

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

MEETING OF THE  
UNDERGROUND STORAGE TANK POLICY COMMISSION

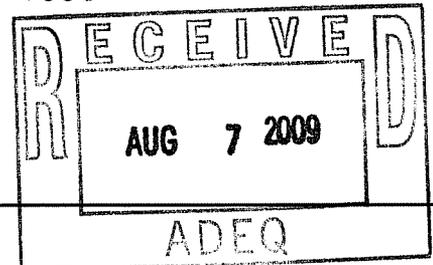
Phoenix, Arizona  
July 22, 2009  
9:00 a.m.

Location: 1110 W. Washington  
Room 250  
Phoenix, Arizona

REPORTED BY:  
Christy Zavala  
Certified Reporter  
Certificate No. 50757

WORSLEY REPORTING, INC.  
Certified Reporters  
P.O. Box 47666  
Phoenix, AZ 85068-7666  
(602) 258-2310  
FAX (602) 789-7886

COPY



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

AGENDA ITEMS:	PAGE
1. CALL TO ORDER AND ROLL CALL	4
2. APPROVAL OF MINUTES FROM APRIL 22 AND JUNE 24, 2009 MEETING	4
3. ADEQ UPDATES	9
4. SAF STATUS	17
5. DISCUSSION OF SEPTEMBER 1, 2009 UST ASSURANCE ACCOUNT (SAF) LIABILITIES REPORT REQUIREMENTS	24
6. DISCUSSION OF RECENT LEGISLATION AND RULES AFFECTING THE UST PROGRAM	22
7. EVALUATION SUBCOMMITTEE UPDATE	45
8. TECHNICAL SUBCOMMITTEE UPDATE	45
9. GENERAL CALL TO THE PUBLIC	45
10. SUMMARY OF MEETING ACTION ITEMS	46
11. DISCUSSION OF AGENDA ITEMS AND SCHEDULE FOR NEXT COMMISSION MEETING	46
12. ANNOUNCEMENTS A. NEXT POLICY COMMISSION MEETING IS SCHEDULED TO BE HELD ON AUGUST 26, 2009 AT 9:00 A.M., IN ROOM 250, AT ADEQ LOCATED AT 1110 W. WASHINGTON, PHOENIX, AZ.	47
13. ADJOURN	47

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

COMMITTEE MEMBERS PRESENT:

GAIL CLEMENT, CHAIRPERSON

JON FINDLEY

BILL BUNCH

KAREN GAYLORD

THERESA KALAGHAN

MIKE FULTON

JOSEPH MIKITISH (UNTIL TAMARA HUDDLESTON ARRIVED)

TAMARA HUDDLESTON

P R O C E E D I N G S

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

CHAIRPERSON CLEMENT: The July 22nd, 2009 Underground Storage Tank Policy Commission meeting has begun.

And I would like to start the roll call with Joe, please.

MR. MIKITISH: I'm Joe Mikitish from the Attorney General's office. I'll be sitting here until Tamara's able to join the meeting.

MR. FULTON: Mike Fulton, Arizona ADEQ.

CHAIRPERSON CLEMENT: Gail Clement, I'm Chair.

MS. KALAGHAN: Theresa Kalaghan, Stantec.

MR. BUNCH: Bill Bunch, Circle K Stores, Inc.

MR. FINDLEY: Jon Findley, Sierra Club.

CHAIRPERSON CLEMENT: Welcome, everybody. It's nice to see you this month. And we're hoping to keep these meetings very quick and to the point. I know we've got a little bit to cover today, so we're going to get into it right now.

The first agenda items is, has everybody received the April 22nd, 2009 meeting minutes?

Have you had an opportunity to review them?

MR. FULTON: Yes.

I have a few comments.

CHAIRPERSON CLEMENT: Okay.

1 MR. FULTON: I guess, after reading the minutes, I  
2 guess I must apologize for talking so much at those meetings.  
3 It took me forever to get through them.

4 But I had some -- either I'm not enunciating  
5 properly or I don't know if there's a word recognition on the  
6 recording, but there's some changes in here that I need to  
7 point out that are important.

8 I guess I'll go through them line by line.

9 Is that the way to reference these minutes  
10 corrections?

11 CHAIRPERSON CLEMENT: This will be -- just for clarity  
12 sake, we have a new court reporter.

13 We're going to change the April 22nd, 2009  
14 meeting minutes based on members' input.

15 So if you will record that ultimately we'll  
16 have to change the document itself. But we'll go through  
17 this now.

