

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

May 11, 2016 Minutes

The meeting of the Storage Tank Committee was called to order by Dana Bahar, Acting Chair, at 10:01 a.m.

Members Present:

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

Member Absent:

N/A

Others Present:

Xavier Sanchez, Creamland Dairies
Gerald Haney, Love's Country Stores & Travel Stop
Sal R. Archuleta, NMDOT
Rudy Romero, NMDOT
Chip Hughes, Pilot Flying J
Tim Littlewood, Western Refining
John Casey, DBS&A
Dianna Jaramillo, Chevron
Bryan Somerville, OPW
Greg Zmudr (sp?), Western Refining
Albert Dye, LANL
Rodger Mullins, Dugan Production
Scott McKittrick, Souder, Miller & Assoc.
Catherine Ursanic, Talon LPE
Gene Atencio, Brewer Oil
Ashley Walsh, Intel Corp.
Mike McVey, DBS&A
David Wagner, Western Technologies
Ruben Baca, NM Petroleum Marketers Association
Doug Vetter, Sandia National Laboratory
Bobby Bulls, Talon LPE
Emily Worthen, Vulcan Materials
Lorena Goerger, NMED/PSTB
Kalvin Martin, NMED/PSTB
Antonette Cordova, NMED/PSTB
Delia Flores, NMED/PSTB
Micaela Fierro, NMED/PSTB
Bonney Hughes, NMED/PSTB

Item #1 ROLL CALL

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

Item #2 APPROVAL OF THE AGENDA

The Chair called for a motion to approve the agenda. Mr. Ryan Briggs moved to approve the agenda, and Mr. Jeff Scarbrough 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 November 18, 2015 minutes. Mr. Brent Neil moved to approve the minutes and Mr. Stephen McLin 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 **July through December 2015** workplan spreadsheets. Workplan approvals are summarized below by month.

July 2015

| <u>Responsible Party</u> | | <u>State Lead</u> | |
|--------------------------|------------------------|------------------------|-----------------|
| 14 | \$ 1,056,600.56 | 0 | \$ 0.0 |
| <u>Addendums</u> | | <u>Addendums</u> | |
| 3 | \$ 38.75 | 1 | \$ 10.59 |
| Total | \$ 1,056,639.31 | Total | \$ 10.59 |
| GRAND TOTAL | | \$ 1,056,649.90 | |

Ms. Goerger noted that a dig and haul project was conducted in Carlsbad in July 2015. The property has since been redeveloped.

August 2015

| <u>Responsible Party</u> | | <u>State Lead</u> | |
|--------------------------|----------------------|----------------------|--------------------|
| 9 | \$ 857,324.64 | 1 | \$ 8,193.84 |
| <u>Addendums</u> | | <u>Addendums</u> | |
| 32 | \$ 2,178.84 | 6 | \$ 81.48 |
| Total | \$ 859,503.48 | Total | \$ 8,275.32 |
| GRAND TOTAL | | \$ 867,778.80 | |

Ms. Goerger highlighted the expenditures for continued remediation at select sites.

September 2015

| <u>Responsible Party</u> | | <u>State Lead</u> | |
|--------------------------|------------------------|------------------------|-----------------|
| 4 | \$ 2,562,081.48 | 0 | \$ 0.00 |
| <u>Addendums</u> | | <u>Addendums</u> | |
| 26 | \$ 594.35 | 3 | \$ 25.01 |
| Total | \$ 2,562,675.83 | Total | \$ 25.01 |
| GRAND TOTAL | | \$ 2,562,700.84 | |

Ms. Goerger highlighted the expenditures for remediation at select sites.

October 2015

| <u>Responsible Party</u> | | <u>State Lead</u> | |
|--------------------------|----------------------|-------------------|----------------------|
| 22 | \$ 641,999.79 | 6 | \$ 354,045.52 |
| <u>Addendums</u> | | <u>Addendums</u> | |
| 29 | \$ 455.78 | 2 | \$ 43.02 |
| Total | \$ 642,455.57 | Total | \$ 354,088.54 |
| GRAND TOTAL | \$ 996,544.11 | | |

