

**STATE OF NEW MEXICO ENVIRONMENT DEPARTMENT
STORAGE TANK COMMITTEE
State Personnel Building
Leo Griego Auditorium
2600 Cerrillos Road
Santa Fe, NM 87505**

Minutes of the January 3, 2008 Meeting

The meeting of the Storage Tank Committee (STC) was held at the NM State Personnel Building, Leo Griego Auditorium, Between Camino Carlos Rey & Luana St. next to the Mazda Dealership, Santa Fe, New Mexico 87505 on Thursday, January 3, 2008. Chair Jim Norton called the meeting to order at 10:11 a.m.

Members Present:

Jim Norton, Chair
Ryan Briggs, STC Member
Paul Aguilar, STC Member
Joseph Chavarria, STC Member
Ruben Baca, STC Member

Members Absent:

Ronnie Pynes, STC Member

Other Persons Present:

Jim Davis, NMED/PSTB
Jeff Mills, NMED/PSTB
Kalvin Martin, NMED/PSTB
Joyce Shearer, NMED/PSTB
Gregoria Archuleta, NMED/EPD
John Kovacs, NMED/PSTB
Lorena Goerger, NMED/PSTB
Jennifer Pruett, NMED/PSTB
Cathy Atencio, NMED/EPD

Marcia Pinens
John Casey, Basin Engineering
Mitch Rubenstein, Pinnacle Labs
Michael Hannigan, Basin Engineering, Inc
Danny Zamora, City of Albuquerque Env.
C. Tyler Irwin, CDM
Andy Freeman, Hall Env.

Item #1 Roll Call

The PSTC Administrator took the roll and noted a quorum was present.

Item #2 Approval of the Agenda

The Chair asked for an approval of the agenda, if no changes are requested. No changes requested so a motion was called.

Action:

Mr. Aguilar moved to approve the Agenda

Mr. Chavarria seconded. Motion passed unanimously.

Item #3 Update on Corrective Action Fund

The Chair introduced Clancy Roberts, the NMED Chief Financial Officer, the new division financial manager Cathy Atencio, and Nat Valdez, the Administrative Assistant for the Division.

Jim Davis presented an update on the Corrective Action Fund to the Committee. He introduced Gregoria Archuleta who manages the reimbursement section of the bureau.

Mr. Davis started with an update for the month of August. There was no operating transfer from Taxation and Revenue for the month of August so the Loading Fee section is blank.

August

Beginning Cash - \$ 16,776,892

Loading Fee - \$ 0

Payment - \$ (1,378,436)

Operating Transfer - \$ 768,400

Ending Cash - \$ 14,630,056

Reserve - \$ 1,000,000

Work plan liabilities - \$ 12,112,092

Un-obligated - \$ 1,517,964

Mr. Davis also provided reports from SHARE showing the amount of \$ 2,146,835.98, which tracks with the first page of the spread sheet in the PSTB accounting system.

The last page in the packet has the amount highlighted \$ 1,378,435.98 which tracks with payment amount on the first page of \$ 1,378,436. All monthly updates will have all these same things.

Mr. Davis brought to the committee's attention the second page of the handout that shows the HB 19 percentage of the CAF as 31.41% instead of 30%. The department is aware of this and will prepare a B.A.R. (budget adjustment request) to reduce the percentage to the 30% allowed.

The Chair then asked if the committee had any questions or needed more clarification on this issue.

Mr. Baca asked how the BAR fix would work.

Mr. Davis directed the question to Mr. Clancy Roberts, who responded that the BAR is reviewed by D.F.A.

Mr. Baca asked if the money would be returned back to the fund.

Mr. Davis replied yes.

Mr. Davis pointed out that the monthly operating transfer of \$ 768,400 would be less by 1.41%., which will result in more money available in the fund.

The Chair responded that the mechanics of the BAR will be presented to the committee at the next meeting.

