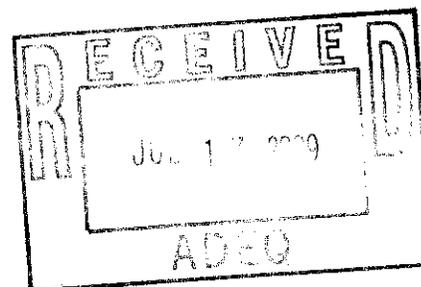


ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

MEETING OF THE
UNDERGROUND STORAGE TANK POLICY COMMISSION

Phoenix, Arizona
June 24, 2009
9:00 a.m.

Location: 1110 W. Washington
Room 250
Phoenix, Arizona



REPORTED BY:
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INDEX FOR THE AGENDA ITEMS

AGENDA ITEMS:	PAGE
1. CALL TO ORDER AND ROLL CALL	4
2. APPROVAL OF MINUTES FROM JANUARY 28, 2009 AND FEBRUARY 25, 2009 MEETINGS	4
3. ADEQ UPDATES	6
4. SAF STATUS	13
5. DISCUSSION OF RECENT LEGISLATION AND RULES AFFECTING THE UST PROGRAM	28
6. EVALUATION SUBCOMMITTEE UPDATE	30
7. TECHNICAL SUBCOMMITTEE UPDATE A. LUST Closure Criteria B. 2009 SAF Cost Schedule	33
8. GENERAL CALL TO THE PUBLIC	39
9. SUMMARY OF MEETING ACTION ITEMS	45
10. DISCUSSION OF AGENDA ITEMS AND SCHEDULE FOR NEXT COMMISSION MEETING	
11. ANNOUNCEMENTS: A. NEXT POLICY COMMISSION MEETING IS SCHEDULED TO BE HELD ON July 22, 2009 AT 9:00 A.M. IN ROOM 250 AT ADEQ LOCATED AT 1110 W. WASHINGTON, PHOENIX, ARIZONA	46
12. ADJOURN	46

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COMMITTEE MEMBERS PRESENT:

Catherine Chaberski, Vice-Chairperson

Theresa Kalaghan

Bill Bunch

Michael Fulton

Tamara Huddleston, Esq.

Jon Findley

Tricia Johnsen

1 P R O C E E D I N G S

2
3 CHAIRPERSON CHABERSKI: Good morning. Welcome to
4 the June 24th, 2009 Underground Storage Tank Policy
09:07 5 Commission meeting. The Chairperson, Gail Clement, is
6 unable to make it today, so I'm going to be running the
7 meeting as the Vice-Chair in her place, so let's see what
8 happens here.

9 Okay. Let's go to the agenda. Let's start with
09:07 10 the roll call.

11 MR. FINDLEY: Jon Findley, Sierra Club.

12 MR. BUNCH: Bill Bunch, Circle K stores.

13 MS. KALAGHAN: Theresa Kalaghan.

14 VICE-CHAIRPERSON CHABERSKI: Cathy Chaberski.

15 MR. FULTON: Mike Fulton, DEQ.

16 MS. HUDDLESTON: Tamara Huddleston, Attorney
17 General's Office.

18 MS. JOHNSEN: Tricia Johnsen, Safeway field
19 operations.

09:08 20 VICE-CHAIRPERSON CHABERSKI: Next on the agenda
21 is the approval of the minutes January 28th, so I need a
22 first and second for approval. So, first let's do the
23 January 28th meeting minutes. Let's see. For approval of
24 the minutes. Yes?

09:08 25 MR. BUNCH: I move we approve the minutes.

1 VICE-CHAIRPERSON CHABERSKI: Can I have a second?

2 MS. JOHNSEN: Second.

3 VICE-CHAIRPERSON CHABERSKI: Tricia seconded.

4 The January 28, 2009 minutes are approved.

09:08 5 Next is the February 25th, 2009 minutes. Oh, I'm
6 sorry. Let's vote on approval of the minutes. I'm sorry.
7 I haven't had my Mocca coffee. It's been a long morning.

8 Okay. Let's vote. I'm having a very hard
9 morning. Okay. Okay. To the Commission, all say how
09:09 10 many approve -- how many say yes to approve the meeting
11 minutes? Say aye.

12 (Chorus of ayes.)

13 VICE-CHAIRPERSON CHABERSKI: Any nays?

14 Okay, the minutes are approved. I'm on track
09:09 15 now, folks. This is just for the audience, they usually
16 get bored at these meetings. All right.

17 Let's go with the February 25th, 2009 minutes.

18 MS. KALAGHAN: I will move to approve them.

19 VICE-CHAIRPERSON CHABERSKI: Anyone second?

09:09 20 MS. HUDDLESTON: I will second.

21 VICE-CHAIRPERSON CHABERSKI: To the Commission,
22 will we agree to approve those minutes? Say aye if you
23 agree.

24 (Chorus of ayes.)

09:09 25 VICE-CHAIRPERSON CHABERSKI: Any nays?

1 Okay. The February 25th meeting minutes are
2 approved.

3 Next, ADEQ updates. Mr. Fulton.

4 MR. FULTON: I can talk for a while.

09:10 5 VICE-CHAIRPERSON CHABERSKI: Thank you.

6 MR. FULTON: Okay. Let's see, we didn't have a
7 meeting last month, so we have a few updates. This report
8 will be a bit longer than normal.

9 First, we do have a new ADEQ director, Benjamin
09:10 10 Grumbles. His first day was Monday. He comes to us from
11 EPA headquarters, where he served as the Assistant
12 Administrator for Water Quality from 2002 to -- I'm sorry
13 -- from 2004 to 2009, so, five years. He's just started
14 on Monday. He does plan on coming to a later meeting at
09:10 15 the Commission to meet you all, and he and I talked about
16 that yesterday. When things calm down a little bit
17 probably would be a better opportunity, maybe next month
18 or the following. He's going to be doing lots of
19 introductions around the State to other commissions and
09:11 20 other boards, traveling and touring the state over the
21 next couple of months.

22 Since last meeting, the Department, in response
23 to the budget, and this is not directly connected to the
24 State Assurance Fund status, which I will talk about
09:11 25 later, but as a result of continuing budget pressures, the

1 Department did undertake some layoffs and some reductions
2 in force. And those numbers are right around 20, 25
3 people laid off. Layoff means uncovered employees that
4 aren't within the protections of the personnel system,
09:12 5 like me. There were about 18 of those let go, and then
6 another four or five covered employees to a reduction in
7 force.

8 We aren't any more or less immune from those
9 kinds of cuts than any other department. We are able to
09:12 10 keep our cuts fairly modest, though they're still painful
11 but modest because there was a significant number of
12 retirements and other separations that occurred to help us
13 through our budget squeeze.

