

STATE OF NEW MEXICO
ENVIRONMENT DEPARTMENT
STORAGE TANK COMMITTEE
HAROLD RUNNELS BUILDING
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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 10:10a.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 | Donna Gary, EPD |
| Geraldine Madrid-Chavez, NMED | Anna Richards, PSTB |
| Richard Gobeen | Jack Collins |
| Lorena Greger, PSTB | Brad Billings, BAI |
| Cathy Atencio, PSTB | Anna Richards, PSTB |
| Jeff Mills, PSTB | Kalvin Martin, PSTB |
| Joyce Shearer, PSTB | Andy Freeman, Hall Env. |
| Pam Karas, CDM | 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.

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2 **ACTION: Mr. Pynes moved to approve the agenda as amended. Mr. Rael**
3 **seconded. Motion carried unanimously.**
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5 The Committee at this time skipped Item #3 & Item #4 until Ms. Donna Gary arrived.
6

7 **Item #5 – Status on Remedial Action Sites, including a discussion of the site ranking**
8 **process**
9

10 Ms. Joyce Shearer presented a Status on Remedial Action Sites. Ms. Shearer discussed
11 the April and May 2004 Responsible Party Sites and the State Lead Sites with the
12 Committee and presented a hand-out in regards to both. Ms. Shearer noted that in April
13 \$1,341,848.63 was approved for State Lead Work Plans and \$909,623.34 was approved
14 for Responsible Party Work Plans. In May \$228,463.48 was approved for the State Lead
15 Work Plans and \$929,380.50 was approved for Responsible Party Work Plans. Ms.
16 Shearer did not present a hand out for June but informed the Committee that her staff has
17 approved \$3,391,012 for the month of June.
18

19 Ms. Joyce Shearer introduced Mr. Jeff Mills to the Committee. Mr. Mills gave a power
20 point presentation on the site ranking process.
21

22 **Item #3 - Update on Corrective Action Fund**
23

24 Ms. Donna Gary presented an update on the Corrective Action Fund. Ms. Gary presented
25 the Committee with a print-out of the December 2003 Corrective Action Fund update and
26 discussed how the unobligated balance is determined. Ms. Gary noted that the
27 unobligated balance currently is \$4,568,141. Ms. Gary stated the Bureau reconciles the
28 payments received with the Department of Finance and Administration.
29

30 **Item #4 – Presentation on audits and responses**
31

32 Ms. Donna Gary gave a presentation on Audit Findings, Recommendations and
33 Department Responses, which was done on March 25, 2004. Ms. Gary stated the primary
34 objective of this review was to determine the reliability of the unobligated balance of the
35 Corrective Action fund. Ms. Gary discussed the following findings:
36

- 37 1. The un-obligated balance of the Corrective Action Fund (CAF) reported for
38 the period ending November 30, 2003 is possibly understated by as much as
39 \$516,000 (12 percent) due to the overstatement of work plan liabilities.
- 40 2. 65 percent (25 of 27) of responsible party claims for reimbursement and 40
41 percent (4 of 10) of state lead invoices received during the period July 1, 2003
42 through November 30, 2003 randomly selected for review, were processed
43 untimely.
- 44 3. Work plan documentation from four remediation sites contained change order
45 amendments cumulatively amounting to \$928,809 that may be the result of
46 inadequate analysis, planning and approving of work plans by bureau project
47 managers.

- 1 4. Request for proposals (RFP) for state lead and responsible party remediation
2 contracts allow the department's Corrective Action Fund to assume portions
3 of the contractor's mobilization costs and have the potential to acquire fixed
4 assets which are not identified and tracked properly by the bureau's technical
5 staff.
6 5. The Storage Tank Committee (STC) lacks sufficient involvement by not
7 providing feedback to the department secretary concerning the review of work
8 plans, payments to contractors and the proposal of changes to PST
9 regulations.
10 6. Recorded minutes from meetings of Storage Tank Committee (STC, formerly
11 the Underground Storage Tank Committee) lack substance and are
12 inconsistent.

13
14 Ms. Gary stated the Department has responded to all the audit findings listed above. Ms.
15 Gary noted that each State Agency must be audited every year either by an internal or a
16 contracted auditor.

17
18 Mr. Jim Davis discussed Exhibit A of the audit findings packet, which is the statistic that
19 the Bureau put together and supplied them to the LFC auditors. Mr. Davis informed the
20 Committee of the progress that the Bureau has made for try to better track the mediation
21 program.

22
23 **Item #6 – Update of Prevention and inspection Program, out-reach efforts, and a**
24 **discussion of joint inspections of petroleum storage tank facilities on Tribal Lands.**

25
26 This agenda item was removed and requested to be on the next agenda in September.

27
28 **Item #7 – Approval May 19, 2004 Meeting Minutes**

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

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33 **Item #9 - Next Meeting**

34
35 The next meeting of the Storage Tank Committee will be in Santa Fe, NM on September
36 22, 2004 at 10:00 am.

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38
39 **Item #8 - Other Business**

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

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45 **ACTION: Mr. Baca moved to adjourn. Mr. Rael seconded. Motion carried**
46 **unanimously.**

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Petroleum Storage Tank Chairman