September

Beginning Cash - \$ 14,630,056

Loading fee - \$ 3,273,087

Payment - \$ (1,026,321)

Operating Transfer - \$ (768,400)

Ending Cash - \$ 16,108,422

Reserve - \$ 1,000,000

Work plan liabilities - \$ 11,921,592

Un-obligated - \$ 3,186,830

Mr. Davis noted that the Loading Fee was two months worth, because it was supposed to be posted in August but wasn't.

October

Beginning Cash - \$ 16,108,422

Loading fee - \$ 1,629,904,

Payment - \$ (928,405)

Operating Transfer - \$ (768,400)

Ending Cash - \$ 16,041,521

Reserve - \$ 1,000,000

Work plan liabilities - \$ 11,697,956

Un-obligated - \$ 3,345,466

November

Beginning Cash - \$ 16,041,521

Loading Fee - \$ 1,437,197

Payment - \$ (1,899,019)

Operating Transfer - \$ (768,400)

Ending Cash - \$ 14,811,299

Reserve - \$ 1,000,000

Work plan liabilities - \$ 10,470,636

Un-obligated - \$ 3,342,564

(Handouts provided; see www.nmenv.state.nm.us/pstc for entire monthly report)

Mr. Davis stated that every month is reconciled against the SHARE system.

The chair asked if there were any questions from the committee members.

Mr. Baca questioned the difference between that September beginning balance of \$ 14,630,056 and the October beginning cash balance of \$ 16,108,422.

Mr. Davis responded that because there was no Loading Fee added in the month of September, two months of operating transfers were added in the next month, resulting in a balance of \$16,108,422.

Mr. Baca questioned the use of the monies being distributed out of HB19. Specifically, is the money being used for personnel costs, for water quality programs, or other budget categories.

The Chair responded that the bulk of these dollars is used to fill FTE's for water programs and matching federal funds. Some may be used for contracts or may be some used for rents and other things. The Chair offered to have Ms. Atencio provide this detailed information at the next Storage Tank Committee.

Mr. Baca agreed this would be helpful.

The chair directed Jim Davis and Cathy Atencio to supply these numbers in more detail, broken down as salaries and benefits, contracts and other.

Mr. Chavarria asked how difficult it would be to retract the 1.41% at the close of the fiscal year.

Mr. Davis responded that the dollar amount would be calculated to recover the overage amount for the first six months of the fiscal year and the amount transferred each month would be reduced by the appropriate amount for the last 6 months of the fiscal year.

Mr. Chavarria asked about fiscal year 07.

Mr. Davis responded that in fiscal year 07 the disbursement was less than 30%. This is the first year that the Department has done the 30%, and again with the calculations it actually came out to 31.4%.

The Chair asked for any other questions from committee members about budget numbers.

Mr. Briggs asked about the line on the spreadsheet labeled "cash to ZBA".

Mr. Davis responded that is from a settlement agreement and is deposited back into the CAF. It is a monthly payment from a company that we reached a settlement with.

The Chair used the November spreadsheet to highlight the bottom right portion of the first page where yearly activity comparison data are presented, stating that this was useful for year to year comparisons and demonstrates the program continues to be strong.

Ms. Shearer explained there was an error in the figures. .

The Chair further explained the error is on the November spreadsheet the fy06 and fy07 total numbers are too low because the wrong month was used. The 06 and 07 total amounts spent are higher than what's shown.

Mr. Davis indicated that the October is the most recent correct entry you have.

The Chair requested everyone to look at the 07 numbers from the October spreadsheet and again pointed out that this is a useful comparison because it shows how much money is being spent on actual contracts for cleanups and water assessments and that sort of thing to compare to the previous years and that with HB19 we are still doing cleanups. Specifically, look at it in more detail for 08 we spent year to date. These are actual claims processed by Gregoria's section to pay contractors for clean up. If you compare this to 07 we only spent 3 million and in 06 we spent 4.6 million so it shows this is a vigorous program and is continuing to do a lot of clean ups.

The Chair asked Mr. Davis if he had any additional comments on that.

Mr. Davis replied no.

The Chair asked Mr. Davis how the rest of the fiscal year looked with our budget authority of 12 million, and if there would be a need for a B.A.R. to increase our authority, and how the numbers are looking as we project for the rest of the year?