14 Again, as that pressure continues to cut budgets
09:12 15 and fund balances are reduced, there is really not much
16 other room for cuts other than the other biggest expense
17 in the Department, which is personnel.

18 VICE-CHAIRPERSON CHABERSKI: Were any of those
19 RIFs from the Underground Storage Tank group?

09:12 20 MR. FULTON: There was one layoff in our
21 division, in our admin budget group, but the rest of our
22 reductions came as a result of retirements and
23 separations. We hope we don't have to do any more, but we
24 just do not know. And that uncertainty will carry through
09:13 25 into my discussion about the State Assurance Fund.

1 Back to what's typical as a report, I will start
2 with the Corrective Action Section Policy Commission
3 report. I just have a few comments about that. This is
4 the pie chart, orange-colored pie chart sheet. The stats
09:13 5 we have for the past month show our reported releases,
6 which are staying at a pretty low number, four in May,
7 none in April. Closures after kind of a pause, I think
8 we're going -- picking up our closure rate again, so the
9 cumulative report and the percentages don't change with
09:14 10 those small numbers. So, I think the important thing
11 about the corrective action documents pending review
12 below.

13 An interesting trend up is from February to May
14 on the risk assessment requests for review. I don't know.
09:14 15 We have four months, and that's a significant increase
16 from what we've seen. I think we might be -- I'm
17 speculating here, but I think we might be seeing some
18 increased desire to look at risk assessments in light of
19 the Fund going away and being able to use a risk
09:14 20 assessment, which is quite allowable to talk about
21 achieving closure in a site versus active remediation.
22 So, we're just keeping an eye on all these numbers here.

23 And, of course, the MTCP, which was a regular
24 report, as we had talked about months ago and we continue,
09:15 25 we suspended our MTCP work in our State Lead Program

1 almost in its entirety right now with some very few
2 exceptions, trying to -- it's just an adjustment to try to
3 deal with the cash flow problems with transfers that were
4 realized.

09:15 5 VICE-CHAIRPERSON CHABERSKI: I have a question on
6 that. I think the Governor's notice said that you
7 suspended work on these programs. Is there an update as
8 to when you think you might start up again?

9 MR. FULTON: I can only be as certain of that as
09:15 10 the budget, which is not certain at all, so I don't know.

11 VICE-CHAIRPERSON CHABERSKI: So there will be
12 hopefully some status after July 1, once the budget is put
13 in place?

14 MR. FULTON: That's hopeful. The budget
09:16 15 discussions continue. I wouldn't look for our condition
16 to improve greatly next year. I don't think that's
17 realistic. It's hopeful, but I don't think it's realistic
18 that we're going to be made all whole and better and be
19 able to continue functioning as we might like to.

09:16 20 MS. KALAGHAN: Weren't you anticipating receiving
21 some stimulus money?

22 MR. FULTON: Next time. Great segue. This will
23 come up again as we talk about the State Assurance Fund.

24 VICE-CHAIRPERSON CHABERSKI: So you will keep us
09:16 25 posted as to the status of the program stopping, starting.

1 If you could, that would be appreciated.

2 MR. FULTON: That's on the top of the list.

3 VICE-CHAIRPERSON CHABERSKI: Okay. Great. Thank
4 you.

09:16 5 MR. FULTON: We would like to get that State Lead
6 program going there as well, some important sites in
7 there. We are working on a limited number of State Lead
8 sites, those that we had court entered agreements to
9 perform, so we have a couple going, and the stimulus money
09:17 10 is going to feed into that.

11 We'll talk about that next, which is the federal
12 stimulus dollars. We have been told we will get about
13 \$3.2 million in stimulus funds for advancing cleanups of
14 largely orphan sites in Arizona.

09:17 15 Our proposed list right now is 23 sites. It's on
16 our website. If you want to look at the website, you can
17 find it. There is a Department link. We're not the only
18 program in the Department that can receive the federal
19 stimulus hours. WIFA is the biggest recipient, the Water
09:17 20 Infrastructure Finance Authority. But we've been told we
21 -- this has been going on and on -- we will have the money
22 any day now. Now it looks like sometime between July 1
23 and the 15th of July is kind of the range we've been told.

24 In preparation for that, we've been preparing
09:18 25 task assignments to re-engage on some of these State Lead

1 sites that were suspended, with state money. That listed
2 23 that's on the website, describes which ones we are
3 proposing.

09:18 4 VICE-CHAIRPERSON CHABERSKI: UST is 23 or is it
5 more stimulus dollars?

6 MR. FULTON: No. This is all UST.

7 VICE-CHAIRPERSON CHABERSKI: Okay.

09:18 8 MR. FULTON: These are all leaking tanks, and the
9 bulk of those 23 sites are orphan sites, and they are all
10 around Arizona, mostly in rural areas. So, that's the
11 list of sites we have. I keep calling them -- I want to
12 emphasize those are proposed.

09:18 13 We think the \$3.2 million will carry us through
14 those sites. We do not know. It's hard to tell. As we
15 work through them, we might add some sites, we might
16 delete some sites, so that's the flexibility I wanted to
17 remind everybody we need to have, 'cause, until, as you
18 know, you start digging into a site, sometimes you don't
19 exactly know how much it costs. That's the aura of
09:19 20 funding.

21 Let me continue with the updates here, which I
22 don't really have any other observations for our State
23 Assurance Fund graph. Our number of -- new number of
24 claims, determinations made are staying about the same.

09:19 25 Our projections for claims this year are staying

1 in the range of expectations, about \$16 million or so, but
2 we keep looking. We are monitoring that every day, in
3 fact, to see, and that's how we structure our projections
4 that I will talk about here on the State Assurance Fund
09:20 5 status.

6 Tara keeps a very close eye on the number of
7 claims that come in and the size and the amount requested,
8 and that can vary depending on which sites are coming in.
9 We haven't seen any explosion in number of claims. We've
09:20 10 seen some variations. We might be seeing more smaller
11 claims. Maybe people are advancing claims more
12 frequently, but that's -- we haven't seen any huge
13 variation.

14 Anything to add to that, Tara?

09:20 15 MS. ROSIE: No. I did check this morning,
16 though, and there are currently six preapprovals.

17 MR. FULTON: That's an important point if you are
18 in this game. The preapproval deadline for the sunset
19 provision of 1306, June 30th, 2009, was the deadline for
09:20 20 preapproval applications into the Department. We've
21 received a few more than we normally do in response to
22 that deadline, I believe. I think we're going to keep an
23 eye on that as well, but not a huge explosion of numbers.

24 That kind of creeps into my SAF status report.

09:21 25 Are there any questions about the numbers part of the

1 report here?

2 MR. BUNCH: Mike, I thought I had read the
3 deadline was for the Department to approve the
4 applications. Can people still submit them until the
09:21 5 close of business on the 30th?

