MINUTES OF THE JULY 21, 2004 MEETING

The meeting of the Storage Tank Committee (STC) was held at the New Mexico State Capitol Building, Santa Fe, New Mexico on July 21, 2004. Mr. Jim Norton called the meeting to order at approximately 10:10 a.m.

Members Present:
- Jim Norton, Chair
- Ruben Baca, STC Member
- Ronnie Pynes, STC Member
- Wilfred Rael, STC Member

Members Absent:
- Jimmy Esparza, STC Member
- Joseph Chavarria, STC Member
- Gary Shubert, STC Member

Other Representative Present:
- Jim Davis, PSTB
- Geraldine Madrid-Chavez, NMED
- Richard Gobeen
- Lorena Greger, PSTB
- Cathy Atencio, PSTB
- Jeff Mills, PSTB
- Joyce Shearer, PSTB
- Pam Karas, CDM
- Donna Gary, EPD
- Anna Richards, PSTB
- Jack Collins
- Brad Billings, BAI
- Anna Richards, PSTB
- Kalvin Martin, PSTB
- Andy Freeman, Hall Env.
- Benjamin Hodges, Brewer Oil

Item #1 - Roll Call
Geraldine Madrid-Chavez, Administrator, took roll call and noted a quorum was present.

Item #2 - Approval of the Agenda
The following changes were made:
- Remove item #6 and place it on the September agenda.
ACTION: Mr. Pynes moved to approve the agenda as amended. Mr. Rael seconded. Motion carried unanimously.

The Committee at this time skipped Item #3 & Item #4 until Ms. Donna Gary arrived.

Item #5 – Status on Remedial Action Sites, including a discussion of the site ranking process

Ms. Joyce Shearer presented a Status on Remedial Action Sites. Ms. Shearer discussed the April and May 2004 Responsible Party Sites and the State Lead Sites with the Committee and presented a hand-out in regards to both. Ms. Sheared noted that in April $1,341,848.63 was approved for State Lead Work Plans and $909,623.34 was approved for Responsible Party Work Plans. In May $228,463.48 was approved for the State Lead Work Plans and $929,380.50 was approved for Responsible Party Work Plans. Ms. Shearer did not present a hand out for June but informed the Committee that her staff has approved $3,391,012 for the month of June.

Ms. Joyce Shearer introduced Mr. Jeff Mills to the Committee. Mr. Mills gave a power point presentation on the site ranking process.

Item #3 - Update on Corrective Action Fund

Ms. Donna Gary presented an update on the Corrective Action Fund. Ms. Gary presented the Committee with a print-out of the December 2003 Corrective Action Fund update and discussed how the unobligated balance is determined. Ms. Gary noted that the unobligated balance currently is $4,568,141. Ms. Gary stated the Bureau reconciles the payments received with the Department of Finance and Administration.

Item #4 – Presentation on audits and responses

Ms. Donna Gary gave a presentation on Audit Findings, Recommendations and Department Responses, which was done on March 25, 2004. Ms. Gary stated the primary objective of this review was to determine the reliability of the unobligated balance of the Corrective Action fund. Ms. Gary discussed the following findings:

1. The un-obligated balance of the Corrective Action Fund (CAF) reported for the period ending November 30, 2003 is possibly understated by as much as $516,000 (12 percent) due to the overstatement of work plan liabilities.
2. 65 percent (25 of 27) of responsible party claims for reimbursement and 40 percent (4 of 10) of state lead invoices received during the period July 1, 2003 through November 30, 2003 randomly selected for review, were processed untimely.
3. Work plan documentation from four remediation sites contained change order amendments cumulatively amounting to $928,809 that may be the result of inadequate analysis, planning and approving of work plans by bureau project managers.
4. Request for proposals (RFP) for state lead and responsible party remediation contracts allow the department’s Corrective Action Fund to assume portions of the contractor’s mobilization costs and have the potential to acquire fixed assets which are not identified and tracked properly by the bureau’s technical staff.

5. The Storage Tank Committee (STC) lacks sufficient involvement by not providing feedback to the department secretary concerning the review of work plans, payments to contractors and the proposal of changes to PST regulations.

6. Recorded minutes from meetings of Storage Tank Committee (STC, formerly the Underground Storage Tank Committee) lack substance and are inconsistent.

Ms. Gary stated the Department has responded to all the audit findings listed above. Ms. Gary noted that each State Agency must be audited every year either by an internal or a contracted auditor.

Mr. Jim Davis discussed Exhibit A of the audit findings packet, which is the statistic that the Bureau put together and supplied them to the LFC auditors. Mr. Davis informed the Committee of the progress that the Bureau has made for try to better track the mediation program.

Item #6 – Update of Prevention and inspection Program, out-reach efforts, and a discussion of joint inspections of petroleum storage tank facilities on Tribal Lands.

This agenda item was removed and requested to be on the next agenda in September.

Item #7 – Approval May 19, 2004 Meeting Minutes

ACTION: Mr. Pynes moved to approve the May 19, 2004 Meeting Minutes. Mr. Rael seconded. Motion carried unanimously.

Item #9 - Next Meeting

The next meeting of the Storage Tank Committee will be in Santa Fe, NM on September 22, 2004 at 10:00 am.

Item #8 - Other Business

Mr. Jim Davis had to leave and requested that Mr. Baca asked Mr. Richard M. Gobeen be allowed to speak at the next PST Committee meeting under other business. Mr. Baca agreed.

ACTION: Mr. Baca moved to adjourn. Mr. Rael seconded. Motion carried unanimously.
Petroleum Storage Tank Chairman