Mr. Davis replied that he could not answer precisely but, yes, we do anticipate needing a B.A.R. As you can see from the November spreadsheet, now with corrected numbers, it shows \$10,470,636.00 in long term workplan liabilities. So far this year a significant amount of our budget authority has been spent, now with less than \$10 million remaining in budget authority.

The Chair pointed out that not all of these long term obligations will come due this year.

Mr. Davis agreed, and pointed out that the Bureau continues to work with the NMED IT group on a "deliverable report" that will provide a monthly estimate of those out standing liabilities that will come due. We'll be able to go to the data base and say how much will come due in February how much will come due in March and get a number. We can not do that yet Mr. Chairman; we have a ways to go yet.

Chair replied there was no urgency to do this right now because we've spent \$6.8 million to date, and total budget authority is 12 so we have some head room there, we have sometime to figure these things out and Jim can I ask you at the next committee meeting will you be able to give us a more clear picture about how much we've spent and how it looks for the rest of the fiscal year and what we may need to do for a B.A.R.

Mr. Davis replied yes, I will certainly try.

The chair replied okay, and the picture will be clearer and we will certainly know how much more we expended and how much more we have left.

The Chair asked if there were any more questions from committee members about finances or questions from the audience. Seeing none, the Chair asked for the update requested by Mr. Ruben Baca at the last meeting about how HB19 monies are being used to match federal funds.

Mr. Davis directed the committee's attention to a handout that shows the amount of funds from HB19 19 that are used to match federal funds. The handout showed these funds by performance codes. For example, in P570 the Air Quality Bureau is using \$159,000.00 to match a federal grant and there is a very brief description of what the grant is used for. The same thing follows across the handout; for example, the Occupational Health and Safety Bureau uses \$48.4 and \$68.4 thousand to match the federal grants, with the leverage amounts and so on. Further on down the page is the P568 is the Waste Water Management Division and that shows surface water quality and ground water quality. Finally P569 is the Environmental Health Division, Drinking Water Bureau and the drinking water federal grant match. So I believe Mr. Baca, this is the summary you asked for.

The Chair asked if any of the committee members had questions about the matching funds.

Mr. Baca asked if this was consistent with these matching fund dollars, or do you apply on a year for year basis on this, how do you go about this.

Mr. Davis responded, that is correct these are annual figures and grants just for FY 08

The Chair responded also there is some fluctuation in these dollar amounts, for example the Air Quality funds have been going down a little bit, sometimes the EPA has money for PSTB, and if you can match it, we have got some extra federal money. We try to take advantage of that as much as possible if we can to leverage our state funds in order to get as much federal money as possible. But they do go up and down some, but in the big picture of things there is a level of stability there. In other words the feds just don't eliminate them or add in millions, it's more of a slight up and down then a huge discrepancy difference between the two various years.

The chair asked if anyone had any other questions about the matching funds.

Joe Chavarria asked should the second page match House Bill 19.

Mr. Davis replied those numbers that you are looking at will stay that way for this year, next year there will be some difference.

The Chair clarified the question, as "are these numbers going to be the same as on page two and the answer is no".

Mr. Davis replied the numbers on page two are total distribution, however, the federal grant match numbers on the handout are a subset of the total distribution. This amount is only used for federal grants, and there is another large chunk that is used for other things, not as match for federal grants.

The chair replied to Mr. Chavarria that the two uses are matching federal funds or water needs. The first page is just the part that is matching federal funds; the second page is both together.

The Chair stated that only some bureaus are using HB19 funds to match federal funds and if that's the case then the numbers on both pages would match up, but for other bureaus that use HB19 monies for both water needs and matching federal funds then the numbers wouldn't match directly.

Chair asked if there were any other comments about the matching funds.

Item # 4 Update on Remedial Action Sites

Joyce Shearer, Remedial Action Program Manager, presented a report on Remedial Action Sites and provided spreadsheets for approved work plans.