6 MR. FULTON: 5 p.m. the 30th.

7 MR. BUNCH: There will be a line all the way out
8 to the parking lot down there.

9 MR. FULTON: Do you think so? Do you know
09:21 10 something we don't?

11 MR. BUNCH: I know some people procrastinate.

12 MR. FULTON: If it wasn't for the last minute,
13 nothing would happen.

14 MR. BUNCH: Exactly.

09:22 15 MR. FULTON: Okay. State Assurance Fund status.
16 And before -- it wasn't in the packet because we just had
17 this done last night, the status sheet we normally see.
18 So I will talk about a few things, then we will have a
19 handout here.

09:22 20 We mentioned a couple of months ago, and this is
21 in your packet, that we had sent notices, another in a
22 series of notices to owners, operators, volunteers,
23 consultants, reminding them again. Some of you probably
24 received these letters. The Fund is set to expire and
09:22 25 there is some important dates in there. Just as another

1 reminder, I think it's advisable for us to do that.

2 We haven't seen a lot of increased claims as a
3 result. This went out about a month ago. We've had some
4 phone calls, people asking us about their status, so it
09:23 5 meant the intended purpose, which was to notify people of,
6 yet again, of the termination of the Fund and to encourage
7 them to, this is your last year for doing some work if
8 that's what you desire to do, under the Fund anyway.

9 We already mentioned the June 30, '09 deadline
09:23 10 for filing preapproval applications until 5 o'clock.

11 Another important deadline that's coming up is
12 September 1, 2009, that is, within session law of Senate
13 Bill 1306, the Department is required to submit a report
14 to the Governor and Legislature reporting the -- I will
09:23 15 quote here -- the anticipated financial liability of the
16 UST Fund based on applications received by June 30, 2009.
17 So, just another week or so, that's going to be the cutoff
18 by which we analyze what it says here is the anticipated
19 financial liability of the UST Fund.

09:24 20 So, we're working on that as a draft right now,
21 and obviously with September coming, we need to have a
22 draft and we want to present to the Commission to look at
23 that draft in advance of September 1, so that's going to
24 have to be on the agenda for July, preferably, August at
09:24 25 the very latest, an agenda item for the Commission to look

1 at that draft.

2 So, we're apparently drafting that in-house and
3 we will present that to the Commission when we can.

09:24 4 MR. BUNCH: Mike, do you mind sharing what those
5 liabilities, the buckets of those liabilities are with
6 corrective action costs, but would State Lead programs be
7 included in that?

8 MR. FULTON: Well, in the pure sense, the claims
9 are going to be what claims have shown up. We might be
09:25 10 able to talk about the range of -- I hate to use the word
11 liability -- I use the word obligation, obligations to the
12 Fund. The high range would be the limits of coverage, but
13 not everybody will exercise the full limits of their
14 coverage.

09:25 15 In these cases, the low range might be some other
16 estimate we can use based on history, what we would expect
17 based on a typical claim, so somewhere between. It's not
18 going to be a really exact number because we still have
19 another period of time when people can still submit claims
09:25 20 against the Fund.

21 So, Tara will have to look at what's in-house,
22 and we will have to make an estimate based on the number
23 of open sites, open eligible sites, get an estimate of
24 that obligation. How that discussion might creep into
09:26 25 talking about the future, I don't know yet. I think

1 that's something the Commission might want to think about
2 as well. Do we want to talk a lot about the regulated
3 substances fund, about the magic \$60 million that was
4 supposed to be there as a transition from the Assurance
09:26 5 Fund to the Regulated Substances Fund? I don't know.

6 A literal read of the session law would argue
7 that we do that. It sounds pretty compact to look at
8 those obligations. A natural progression would be looking
9 at the future. So did I -- do you have any other?

09:26 10 MR. BUNCH: I'm curious if the State Lead -- I
11 had in my mind the State Fund was funded throughout SAF as
12 well.

13 MR. FULTON: It is.

14 MR. BUNCH: So I guess my question would be,
09:26 15 would you look at your obligations or liabilities
16 associated with State Lead program in your projection in
17 September? And also, it was my understanding the staff,
18 some of the staff funding, the program funding came out of
19 the SAF, so, would it kind of show all the liabilities or
09:27 20 obligations that are generally funded through the SAF so
21 you can make that number look more realistic?

22 MR. FULTON: Yeah. We're going to look at
23 everything that taps those funds we need to talk about.

24 MR. BUNCH: All right.

09:27 25 MR. FULTON: Because you are right, we will hit

1 on, not every penny that comes into the State Assurance
2 Fund goes back out to the site. There is some admin costs
3 associated with that.

4 So, we're still trying to get our arms around
09:27 5 what -- have you ever read session law before? It's
6 interesting. If you read it one day and come back and
7 read it again, you see something different. But we're
8 trying to decide how we want to structure that to meet the
9 needs of the session law.

09:28 10 VICE-CHAIRPERSON CHABERSKI: I think, Bill, you
11 are saying you want to make sure it meets the needs of the
12 true picture of the funding that's needed?

13 MR. BUNCH: Right. Because I think the bigger
14 number that's thrown out, the better the odds of success
09:28 15 of obtaining some funds in that.

16 VICE-CHAIRPERSON CHABERSKI: In all fairness,
17 whatever the money we need, regardless of the program, we
18 need to be in the picture.

19 MR. BUNCH: Right.

09:28 20 MR. FULTON: This is not literally hot off the
21 press. It came to me later last night, so I didn't have
22 this in the packet. This is our fund status sheet, and
23 I'm going to review that in detail. And I'm going to
24 follow it up with another fact sheet, because it has been
09:28 25 necessitated because of some budget discussion.

1 So, let's see here. The last update was dated --
2 we've done a little change here, and I don't want to --
3 we've done other change intended to confuse the issue.

4 VICE-CHAIRPERSON CHABERSKI: I just want to say
09:29 5 for the record that Mike handed out the SAF Assurance Fund
6 Status Report, which is usually part of the package of the
7 update for the record. Sorry.

8 MR. FULTON: And that will be posted as well.

9 Our last -- we tried to cycle through, and I've
09:29 10 been driving my budget folks crazy by not picking dates
11 that end on the month. The last update was May 27th.
12 This one is May 31st. Not many days change between that,
13 but they wanted me to start looking at doing postings at
14 the end of the month. I desire to be as accurate as
09:29 15 possible and as updated as possible, so that's what these
16 numbers are. They reflect a slight change between the
17 May 27nd, but the same caveats apply to this sheet as they
18 did last month, which is, we start off with our balance.
19 Our projected revenues can vary throughout the cycle.
09:30 20 We're holding pretty close at 29 and a half, which is
21 about what we'd expected. Those are revenues generated
22 through the penny-a-gallon revenue.

