if there were no operating transfers for the month of September. In the event that an Operating Transfer Draw does not occur one month, it is usually transferred the following month as is reflected in Operating Transfer Draw for month of October.

Ms. Bahar asked for the current unobligated balance. Ms. Goerger stated that the unobligated balance as of the end of October was approximately \$1,500,000.

Item # 6 PREVENTION AND INSPECTION UPDATE

Mr. Calvin Martin, Prevention Inspection Program Manager, updated the Committee as follows.

Prevention Inspection Program

Mr. Martin referred to the updated Petroleum Inspector Districts handout that was part of the committee and public packet.

The Program has 12 inspector positions statewide and a Compliance Assistance Coordinator in Santa Fe. One of the inspector positions in Las Cruces is vacant and is in the process of being filled. The vacant position in Roswell has been filled.

Mr. Martin summarized the following compliance statistics:

Facility/Tank Statistics

UST Facilities	1,228	Active USTs	3,259
AST Facilities	582	Active ASTs	1,302
Total Facilities	1,784	Total tanks	4,561

Number of tanks closed between 4/1/2015 and 9/30/2015: 78

Number of Compliance Inspections between April 1, 2015 and September 30, 2015:

UST Inspections	276
AST Inspections	89
Total	365

Significant Operational Compliance (SOC) violations:

SOC violations are reported violations that could potentially lead to a release if not corrected. SOC violations are generally the same as Class A and B violations that trigger delivery prohibition enforcement: corrosion protection, overfill and spill prevention, and release detection. SOC compliance rates (identified as snapshots) are reported to EPA as part of our annual reporting requirements for USTs only.

SOC Compliance rates April 1, 2015 – September 30, 2015:

USTs	61% (108/276 facilities were issued Class A or B violations)
ASTs	74% (23/89 facilities were issued Class A or B violations)

Overall compliance rate after corrections are made and Certificate of Compliance is issued between April 1, 2015 – September 30, 2015

USTs	69% (Compliance rate increased because an additional 11% (23 facilities) came into compliance)
ASTs	74% (Based on similar criteria that is used to measure UST compliance rate)

Common SOC Violations

The five most common SOC violations are:

- 1) No annual functionality test on ALLD for UST,
- 2) Failure to conduct monthly monitoring for UST system,
- 3) No annual line tightness test,
- 4) Failure to perform 3-year CP test, and
- 5) Failure to monitor an impressed current system every 60 days for UST system.

With ASTs (above ground storage tanks), the most common violation is release detection (monthly monitoring requirements).

Delivery Prohibition Statistics (Cumulative since 2/16/2012):

Number of Red Tagged Facilities

USTs	13
ASTs	6

Between April 1, 2015 – September 30, 2015 five (5) UST facilities and 1 AST facility were red tagged to identify them as ineligible to receive product.

Discussion

Mr. Ruben Baca, NM Petroleum Marketers Association, asked from the audience whether tanks out of compliance were mostly in rural areas.

Bureau staff responded that the Bureau does not track compliance based on areas, however, anecdotally that compliance rates in rural vs municipal areas seem to generally be the same. Tanks in rural areas generally have been closed for a period of time, and the violations are mostly related to a lack of corrosion protection or leak detection whereas facilities in municipal areas tend to be in operation. Mr. Martin elaborated that for those facilities that are not in operation there is no electricity serving the property, so an impressed current system was not running and the facility is out of compliance with corrosion protection requirements.

Mr. McLin asked if it would be possible to provide a one-page bullet summary of the information, specifically the numbers Mr. Martin would be presenting ahead of the next meeting.

Mr. McLin also asked if a list of non-compliant facilities was available or could be made available to the public. Bureau staff responded that the facilities that are currently designated as ineligible for delivery, deposit or acceptance of fuel in accordance with the delivery prohibition provisions of the regulations are listed on the PSTB website (at <https://www.env.nm.gov/ust/deliveryprohibition.htm>, where you can download the list in either PDF or Excel format)

Item # 7 TANK FEE AND CERTIFICATION PROGRAM UPDATE

Ms. Antonette Cordova, the Tank Fees and Certification Program Manager, provided the following summary.

Tank Fees:

FY 16 tank fee invoices went out in May of 2015. There are 15 delinquent FY16 owners with a total outstanding amount of \$4,875.

Certified Installers:

There have been no new applicants for AST/UST certified installers since March, 2015. The program will be sending out renewal reminder notices in December to those installers whose certifications will expire in 2016.

Operator Training:

Petro Classroom was approved to provide web-based A/B operator training in June, 2015. Currently there are two web-based providers and one classroom provider for the A/B operator training. In June, 2015, the program mailed out letters to approximately 800 owners requesting A/B operator designee information for their respective facilities and 55% of the owners responded

Summary Statics (Both tank types)

Total Facilities	1772
Facilities with A and B Operator	933
Facilities without A and B Operator	839
% of Compliant Facilities	52.65%
% of Non-Compliant Facilities	47.34%

Summary Stats (AST)

Total Facilities	577
Facilities with A and B Operator	343
Facilities without A and B Operator	234
% of Compliant Facilities	59.4%
% of Non-Compliant Facilities	40.5%

Summary Stats (UST)

Total Facilities	1219
Facilities with A and B Operator	756
Facilities without A and B Operator	463
% of Compliant Facilities	62%
% of Non-Compliant Facilities	37.9%

The Tank Fees and Certification Program is currently working on a process for reminding owners of both A/B operator requirements and renewals to assist facilities in meeting this requirement.

Mr. Scarbrough asked what is done beyond sending reminders for people who do not comply.

Ms. Cordova responded the next steps will include sending out another letter to those who didn't respond as well and reviewing returned mail to make sure that the program has correct addresses and resending them accordingly. In addition, the program is making calls to owners to get the information. The program will be establishing a process to remind them of the re-training requirement and upcoming due dates for A/B operator training. In addition, inspectors review compliance with this requirement during compliance inspections.

Mr. Neil asked if that would be considered an A or a B violation. Bureau staff responded that it would be a C violation.

Item # 8 OTHER BUSINESS

Mr. Baca asked which companies provide the online training (for A/B operators). Ms. Cordova responded that they are API (American Petroleum Institute) and Petro Classroom. (Further information is available on the PSTB website at <https://www.env.nm.gov/ust/OperatorTraining.htm>.)

Ms. Bahar announced that the Albuquerque office has moved to 121 Tijeras Avenue 87102 and that our Las Cruces office moved to a new location, 2301 Entrada del Sol 88001.

Ms. Bahar also advised the Committee that based on the types of violations the Bureau is seeing, such as owners not performing required testing and regular inspection, the Bureau is working on a mail-out to owners to remind them of their periodic testing requirement to assist and improve compliance with regulatory requirements.

Ms. Bahar also advised the Committee that the Bureau will be working on regulatory changes in response to the new federal regulations and will be communicating the process and working with the public and the regulated community in the spring. Discussion related to new federal regulations ensued.

Item # 9 NEXT MEETING

The next meeting is planned for May 11, 2016.

Item #10 ADJOURNMENT

Mr. Scarbrough moved to adjourn the meeting. Mr. Neil seconded the motion. The motion passed unanimously.

The meeting adjourned at approximately 10:43 a.m.