Work plan approvals for October 2007;

40 RP Workplan approvals:	\$ 558,556.55	7	SL	Workplan, approvals:	\$231,383.89
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6 RP Addendums:	<u>\$ 32.11</u>	3	SL	Addendums:	<u>\$ 13.06</u>
Totaling:	\$ 558,588.66			Totaling:	\$231,396.95

Monthly grand total of \$789,985.61

Work plan approvals for November 2007;

32 RP Workplan approvals:	\$657,635.51	12	SL	Workplan approvals:	\$77,850.51
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1 RP Addendums:	<u>\$ 8.15</u>	0	SL	Addendums:	<u>\$ 0</u>
Totaling:	\$657,643.66			Totaling:	\$77,850.51

Monthly grand total of \$735,494.17

Work plan approvals for December 2007;

34 RP Workplan approvals:	\$515,013.50	4	SL	Workplan approvals:	\$69,468.12
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3 RP Addendums:	<u>\$ 17.31</u>	1	SL	Addendums:	<u>\$ 4.47</u>
Totaling:	\$515,030.81			Totaling:	\$69,472.59

Monthly grand total of \$584,503.50

The program reported that it has been notified of 48 new releases in 2006 and 40 new releases in 2007 half of which were from above ground storage tank facilities.

Following a discussion on how PSTB identifies sites that will be addressed with available funding, the committee requested a presentation of the ranking system used by the bureau to evaluate risk. It will be added to the addenda for the next meeting.

Mr. Baca expressed concern about the potential for owners to sell or redevelop a property if it is not eligible for No Further Action (site closure). PSTB informed Mr. Baca about an initiative from EPA to classify a site as Ready for Reuse (RfR) when risk associated with the petroleum contamination has been reduced and all aggressive and intrusive activity has been completed. PSTB is working to implement this program in New Mexico. A presentation on our progress will be made at the next Storage Tank Committee meeting.

Item # 5 Prevention and Inspection

Mr. Calvin Martin, Prevention Inspection Program Manager, provided an update on Prevention and Inspection Program since September 12, 2007. Regarding personnel actions; we currently hold one vacancy in the PI program. An Inspector/Supervisor position in Santa Fe. We recently have advertised for this position and interviewed applicants and have selected a candidate. The hiring packet was routed to Human Resources for approval last week. We anticipate that the position will be filled by either January 12th or the 26th. Also regarding Compliance Inspections, we have met with EPA at the end of November. Even though we had some turnover which resulted in having up to three vacancies, we still performed compliance inspections for 65 to 70% of all facilities. We have been consistently meeting our performance measures goal that > 80% of all UST facilities inspected are in compliance with the combined release detection and release prevention performance measures. This exceeds the national average of 62% calculated in March 2007. I would like to issue you a hand out that was requested at the last meeting regarding tank counts. In New Mexico we currently regulate approximately 3,570 underground storage tanks and we monitor 1,500 aboveground storage tanks, total tank count is almost 5000 storage tanks.

The chair asked, okay so we have a combination of 5,000 tanks above and underground, I presume that many of the underground tanks are these compartmentalized tanks, is this right?

Mr. Martin replied, if it is a compartment tank it shows as one.

The Chair responded, so it might have three compartments but it just shows as one tank, okay.

Mr. Martin stated that a typical facility will now have two tanks they have a tank that will hold diesel, or supreme, super unleaded and the larger tank will hold regular. All the dispensers have blenders so they can dispense three gasoline blends.

Mr. Chavarria asked, Los Alamos County has 57 tanks, are the majority of those tanks on the LANL property. How is there access to those facilities?

Mr. Martin responded we generally have no problem to access these facilities; Los Alamos Labs has been very cooperative. On another note, we performed site visits to establish baseline information on registered ASTs at federally owned Department of Defense facilities in September. These are AST facilities that have claimed sovereign immunity to our regulations.