23 So our total available funds, sixty-three. Our
24 expenditures do rise and fall depending on how claims
09:30 25 cycles go, how many claims we have in-house, so that is

1 also a projection.

2 The transfers, those are the transfers we will
3 talk about a little bit more in detail in a minute, but
4 that still sits at about 13 and a half. We had tallied
09:30 5 that as a different number last -- the last report because
6 I think what we did is we counted something as being
7 transferred from the State Assurance Fund that really
8 actually wasn't. It was another sub fund of the UST fund,
9 so the transfer number is slightly lower than last month
09:31 10 but not big enough to make a huge difference.

11 So, at the bottom of the summary, if our
12 projections hold, about an \$18 million balance at the end
13 of the year.

14 Recall, we had kind of bad news earlier from an
09:31 15 earlier site, when we were booking the \$15.7 million
16 transfer out of the UST Fund to correct a -- what we view
17 as a legislative error to the WIFA. Well, that didn't
18 happen, so that 15.7 is still in here. But -- which is
19 how I usually continue sentences this time of year, no
09:31 20 one's forgotten about the \$15.7 million. And I will cover
21 that here in just a second unless there is some questions
22 about this particular update.

23 VICE-CHAIRPERSON CHABERSKI: Just as a reminder,
24 the \$15 million was to correct something that was taken
09:32 25 out that they needed to put back in order to be in

1 accordance with the federal stimulus money coming. Was
2 that the issue, something like that?

09:32 3 MR. FULTON: It's complex. Basically, the
4 transfer from the WIFA was proposed, and we argued that,
5 the Department argued was not lawful. And to the extent
6 that if you want to argue a point, you have to provide an
7 alternative. That was one up, we will take it from UST
8 Fund. It didn't happen, didn't have to happen. The 15.7
9 came from somewhere else. I don't know where.

09:32 10 VICE-CHAIRPERSON CHABERSKI: Thank you.

11 MR. FULTON: Okay. Now that brings us to this
12 year, or looking forward to the budgets that are currently
13 being discussed. There's -- if you look at the website
14 for the legislature or the Governor's website, you can see
09:33 15 there is a range of proposals that -- for the 2010 budget,
16 none of which have been settled yet, but the proposals
17 I've seen range, as an impact to the UST Fund, anywhere
18 from the legislative side, first proposal I saw, in fact,
19 the ones -- the budget bills that were passed that haven't
09:33 20 been transmitted to the Governor talk about around a \$4
21 million transfer from the UST fund in '10, 2010. As a
22 comparison this year, we stood at almost a \$14 million
23 transfer, so if you call that, you know, some cause for
24 hope.

09:34 25 The executive budget, the Governor's budget is

1 somewhere around \$18 million transfer. So, I don't know
2 where that's going to land. I was talking to Bill before
3 we started. We're in a game of reaction. We kind of
4 watch, but the UST Fund is one of the honey bees in the
09:34 5 hurricane. There is a lot of funds being talked about out
6 there as the budget's trying to balance. Every fund is
7 impacted hugely.

8 If you are familiar with WQARF, the Water Quality
9 Assurance Revolving Fund, they're having to make decisions
09:34 10 about which treatment plants they will shut down that they
11 spent millions of dollars building. So every program is
12 really taking it hard, and the personnel impacts we've
13 had, it's kind of an uncertain time.

14 With that, I wanted to pass out, not to confuse
09:35 15 the issue, it's a Fact Sheet that our Department put
16 together to talk about 2010 budget proposals of the
17 difference between the legislative and the executive
18 budget proposals. And the UST Fund is directly mentioned
19 here, so let me pass this out. And on the front is a Fact
09:35 20 Sheet. On the back is the Fund Status we had as of
21 May 27th, last month's report. So --

22 VICE-CHAIRPERSON CHABERSKI: For the record, I
23 just want to state that Mr. Fulton is handing out just a
24 continuing information from the package, an update on the
09:36 25 UST Transfer dated June 17th, 2009. It's not a new item.

1 It's continuing information.

2 MR. FULTON: So, let's talk about the -- did I
3 give away my only copy? All right. We'll share.

4 Let's talk about the Fact Sheet on the front and
09:36 5 the reason for it. As I just mentioned, there is a
6 difference in the 2010 proposals between the executive,
7 the Governor's proposal and the legislative proposal, and
8 here's why it's different. It's a continuing world of
9 least worst choices as to the Department, and right now
09:36 10 we've been told to hit a certain target of cuts and how to
11 make it, it's up to us in some measure, but what we're
12 talking about in this particular Fact Sheet impacts the
13 UST Fund.

14 Remember that \$15.7 million number that I told
09:37 15 you that we forgot about? Well, here it is. The
16 Governor's budget proposes a transfer of 15.7 million from
17 the UST Fund to the General Fund, and we're looking for
18 support for that transfer, and it's not going to serve our
19 own self interests, at least in the context of the UST
09:37 20 program.

21 If that transfer isn't realized, then the
22 legislature is proposing to zero out the funds that are
23 listed here, putting the Air Quality Fund, which does some
24 important work with regard to researching attainment
09:37 25 areas, support to businesses and development.

1 The Recycling Fund, Indirect Cost Recovery Fund
2 from the Recycling Fund, it's very important to the
3 Department. Talking about zeroing that out.

4 And the Indirect Cost Recovery Fund, that funds a
09:38 5 lot of our internal audit functions, which is important to
6 keeping and receiving any more ARRA money.

7 So, the last point here is that, as we said, we
8 are usually getting around 29 million a year, which has
9 been able to sustain us, keep us paying claims, and we
09:38 10 think we can still withstand that \$15.7 million transfer.

11 We made plans to do it when it was talked about
12 earlier, but these are the impacts. And, as I said, I
13 don't want to repeat that. The Department, looking at
14 least worst choices all the time about how we want to
09:38 15 absorb certain cuts, and as the fund balances on all these
16 different funds of the Department get lower and lower, we
17 have to look at other alternatives to stay viable as a
18 whole, as a whole department. So, that's the discussion
19 going on right now. This is a Fact Sheet that's been
09:39 20 passed around at the legislature. I don't know if you
21 have any questions or any observations about that but...

22 VICE-CHAIRPERSON CHABERSKI: I have one question,
23 not being a state budget expert, so the 15.7 you're
24 saying, you are saying you want to stay -- keep it in DEQ,
09:39 25 if possible, that they could take it away from DEQ and

1 give it to somewhere or something else? Is that what you
2 said?

3 MR. FULTON: All these transfers are aimed at
4 trying to get the General Fund in balance.

09:39 5 VICE-CHAIRPERSON CHABERSKI: So, once it's in the
6 General Fund, then you get your General Fund piece,
7 Economic Security gets their piece, and it's divvied out,
8 and what you're saying is for this piece, you'd want to
9 use that money to keep these programs. That's what
09:39 10 executive budget says, and that's what you support in DEQ?