November 2015

| <u>Responsible Party</u> | | <u>State Lead</u> | |
|--------------------------|----------------------|-------------------|---------------------|
| 28 | \$ 866,741.22 | 4 | \$ 77,317.94 |
| <u>Addendums</u> | | <u>Addendums</u> | |
| 11 | \$ 303.34 | 8 | \$ 163.13 |
| Total | \$ 867,044.56 | Total | \$ 77,481.07 |
| GRAND TOTAL | \$ 944,525.63 | | |

December 2015

| <u>Responsible Party</u> | | <u>State Lead</u> | |
|--------------------------|----------------------|-------------------|----------------------|
| 34 | \$ 616,262.78 | 4 | \$ 271,642.60 |
| <u>Addendums</u> | | <u>Addendums</u> | |
| 19 | \$ 338.06 | 0 | \$ 0.00 |
| Total | \$ 616,600.84 | Total | \$ 271,642.60 |
| GRAND TOTAL | \$ 888,243.44 | | |

Ms. Goerger highlighted the expenditures for remediation at select sites.

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

Item #5 CORRECTIVE ACTION FUND UPDATE

Ms. Delia Flores, the Reimbursement Section Manager, presented the Corrective Action Fund updates for the months of **July – December 2015**.

July 2015:

| | | | |
|------------------------|----------------|-----------------------|---------------|
| Beginning Cash | \$ 15,653,334 | Reserve | \$ 1,000,000 |
| Loading Fee | \$ 1,653,750 | Work plan liabilities | \$ 11,552,940 |
| Payments | \$ (1,155,181) | Unobligated balance | \$ 3,598,752 |
| Warrant cancel reissue | \$ 26,215 | | |
| Utilities | \$ (211) | | |
| Operating Transfers | 0 | Ending Cash | \$ 16,151,692 |

August 2015:

| | | | |
|------------------------|----------------|-----------------------|---------------|
| Beginning Cash | \$ 16,151,692 | Reserve | \$ 1,000,000 |
| Loading Fee | \$ 1,625,880 | Work plan liabilities | \$ 9,805,292 |
| Payments | \$ (2,428,260) | Unobligated balance | \$ 3,063,481 |
| Warrant cancel reissue | \$ | | |
| Utilities | \$ (222) | | |
| Operating Transfers | \$ (1,480,316) | Ending Cash | \$ 13,868,773 |

September 2015:

| | | | |
|------------------------|----------------|-----------------------|---------------|
| Beginning Cash | \$ 13,868,773 | Reserve | \$ 1,000,000 |
| Loading Fee | \$ 1,781,135 | Work plan liabilities | \$ 11,123,662 |
| Payments | \$ (1,206,414) | Unobligated balance | \$ 1,579,443 |
| Warrant cancel reissue | \$ | | |
| Utilities | \$ (231) | | |
| Operating Transfers | \$ (740,158) | Ending Cash | \$ 13,703,105 |

October 2015:

| | | | |
|------------------------|----------------|-----------------------|----------------|
| Beginning Cash | \$ 13,703,105 | Reserve | \$ 1,000,000 |
| Loading Fee | \$ 1,630,972 | Work plan liabilities | \$ 10,388,954* |
| Payments | \$ (1,681,940) | Unobligated balance | \$ 1,522,752* |
| Warrant cancel reissue | \$ | | |
| Utilities | \$ (272) | | |
| Operating Transfers | \$ (740,158) | Ending Cash | \$ 12,911,706 |

*Updated subsequent to identifying \$16.36 discrepancy in the reported October 2015 work plan liabilities.

November 2015:

| | | | |
|------------------------|---------------|-----------------------|----------------|
| Beginning Cash | \$ 12,911,706 | Reserve | \$ 1,000,000 |
| Loading Fee | \$ 1,577,104 | Work plan liabilities | \$ 10,600,634* |
| Payments | \$ (638,015) | Unobligated balance | \$ 1,509,717* |
| Warrant cancel reissue | \$ | | |
| Utilities | \$ (286) | | |
| Operating Transfers | \$ (740,158) | Ending Cash | \$ 13,110,351 |

*Updated subsequent to identifying \$16.36 discrepancy in the reported October 2015 work plan liabilities.