Mr. Martin continued with his update, he stated that Jennifer Pruett and he attended the state – EPA Energy Policy Implementation Meeting II held in Washington DC on November 27 and 28. EPA is concerned that the States continue making progress in order to receive federal grant funding. We currently receive \$380,000 in UST grant funding. With respect to our progress in meeting the provisions for the Energy Policy Act: New Mexico did meet the inspection requirements by August 2009, We anticipate meeting the secondary requirement when our amended regulations become effective in Spring 2009; we did not meet the delivery prohibition deadline as that will require legislative changes; and finally, we are working on implementing the public record requirements.

Agenda items at the State-EPA meeting included an overview of operator training programs currently in place in Oregon and California. Oregon utilizes a third party training program or an option for online training and requires all operators to be trained within 90 days of hire. Cost of training runs between \$75-\$250 per person and Oregon currently has approved 16 vendors to perform operator training. In California, new operators must be trained within 30 days and they combine a testing requirement with an authorized vendor followed up by an on site examination by a tank inspector. That exam costs \$75 plus fees for state exams. The Designated Operator for a facility trains the facility employees (station attendant) on an annual basis and can be working under contract, be a regional compliance coordinator, ust owner, or an employee of the facility.

The chair asked if there were any questions from the committee members or audience.

Item # 6 Update on Regulation Process

Ms. Jennifer Pruett, Tank Fee Manager, provided an update for the Committee on the Bureau's regulation revision effort:

Good morning members of the committee there are four things I want to tell you about, first is our regulation and revision process. The hearing on that in front of the Environmental Improvement Board is this coming Monday at the Wendell Chino Building in Santa Fe at 9:00

a.m. We estimate we have about five hours of testimony, and we hope the board will deliberate after that hearing and make a decision right then and there. If that's the case, then mid-February is when the rules will become effective. If the Board waits until its next meeting to deliberate and adopt revisions, then the rules will not be effective until some time in April.

In your packet is a copy of the December 3, 2007 letter which is also posted on our website. It explains that the department has decided not to seek statutory changes to our laws, with this legislative session but we are still considering those next legislative session. Now in your packet is also the most recent spreadsheet on tank fee collection program. Since the last spreadsheet you saw, in September we have collected \$6,652 and declared uncollectible \$17,783. Our collection ratio is about 12% collectable to 88% uncollectible; that has been pretty steady through out the program.

One highlight of this program was the completion of an enforcement action against Kenneth and Betty Butkus in Los Lunas, a case started back in the early 1990s when Mr. Baca was an inspector for the Bureau. These owners essentially fenced and abandoned tanks about 15 years ago. They signed a settlement with the Bureau last June. In November they emptied the tanks and in December removed and closed them. No soil contamination was detected. In late December we received their final payment of principal tank fees, 6 months early, which completed our agreement with them. I suspect that once the tanks were gone and the site designated clean, they wanted to finish early so they could sell the property.

Next, I'll discuss our repeat offender compliance orders; we only sent out two or three in draft to repeat offenders against whom we completed enforcement within the last 2 years; these owners should know the rules and requirements for timely payment of fees. Most of these immediately paid their fees. One small owner did not, so we issued the Compliance Order, and last month we received payment of the owner's \$1668.75 fees and \$500 civil penalties assessed in the Compliance Order.

The last thing I want to report to you is a series of documents on the 989 reconciliation for Fiscal Year 2008. The monthly reconciliation starts in July, and we have the SHARE reports matching the Bureau bookkeeping. It is incomplete for December because those reports have not yet been completed. As you can see, the bulk of our 08 tank fees come in July, August and September and another bunch in October, after we send out our second round of invoices. We are now starting our Accounts Receivables process. We first get a list from our database of owners delinquent only for the current fiscal year. Then we examine each account and confirm what is owed, then send a demand letter.

The Chair asks if there are any questions from the committee.

Mr. Baca stated, I just want to congratulate you, those were done along time ago and I swore then he would never pay it. On your decision not to go before the Legislature for statutory changes, is this going to put you out of compliance with the 2005 Energy Policy Act.

Mr. Davis responded yes, we are out of compliance.

Mr. Baca replied, so your intention then is to skip the 2008 session and go to the 60 day session.