11 MR. FULTON: It's in lieu of these cuts described
12 below.

13 VICE-CHAIRPERSON CHABERSKI: Okay.

14 MR. FULTON: We are offering up, as you might --
09:40 15 UST Fund, again, the least worst choice, primarily
16 supported by the fact that we think we can still sustain
17 those cuts. Nobody likes it at all. It really -- it
18 really -- for us looking to the future towards a Regulated
19 Substance Fund, big transfers from the SAF are problematic
09:40 20 because we are eroding our balance that might help us make
21 that transition from the State Assurance Fund to Regulated
22 Substances Fund, which there is no other real alternative
23 at this point.

24 So, while there was hope, who knows what will
09:40 25 eventually occur. These are all very fluid discussions

1 about where we're going to land with the 2010 budget.

2 And not to be cynical or pessimistic about it,
3 but even after the 2010 budget is set, just like in 2009,
4 we're likely to have even more uncertainty still. If the
09:41 5 revenue projections don't come in, it's possible that 2010
6 budget could be adjusted as the year progresses.

7 So we just -- my state of mind is just trying to
8 deal with what information I have in front of me, which is
9 our balance right now, and we're going to have a better
09:41 10 picture of our obligations as we get to June 30th and make
11 some guesstimates about that. But it's an information, of
12 passing out some information for you.

13 So, are there any questions about that?

14 MR. BUNCH: Mike, the Air Quality Fund, without
09:41 15 the Air Quality Fund, DEQ is still going to be working on
16 that implementation plan; correct?

17 MR. FULTON: It just makes it that much harder.
18 Yeah. This is a zero sum game, and it becomes even more
19 evident as fund balances approach zero.

09:42 20 The Air Quality Fund used to have a lot of money,
21 just as did the UST Fund, and as did the WQARF Fund.
22 We're all getting down to handing out existence pretty
23 soon. But I will repeat what I've said in the past, a
24 couple of months, which is, I think we can manage these
09:42 25 kinds of transfers, we can continue to pay claims that

1 come in without having to resort to a claims ranking, but
2 we are prepared to rank claims if we have to. We've done
3 that homework, we've dusted off that process. It's not
4 one we want to do, but we have to -- just to plan out, we
09:42 5 must prepare for it.

6 I would like to talk about when we get a 2010
7 budget figured out, whether we can re-implement some of
8 our other parts of our program, we can sustain re-engaging
9 with our State Lead work and get that going again.

09:43 10 Hopefully we can, but until we get a 2010 budget, there
11 will be some more certainty, but we are not really going
12 to move ahead with changing that right now. But July
13 should bring us a new budget. Who knows. Who knows. So,
14 kind of a glum report, but that's the information I have.

09:43 15 VICE-CHAIRPERSON CHABERSKI: Well, we have a
16 Commission meeting that's scheduled for July 22nd, and I
17 imagine, I guess we will probably have some things to talk
18 about, at least to see what's shaking out in the interim.

19 I don't know about the other Policy Commission Members,
09:43 20 but these updates that you are giving, even though they
21 are fluid with the options, they are very valuable in the
22 interim, and hopefully we will get -- I'm not saying by
23 July 22nd everybody is going to know, but at least we will
24 have an indication, if the Governor's budget passes, we
09:44 25 will have the big pieces in place, so, I don't know, I

1 think it's great and very valuable when you prepare what
2 you are thinking about and your options that you are
3 getting things in place, in case that happens so you don't
4 have to overreact, I think that's really a positive
09:44 5 approach.

6 I don't know if there are any other comments
7 about that, but I think we're -- I'm appreciative of the
8 updates, even though we don't have solid. It is going to
9 be a fluid year. We don't know what the economy is going
09:44 10 to do, none of us in all of our other work. No crystal
11 balls.

12 MR. FULTON: No.

13 VICE-CHAIRPERSON CHABERSKI: Any other comments
14 or questions for Mr. Fulton?

09:45 15 MR. FULTON: I will just repeat, like I said, our
16 action items are going to be slowing because of the
17 budget, but we need to look at that, our September 1, '09
18 report, and I will be asking that that will get on the
19 agenda sometime in the future and look for some feedback
09:45 20 on what should be in that report. What has to be in that
21 report is laid out in session law.

22 VICE-CHAIRPERSON CHABERSKI: Is there a way that
23 you can provide that document for that piece of the
24 session law so --

09:45 25 MR. FULTON: Yes.

1 VICE-CHAIRPERSON CHABERSKI: -- so we can see
2 that?

3 MR. FULTON: So, I will have June send that to
4 the Policy Commission Members, one of the sections of the
09:45 5 session law. We'll send you all the session law and you
6 can read it.

7 VICE-CHAIRPERSON CHABERSKI: Wait a minute.

8 MR. FULTON: We can have an interpretive session
9 later.

09:46 10 MR. FINDLEY: How big will that pile of paper be?

11 MR. FULTON: It's not thick. It's elegant, but
12 also can be interpreted many different ways, but it's not
13 that bad. But it is session law.

14 That's it for my SAF status report.

09:46 15 VICE-CHAIRPERSON CHABERSKI: Okay. Item No. 5 on
16 the agenda. Any other final comments or questions on that
17 issue?

18 Discussion of the recent legislation rules
19 affecting the UST program. Mr. Fulton, again.

09:46 20 MR. FULTON: Our rules moratorium continues for
21 at least the end of our fiscal year. That's the pause
22 that the Governor put on new rules while she evaluates
23 what it is are her priorities for rulemaking in her
24 administration.

09:47 25 So, that's the latest we have from the Governor's

1 Office, at least through the end of this fiscal year,
2 which ends June 30th.

3 There are bits of legislation out there. I think
4 -- I haven't been tracking it extremely closely, but could
09:47 5 put a statewide moratorium on rulemaking for a period of
6 time. I believe those are out of the House. Tobin, I
7 think, is one of the sponsors, and proposing longer term
8 suspension of rulemaking at all state levels, unless
9 certain thresholds are met. If public health and safety
09:47 10 need to be advanced by rulemaking, that's one of the
11 exceptions that can be discussed, but that's just out
12 there if you want to look at the legislation.

13 VICE-CHAIRPERSON CHABERSKI: If you have a rule
14 in place and you want to amend a rule, is that still
09:48 15 continuing or --

16 MR. FULTON: No. All rulemaking has right now
17 been suspended, even --

18 VICE-CHAIRPERSON CHABERSKI: Modifications.

19 MR. FULTON: -- modifications.

09:48 20 We're still doing our five-year review of rules
21 to make sure things are -- that affect changes as a result
22 of those reviews. I'm not sure how we're going to do
23 that. Did I miss anything on that?