December 2015:

| | | | |
|------------------------|----------------|-----------------------|----------------|
| Beginning Cash | \$ 13,110,351 | Reserve | \$ 1,000,000 |
| Loading Fee | \$ 1,639,709 | Work plan liabilities | \$ 10,161,306* |
| Payments | \$ (1,290,654) | Unobligated balance | \$ 1,557,634* |
| Warrant cancel reissue | \$ | | |
| Utilities | \$ (307) | | |
| Operating Transfers | \$ (740,158) | Ending Cash | \$ 12,718,940 |

*Updated subsequent to identifying \$16.36 discrepancy in the reported October 2015 work plan liabilities.

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

Item # 6 PREVENTION AND INSPECTION UPDATE

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

Prevention Inspection Program

The Program has 4 vacant inspector positions statewide and they are in the process of being filled.

Facility/Tank Statistics (as of end of March, 2016)

| | | | |
|-------------------------|---------------|--------------------|--------------|
| UST Facilities | 1,219* | Active USTs | 3,238 |
| AST Facilities | 577* | Active ASTs | 1,291 |
| Total Facilities | 1,771* | Total tanks | 4,529 |

*Figures do not add up, because some facilities have both ASTs and USTs

Significant Operational Compliance (SOC) violations:

Mr. Martin provided a handout with a table of statistics from FY2011 through FY2016 showing statistics related to the Significant Operational Compliance rate for USTs regulated by the New Mexico Petroleum Storage Tank Bureau. The significant operational compliance rate for USTs in New Mexico is generally in the mid to upper 60%. In the last reporting period, 67% of the 334 UST facilities inspected were in compliance with release prevention (spill prevention, overfill prevention, and corrosion protection) and release detection requirements, which are the factors that make up significant operational compliance. Facilities that not in significant operational compliance and do not correct their violations may be subject to delivery prohibition.

Delivery Prohibition Statistics

Number of Red Tagged Facilities between 10/1/2015 and 3/31/2016

| | |
|----------------|---|
| UST facilities | 8 |
| AST facilities | 5 |

Discussion

In response to a question about which inspector retired, Mr. Martin responded that Mr. Tom Gray retired, and Ms. Jennifer Foote resigned her position and accepted another position within the Department.

In response to a question about how compliance rates in New Mexico compare to those of other states near us, Mr. Martin responded that nationwide compliance rates for underground storage tanks are about 70%, and New Mexico's compliance rates are consistent with national trends.

In response to a question about whether there is a list of red-tagged facilities and whether someone could look at that list, Mr. Martin replied yes. The list is on the PSTB website, <https://www.env.nm.gov/ust/deliveryprohibition.htm>, in accordance with the regulation and to advise delivery drivers which facilities are prohibited from accepting fuel.

In response to a question about whether Mr. Martin sees any trends with the red tagged facilities with regard to particular operators or locations, Mr. Martin replied no, and that it is still too soon to identify trends.

In response to a question about how long facilities usually remain red-tagged, Mr. Martin replied that there have been a number of facilities that have corrected their violations. A number of facilities that are red-tagged are in temporary closure, so they will remain red-tagged indefinitely. A number of active facilities, roughly half, that have been red-tagged have corrected the violation and red tags have been lifted.

In response to a request for clarification if tanks or facilities were red-tagged, Mr. Martin replied that PSTB looks at violations on a tank basis, so if all tanks at a facility have the same violation, and it's not corrected, they will all be red tagged. There are cases where there is only one tank that is red tagged, and the facility continues to operate.

In response to a question regarding what the most prevalent violation that triggers delivery prohibition, Mr. Martin replied that it is monthly monitoring for release detection.

Item # 7 TANK FEE AND CERTIFICATION PROGRAM UPDATE

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

Tank Fees:

Invoices for FY17 tank fees will be mailed out the last week of May. There are 793 owners with active tanks. Payments to the Petroleum Storage Tank Bureau are due by July 1, 2016 to avoid both late fees and expired registration certificates.

Certified Installers:

There is currently one (1) new UST certified installer applicant who is in the process of completing the on-site exam.

Operator Training:

The program has seen a slight increase in A/B Operator training rates of about 2% since the last meeting.

Item # 8 OTHER BUSINESS

There was no other business.

Item # 9 NEXT MEETING

The next meeting is tentatively scheduled for September 14, 2016.

Item #10 ADJOURNMENT

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

The meeting adjourned at approximately 10:25 a.m.