The Chair responded to this question and stated that we're planning to go in 2009 session and get this taken care of and as you may know the budget that is coming out of the 30 day session and there is not much on the call.

Mr. Baca replied, normally on 30 day sessions I've looked on it and normally there is about 200 to 450 items on the call; it's hard because it's hard to get it on the call.

Mr. Davis replied, we will receive pressure in various forms. That was something that was discussed and the decision was made.

Mr. Baca stated that he saw on this e mail, guidelines for operator's training. So basically when you go before the EIB board you're going for the regulatory changes we had.

Ms. Pruett responded, yes, primarily as you'll recall is our secondary containment requirement..

Mr. Baca replied, which are driven by Energy Policy

Ms. Pruett responded, correct and the separating now of UST and AST requirements to make the regulations clearer and more user-friendly.

Mr. Davis replied, this is the hearing on Monday and Tuesday of next week.

Mr. Baca replied, I fully intend to be there.

The Chair asked if they are anticipating any controversy or problems at the hearing next week.

Mr. Davis responded, I don't think so.

The Chair asked if there were any questions from the committee or audience.

Mr. Davis stated, this is kind of out of order because we could do this in other business but I prefer to do it now.

Mr. Baca asked in the last meeting, questions concerning activities by the Department of Taxation and Revenue, with respect to its collection of Petroleum Products Loading Fee. I had no knowledge at that time. But I did promise the committee; at this meeting I would be able to provide an update. And I will do that now if that's okay. I did contact the Department of Taxation and Revenue and spoke with and met two different persons in the Department of Taxation and Revenue. They are doing an audit on Petroleum Products Loading fee and they have found what they believe to be, my word not theirs, inconsistencies. Accordingly they have asked their revenue agents to collect money from people and their process is continuing. They have not told me who they are dealing with, they do have confidentiality requirements that we respect. So I can not report to the committee who these entities are that Taxation and Revenue are looking at. We have a follow up meeting scheduled with them one week from tomorrow

tentative. I say tentative because that depends on individual's personal schedules, they haven't as of yet chimed in and said yes to a meeting. But we will continue to pursue this. Our interest isn't so much as to what Taxation and Revenue is doing, quite frankly that is their responsibility. Our interest is if in fact there will be changes in the amount of money collected from the Loading Fee and how will that impact our fund balance so that we can manage money and not be surprised by some change in the amount and so that's our interest. It is focused on, my understanding is that Taxation and Revenue is looking at facilities that are in or close to Indian Countries specifically Navajo checker board areas, I don't know for a fact what they're looking at, that's just the sense I get. So that's the update, any follow up Mr. Baca?

Mr. Baca responded, no that's fine I had several meetings with Taxation and Revenue trying to address the issue that has come up, and basically I think there is only two that I'm aware of right now. There are only two operators that are going to be lassoed into it or have been lassoed into it. They're all on Navajo or checkerboard land; it is still going through the process. I voiced my concern to Taxation and Revenue to no avail, even though these people might be required to pay the Products Loading Fee; they have no access to it because the substantial compliance comes into the picture. Because you don't do inspections on Native American land they're sovereignty land. I think that's a big issue, I can tell you that every one of those facilities has been inspected by region nine Navajo.

Mr. Davis replied, I'll follow up a little bit on that, we have also been in conversation with Region Nine San Francisco, concerning these questions of jurisdiction, there's a difference between original treaty lands, verses lands that have been brought onto the Navajo Nation as a result of acquisition after the treaty. After the original treaty had taken place there might have been communities that were on state or private land but completely surrounded by the Navajo Nation. Making them dependent on the Navajo Nation and so all of these things are argued and there is in fact a case in 10th Circuit Court of Appeals in Denver concerning not only storage tank issues but other environmental issues asking the question who has jurisdiction who does regulations and laws apply to ect, ect. Some of this has to deal with the increase interest in uranium potential, in northwestern New Mexico, and how the mining will accrue and whether or not it is under protection control things ect, ect. But subversive to say it is still being heard in courts right now.

Mr. Chavarria asked, are these facilities leased owned or tribal owned?