24 MR. BUNCH: How does the Department deal with
09:48 25 legislative obligations that typically require rulemaking?

1 Would you just effect a policy, i.e., operator training,
2 et cetera?

3 MR. FULTON: Well, that's something we've talked
4 about. We've been, again, hopeful. Our operator training
09:48 5 requirements don't come into effect until 2012. Logically
6 we'd like to have a rule in place to give people enough
7 advance notice to adjust their own operations to meet that
8 requirement. But if we can't get a rule out and we have
9 legislative authority already, we could talk about a
09:49 10 policy, but, hoping this moratorium will end soon enough
11 where we can make arguments for an exception. But, yeah,
12 we've looked forward to that as well, Ron has, how we
13 might implement that if we have to.

14 That's all I have.

09:49 15 VICE-CHAIRPERSON CHABERSKI: Any comments or
16 questions?

17 That brings us to Bill Bunch, the Evaluation
18 Subcommittee update.

19 MR. BUNCH: It's been so long. We had a meeting,
09:49 20 I think it was in April. It's been a while, but once we
21 got the crowd under control, Ron, myself and one other
22 member of the public, we talked about integration of the
23 stop-use tags, and into the Department handbook. And the
24 Department's recommendation was that we not move forward
09:50 25 with that effort, that we allow the new Director to digest

1 the documents, that the Department would actually take the
2 first stab to try to integrate those requirements into the
3 operator's manual, which we showed no remorse for that
4 decision. So that's kind of where we stand.

09:50 5 MR. FULTON: The compliance portion of the
6 handbook is what he talked about when you say handbook.
7 That outlines, if you don't know, that outlines the
8 Department's approach to enforcement.

9 As I said before, and we are still intending to
09:50 10 fully, these orders, stop-use order and stop-use
11 termination, or termination of stop-use order, we're going
12 to follow the same protocols that are already identified
13 in our handbook for other orders.

14 And as a reminder, those orders, they go all the
09:51 15 way through me up through our Director for approval. So,
16 stop-use orders aren't in-the-field decisions by an
17 inspector, so they get plenty of deliberation and that's
18 how we intend to appoint that. As well, we'd like to make
19 it formalized so you can get a compliance handbook. We
09:51 20 haven't encountered any situations where we wanted to
21 issue one yet. We just have that authority in the
22 statute, and we've already drafted what we think the
23 orders would look like. That's what we shared with you,
24 and I don't know if you guys have any comments at all to
09:51 25 the content or form of the order itself.

1 MR. BUNCH: We looked at that a couple of
2 meetings prior, and I think everyone was very comfortable
3 with the Evaluation Subcommittee on the form and substance
4 of those documents. I can't even recall, we might have
09:51 5 even shared it with the full Policy Commission at one
6 point.

7 MR. FULTON: I appreciate that. We want to give
8 the new Director a chance to get his feet on the ground,
9 because that compliance enforcement handbook is a -- we're
09:52 10 not the only program that's feeding any kind of changes
11 into that. There is probably a cue of changes to be
12 looked at. This is one of them, and we are keeping an eye
13 on it, and we want to get that change in when we can.

14 Again, that's our repeated commitment. We're
09:52 15 going to implement these orders just like every other
16 order; nothing new. Okay.

17 VICE-CHAIRPERSON CHABERSKI: Anything else, Mr.
18 Bunch?

19 MR. BUNCH: Well, based on the behavior to date,
09:52 20 I think you've had the authority since January and there's
21 been no occasion yet to exercise that authority, I don't
22 think it's necessarily the highest priority for the
23 Department. I would agree with that.

24 MR. FULTON: We're not out hunting for these
09:53 25 things, but if we see occasion to use it when it needs to

1 be used, it's not one of those orders that we would take
2 lightly, especially with an operating system. It's a big
3 stage. We'll shut you down, but it's something we have
4 authority to use and reserve the right to use it. We just
09:53 5 haven't seen that yet, thankfully.

6 MR. BUNCH: Yes.

7 VICE-CHAIRPERSON CHABERSKI: You have a meeting
8 scheduled tentatively for July 2nd. Do you have any
9 agenda items at this time?

09:53 10 MR. BUNCH: No. And unless we receive some
11 agenda items from the general public or other Policy
12 Commission Members, I'd probably plan on not having that
13 meeting.

14 VICE-CHAIRPERSON CHABERSKI: I guess as a
09:53 15 reminder, if it is a new item, then the Policy Commission
16 has to approve it before you meet, but you don't have
17 anything pending at this time?

18 MR. BUNCH: No.

19 VICE-CHAIRPERSON CHABERSKI: That's like next
09:53 20 week, I believe your meeting. Okay. I didn't know if you
21 were going to be submitting from any of these discussions.

22 MR. BUNCH: I think we're all talked out.

23 VICE-CHAIRPERSON CHABERSKI: Okay. Any other
24 comments, questions?

09:54 25 Next is the Technical Subcommittee update. It's

1 Theresa Kalaghan and myself. I did not attend the
2 meeting. Theresa held -- was facilitating the meeting, so
3 I will turn it over to her for summary.

09:54 4 First of all, you spoke about the LUST closure
5 criteria.

6 MS. KALAGHAN: We held a meeting on June 10th,
7 and we had two items that we were discussing. One was the
8 review of the proposed SAF cost schedule, and the second
9 item was a discussion of the groundwater LUST case closure
09:54 10 criteria.

11 Regarding the SAF cost schedule, there was one
12 comment on the cost schedule, and that pertained to the
13 mileage rate. And the mileage rate was 45 cents a mile,
14 and it was not increased along with the rest of the items
09:54 15 on the fee schedule. So, Mike, perhaps you could speak to
16 that particular one.

17 MR. FULTON: I'm going to dodge that -- not dodge
18 it. I will have Tara answer that question. This is a
19 long history talking about the mileage, allowable mileage
09:55 20 rates, and I will let her.

21 MS. ROSIE: Thanks, Mike. Tara Rosie.

22 I did check with Mike Clark, who is the CSO for
23 DEQ, to confirm what the current State rate is, and we are
24 at the current State rate.

09:55 25 MR. FULTON: We've linked the cost schedule for

1 the mileage, at least to our allowable State rate, and,
2 historically, hasn't always been linked to the State rate.
3 We talked with that?

09:55 4 MS. ROSIE: It has not, but several years ago, it
5 went through the Policy Commission when we were changing
6 cost schedules, and we made a lot more of the cost
7 schedule's time and materials. Previously the mileage was
8 more or less task-based where personnel rates were
9 factored into the mileage rate. That was determined not
09:56 10 necessarily to be appropriate or cost effective, and even
11 some of the consultants had issues with it because it
12 didn't vary depending on what rate personnel was going to
13 and from the site, or where ever they may be going.

14 So what we have now is you're allowed the travel
09:56 15 rate up to the cost schedule for the applicable level of
16 personnel, then the State rate for the actual mileage.
17 But as I said, that did go through the Policy Commission
18 several years ago.

19 MR. FULTON: So, that was the compromise made,
09:56 20 and if the State rate adjusts, we can talk about adjusting
21 the cost schedule. I know that the attention to that
22 particular item varies depending on the cost of gas. And,
23 as you pointed out before, Theresa, when we were bumping
24 up against \$4.00 a gallon gas, it was a lot more timely
09:56 25 discussion. Will we ever be back to \$4.00 a gallon gas?

1 Probably. We can talk about adjusting that State rate,
2 but hopefully that State rate will be adjusted as well,
3 and we can reflect that in our cost schedule. There is
4 nothing preventing us from going back mid year and
09:57 5 adjusting costs in the cost schedule. So, we're open to
6 that. We just don't think it's necessary right now.

7 VICE-CHAIRPERSON CHABERSKI: As long as you
8 brought up the SAF cost schedule, and we have to have a
9 potential vote today on it, and as your representative
09:57 10 here from SAF, could you please provide, as a reminder, of
11 what the proposal would be, the increase in cost or
12 decrease on the change from last year, just tell us the
13 change?

14 MS. ROSIE: It's a 4 percent increase in
09:57 15 accordance with statute, the COLA factoring, and so
16 everything except for mileage is increased by 4 percent
17 rounded to the nearest dollar.

18 VICE-CHAIRPERSON CHABERSKI: Just for everyone in
19 the audience and the record, what does COLA mean?

09:58 20 MS. ROSIE: Cost of living adjustment.

21 VICE-CHAIRPERSON CHABERSKI: Thank you.

22 MS. ROSIE: And where we looked that up is on
23 49-1054(C). And so what we did is we updated all of the
24 cost tables accordingly and provided that in draft form,
09:58 25 and it's also available online in draft form, and the only

1 change that was made to the text of the cost schedule was
2 to update from 2008 to 2009.

3 VICE-CHAIRPERSON CHABERSKI: Thank you. And that
4 was the only comment you had at that time. I have some
09:58 5 other things to talk about next on the agenda about the
6 cost schedule I will bring up, but I will let Theresa
7 finish her Technical schedule.

8 MS. KALAGHAN: The second item on the agenda was
9 the groundwater LUST case closure criteria. ADEQ gave an
09:58 10 informational presentation on the R18-12-263.04 criteria
11 and went through a number of different scenarios. The
12 recommendations that were made during the meeting were
13 that for ADEQ initiated LUST closures, that the Department
14 needs to be certain that the responsible party is actually
09:59 15 informed that the Department is evaluating the LUST case
16 closure, and, also, potentially to consider having a
17 facility meeting before beginning the public notice
18 process.

19 The second recommendation was that the ADEQ
09:59 20 should continue to consider plume stability and the
21 49-1005(D) criteria when considering these LUST case
22 closures. And that was it.

23 MR. FULTON: Those are all great suggestions. I
24 think we've been implementing those for the most part, but
09:59 25 I've -- I review all of the 04 closures and the 03

1 closures, and I focus, and let those that are working on
2 the technical side look at the merits technically of the
3 site closure, but I look very closely at the notice, and I
4 want to see that the right people that might be impacted
10:00 5 by a closure are being informed, and that includes
6 property owners, adjacent folks, well owners that might be
7 nearby, so we're going to error on the side of more than
8 fewer notices than that.

9 So, we agree with that, and we're going to look
10:00 10 at that, and each case is a little bit different, but
11 that's a important consideration.

12 It is important also to note that closures under
13 04 are appealable. We don't want to invite appeal, what
14 we're going to do is work with folks beforehand, with the
10:00 15 owner/operator, if they have a requested closure.
16 Obviously if they did request closure, they probably would
17 appeal, but that's something we like to do is work with
18 people up front to avoid an appeal if we have to, if we
19 possibly can.

10:01 20 But we initiate closures on our own, primarily,
21 as we should be, in case management looking at sites that
22 are eligible for closure versus continuing spending more
23 money on real actions that may or may not be necessary, so
24 that's part of our oversight role as well.

10:01 25 VICE-CHAIRPERSON CHABERSKI: Any other comments

1 or questions from the committee? Technical items?

2 Theresa, we're scheduled to have a meeting on
3 July 8th. Are these continuing discussions or were there
4 any other agenda items that came up at the time that you
10:01 5 plan on?

6 MS. KALAGHAN: No, there were no other agenda
7 items nor discussions of continuing discussions.

8 VICE-CHAIRPERSON CHABERSKI: Thank you. Next on
9 the agenda is the discussion approval of the 2009 SAF cost
10:02 10 schedule. So what I'd like to add here is, I'm going to
11 switch something around before we vote. I am going to
12 have a general call to the public before we make a vote.
13 Is that okay? The reason I'm doing that is late last
14 afternoon, Gail and Mike, I believe maybe Theresa,
10:02 15 received an e-mail from Mr. Greg Jones, and Mr. Jones in
16 an e-mail talked about a letter he had sent last year
17 regarding his concern with the raising of the cost
18 ceiling, and so I wanted to bring that up that we received
19 that. What I handed out was the letter, so Mr. Jones was
10:02 20 referring -- he didn't write a new letter. He was
21 referring to the 2008 letter he wrote and sent that to Mr.
22 Fulton, I believe.

23 So, what I did was I pulled out from the file the
24 Commission -- my understanding is ADEQ responded and then
10:03 25 the Commission wrote a letter, which you have a copy of,

1 to Mr. Jones' concern last year. So I wanted to bring
2 that up again since Mr. Jones yesterday afternoon brought
3 this up, to provide that comment again.

4 So, I wanted that in front of the Commission
10:03 5 prior to the vote. If you want to think about that again,
6 that was based on last year's. And, like I said, the
7 letter refers to ADEQ responding to Mr. Jones and a copy
8 of the Commission letter also.

9 MR. FULTON: By way of background, and I was not
10:03 10 here last June, but my understanding is Mr. Jones has --
11 was raising concerns about the method by which we were
12 updating our cost schedule, that we weren't resurveying,
13 doing a resurvey to establish new cost schedules.

14 In 2005, I believe, the schedules were adjusted
10:04 15 in accordance with the statutory provision, I believe, to
16 include work away from fixed cost reimbursements to
17 looking at time and materials kinds of billings. I may be
18 inarticulating that incorrectly, but I think we hit most
19 of the big points by citing the market drive,
10:04 20 theoretically, the cost of these services because time and
21 materials and competitive marketplace, who would get the
22 best price for the service provided.

23 Probably an imperfect system, but, I don't know,
24 that we were arguing it's not a whole lot different than
10:04 25 doing a whole resurvey and establishing new cost ceilings,

1 which is what his cost schedule had turned out to be.