Mr. Davis replied, all different types of ownership some are tribal owned on tribal land there is no question there, those are Navajo Nation's responsibility and Region Nine's responsibility. Some of them are on private land, historical the State of New Mexico has dealt with them but this argument about a dependent community and how you determine what is a dependent community enters into the picture. For example, Gallup under certain circumstances an entire city can be claimed an independent community. For all practical purposes the Navajo Nation is every where except for the county of Gallup. On the other hand smaller communities like Thoreau or other smaller communities they aren't as easy to make and therefore should be covered under this umbrella. So again we're having conversations, and we had face to face meetings last summer in Albuquerque. We had a telephone conference three weeks ago and we're purposing follow up meetings, and we're willing to go to Window Rock to meet in the offices of Navajo Nation EPA and Region Nine.

Mr. Chavarria asked, if they had been in contact with BIA regional office.

Mr. Davis responded, they have not been involved in this conversation, quite frankly this came about because Region Nine was doing the same thing as Region Six in response to the 05 Federal Region Policy act. They hadn't been out inspecting these facilities they had a two year deadline, so they didn't say anything to anyone they didn't notify us they didn't notify the facility owners, they just showed up there with Region Nine EPA and we're here to inspect you.

That is what caused us to have that initial conversation last summer. It turns out that we will continue that because there are still questions that we can't necessarily say, yes this is our responsibility, verses, no it's Navajo Nation's responsibility, so we're going to continue with the conversations.

Mr. Chavarria asked would you be interested in getting the BIA bureau involved because we still have to follow legal processes when we go to these facilities and also with off site entities coming on to reservation lands so you might want to check with the bureau on that.

Mr. Davis replied that's a good suggestion, I'll pass this on to the attorneys

The Chair asked if there were any other questions of the committee member and audience.

Item # 7 Approval of the September 19, 2007 Meeting Minutes

**Action Mr. Briggs motioned to approve the minutes of April as amended
Mr. Aguilar seconded
Motion passed unanimously.**

Item # 8 Other Business

Mr. Baca asked if they had any more contact with Region Six on changing the inspections on facilities on Indian Country on Pueblo lands.

Mr. Davis replied, no not since November. Region Six had originally scheduled some inspections for facilities in Taos and Penasco.

The Chair asked if there was any other business from committee members

The chair recognized Mitch Rubenstein, Ph.D., Pinnacle Labs from the audience

Mitch Rubenstein read into the record a letter he provided the committee members and anyone interested in the audience. The letter is attached to these minutes.

The Chair thanked Dr. Rubenstein, and said in response that the Environment Department is in favor of House Bill 19 that passed four years ago. The use of HB19 money was for environmental protection and health and safety focused on water needs and matching federal funds and we believe that's a good use of those funds, however there obviously has been much debate about it. So what's happening is consistent with the department's view of the best use of those monies and we certainly understand your point of view, which has been expressed at other times. It certainly was during the debate over HB19 as well.

Dr. Rubenstein added that in the New Mexico Business weekly regarding revenues of the three major labs in the state 6.8 million dollars the re-appropriation of the funds was 9 million dollars including 30% of administrative fees, roughly speaking the amount of money that goes to the laboratory services, the laboratory portion of the money ranges from 5 to 15% of revenue which means there was a net loss of revenue of the laboratory industry of 1.35 million dollars which account for 20% loss of revenue against that one sector of the New Mexico economy.

Mr. Chavarria asked, how many of these contractors are using instate laboratories vs. out of state. Because I operate a program and I would send my stuff out of state.

The Chair asked if there were any future business

Item #9 Next Meeting is March 27, 2008.

After discussion, the Committee decided the next meeting of the Storage Tank Committee will be held in Santa Fe, New Mexico, on March 27, 2008 at 10:00 a.m.

Item #10 Adjournment

The meeting adjourned at approximately 11:52 a.m.

**Action: Mr. Baca moved to adjourn the Meeting.
 Mr. Chavarria seconded.
 The motion passed unanimously.**

Petroleum Storage Tank Committee Chairman