2 Those were in fact suggested, these were what
3 people were billing, because they were the maximum
4 allowable. They would bill the maximum, whether they
10:05 5 actually spent that or not. We thought a time and
6 materials kind of alternative was a better way to go. We
7 haven't changed our position on that.

8 One of the other conditions, considerations
9 brought up last year is the resurvey would not be
10:05 10 practical or necessary, the best use of our time in light
11 of sunset of the Fund. And since the Fund's still set at
12 sunset, we think we've done an adequate job of updating
13 that cost schedule, even in light of Mr. Jones's repeat of
14 his concerns from last year's update. So that's the
10:06 15 background.

16 VICE-CHAIRPERSON CHABERSKI: Thank you. I'm
17 going to start with any comments on anything on the
18 agenda, including this item now, then we will have a
19 discussion before we take a proposed vote.

10:06 20 So, are there any comments from the public at
21 this time, or anything on the agenda today? No comments?

22 Commission Members, comments, questions, concerns
23 before I move to vote on this topic?

24 MR. BUNCH: Are we voting on the 4 percent
10:06 25 proposed increase?

1 VICE-CHAIRPERSON CHABERSKI: Yes. The vote will
2 be to accept the 2009 SAF cost schedule as proposed, which
3 is, as Tara said, a 4 percent across the board increase
4 based on COLA less the mileage. Is that correct?

10:06 5 MS. ROSIE: Correct.

6 MR. BUNCH: You reference the statute that
7 defines the measure for the posting or index that you
8 utilize. Can you just tell us what that index is?

9 MS. ROSIE: It's Arizona Revised Statute
10:07 10 4910-54(C), and it refers to where we look up the
11 increase, and I don't have it memorized. I apologize.

12 MR. BUNCH: Okay.

13 MR. FULTON: I'm going to do it for you right
14 now.

10:07 15 MS. ROSIE: Cost of goods and services.

16 MR. FULTON: That's a long paragraph. Who wrote
17 this? Let me look that up.

18 Adjusted annually, in accordance with the
19 percentage change in the Bureau of Labor Statistics annual
10:07 20 number for the final producer price index for finished
21 goods less food and energy, not seasonally adjusted.

22 MR. BUNCH: So it's a national index.

23 MR. FULTON: Is that right?

24 MS. ROSIE: Yes, correct.

10:07 25 VICE-CHAIRPERSON CHABERSKI: Any other comments,

1 questions?

2 Okay. Let's move towards the vote. I'm not sure
3 how to do it. I'm a new vice-chairman, and this is only
4 my second time to do this.

10:08 5 So, I propose that the Commission approve the
6 2009 SAF cost schedule. I move to or do you have -- can I
7 move?

8 MS. HUDDLESTON: Usually the Chair does not move.

9 VICE-CHAIRPERSON CHABERSKI: Okay. Someone.

10:08 10 MR. FULTON: So moved.

11 VICE-CHAIRPERSON CHABERSKI: Can I have a second?

12 MS. KALAGHAN: I second the motion.

13 VICE-CHAIRPERSON CHABERSKI: All in favor of
14 proposing and approving the 2009 SAF cost schedule, say
10:08 15 aye.

16 (Chorus of ayes.)

17 VICE-CHAIRPERSON CHABERSKI: Any nays?

18 Okay. The schedule is voted to be approved by
19 the Commission.

10:08 20 MR. FULTON: Those will be effective July 1 for
21 any claims made after that date, assuming there is state
22 government on July 1.

23 VICE-CHAIRPERSON CHABERSKI: Will you be posting
24 that anywhere for folks to reference?

10:09 25 MR. FULTON: Absolutely. It goes right on our

1 website. It's actually been referenced on our website as
2 a draft. We like to get it posted before the turn of the
3 year so we can give people an opportunity to look at what
4 they should anticipate the new turn of the year as much as
10:09 5 possible.

6 MR. BUNCH: For preapproval work plans submitted
7 before June 30, are the rates going to apply as the work's
8 done.

9 MS. ROSIE: No. You're actually linked to the
10:09 10 cost schedule in effect at the time the preapproval was
11 approved. And so the preapprovals will be submitted under
12 the 2008 cost schedule and that would be applicable to any
13 claim made against that preapproval.

14 MR. FULTON: Let me pick at the words there,
10:09 15 approved versus submitted. Which one?

16 MS. ROSIE: The preapproval submitted with the
17 cost schedule that's currently in effect, so if the
18 preapproval is submitted by June 30, 2008, they will be
19 using the 2008 cost schedules.

10:10 20 MR. FULTON: So, all those preapprovals will be
21 under the '08 cost schedule, even though they may be
22 ultimately approved in fiscal year 2009 -- I'm sorry -- in
23 '10/'09, calendar year 2009. Sorry.

24 VICE-CHAIRPERSON CHABERSKI: Is it possible that
10:10 25 you can make that note when you post the schedule to the

1 web? Is that a concern for folks? Can we do that?

2 MS. ROSIE: It's actually already on the website,
3 the notice we have with the cost schedules.

4 VICE-CHAIRPERSON CHABERSKI: Okay. Great. Thank
10:10 5 you.

6 Let's see. All right. Summary of meeting action
7 items. I believe I have the following action items.

8 ADEQ, Mr. Fulton, is going to start working on
9 the September 2009 report, get that on the agenda, what
10:10 10 should be in the report and so forth.

11 ADEQ is going to provide the Commission Members
12 with session law regarding this report so we can see what
13 the big picture is, and then there will be a discussion on
14 interpreting these issues and a discussion on what we
10:11 15 think would be of value in the report.

16 DEQ is going to post the final cost schedule for
17 the SAF that we just voted on on the web.

18 And actually those are the only two items I have
19 right now.

10:11 20 It looks like we'll probably have a July 22nd
21 meeting because this is fluid. We probably will have some
22 idea hopefully by then, with budget passed, not in detail
23 but in general, so I would say to the Members, if you can
24 try to -- I know it's vacation time, but possibly put that
10:11 25 time aside, we will probably have a meeting on July 22nd.

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Did I miss anything? Any other comments?
Then the next Policy Commission is on July 22nd,
2009.

And I move for adjournment.

10:12

MS. KALAGHAN: I second the motion.

VICE-CHAIRPERSON CHABERSKI: We are adjourned.

(10:12 A.M.)

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C E R T I F I C A T E

I HEREBY CERTIFY that the proceedings had upon the foregoing meeting are contained in the shorthand record made by me thereof and that the foregoing 46 pages constitute a full true and correct transcript of said shorthand record all done to the best of my skill and ability.

DATED at Phoenix, Arizona, this 24th day of June, 2009.


Deborah J. Worsley Girard
Certified Reporter
Certificate No. 50477