18 MR. FULTON: Okay.

19 This is going to be a little tedious, but I'll  
20 read them off here if you want to follow.

21 April 22nd minutes, page seven, line 22, the  
22 word "reversible" should be reimbursable."

23 Page 12, line 19, "technical business plan"  
24 should be "technical appeals panel."

25 Page 16, line 24, "improve" should be

1 "approved."

2 Page 22, line 17, "recurring" should be  
3 "occurring." That's where we were talking about natural  
4 attenuation rates.

5 Page 24, line three, "foreclosures" should be  
6 "closures." Talking about site closures.

7 Same comment line -- or page 36, line three,  
8 "foreclosure" should be "closure."

9 Page 36, line 19, "calendar" should be  
10 "comments."

11 CHAIRPERSON CLEMENT: Excuse me for just one minute.

12 For the record, we have another member joining  
13 us. Karen Gaylord is with us now.

14 Thank you.

15 MR. FULTON: Last one page 56, line two, the word "to"  
16 should be "through." Balance through transfers.

17 I could have pointed out more, but these were  
18 the highlights.

19 CHAIRPERSON CLEMENT: Okay.

20 With those changes as proposed, are there any  
21 other changes or comments on the April 22nd, 2009 meeting  
22 minutes?

23 Is there a motion to approve the April 22nd,  
24 2009 meeting minutes with the proposed changes?

25 MR. BUNCH: I'll move to approve them.

1 CHAIRPERSON CLEMENT: Is there a second?

2 MS. KALAGHAN: I'll second.

3 CHAIRPERSON CLEMENT: All in favor?

4 (Chorus of ayes.)

5 CHAIRPERSON CLEMENT: Anyone opposed?

6 No. Okay.

7 Then what I'd ask the court reporter to do is  
8 make the changes that we've just outlined to the April 22nd,  
9 2009 meeting minutes, and send them out again to ADEQ, who  
10 will distribute them as a final.

11 Next agenda item is the one I missed, the June  
12 24th, 2009 meeting minutes.

13 And I think Mr. Fulton again has a few  
14 corrections.

15 MR. FULTON: A few.

16 Thankfully I talked less at that meeting.

17 So again the same format.

18 June minutes, page 25, line 22, the phrase  
19 "handing out," I think I said, "hand-to-mouth." That's when  
20 we were talking about our current cash flow.

21 Page 31, line 10, the word "fully" should be  
22 "follow." That's where we're talking about how we were going  
23 to implement our stop-use orders.

24 Page 31, line 18, the word "appoint" to  
25 "implement." We were talking about how we were going to

1 implement that, the stop-use orders.

2 One last one page 38, line 17, should insert  
3 the word "not." The sentence should read, "If they did  
4 request closure they probably would not appeal."

5 We were talking about site closures and the  
6 process for reviews and comments.

7 And, I'm sorry, one last one, page 40, line 18,  
8 the word "inarticulating" should be "articulating." If I  
9 said a double negative in the sentence I should correct  
10 myself.

11 CHAIRPERSON CLEMENT: Any other comments or  
12 corrections to the June 24th meeting minutes?

13 Okay.

14 Is there a motion to approve the June 24th,  
15 2009 meeting minutes, as corrected by Mr. Fulton?

16 MS. KALAGHAN: I move to approve the minutes.

17 CHAIRPERSON CLEMENT: Is there a second?

18 MR. FINDLEY: Second.

19 CHAIRPERSON CLEMENT: All in favor?

20 (Chorus of ayes.)

21 CHAIRPERSON CLEMENT: Anyone opposed?

22 No. Okay.

23 The June 24th, 2009 meeting minutes are  
24 approved as corrected by Mr. Fulton.

25 Okay. Great.

1                   You're going to talk a lot today again.

2           MR. FULTON: I'm going to try to keep it short, as you  
3 said.

4           CHAIRPERSON CLEMENT: We're on to agenda item three,  
5 the ADEQ updates with Mr. Fulton.

6           MR. FULTON: I'll start, as routine.

7                   In your packet you'll see the Policy Commission  
8 report. It's a pie chart sheet. I think everybody here in  
9 the room has it.

10                   The one difference between last month and this  
11 that's worth really talking about at some length is the  
12 preapproval work plan.

13                   You recall June 30, 2009, was the deadline set  
14 in Senate Bill 1306 which terminated the Fund for submitting  
15 applications for preapproval work plans.

16                   So we saw a bit of a spike there, I would say.  
17 We've been getting between zero and just a couple a month.  
18 We got 16 last month.

19                   So Joe's group is working really very hard at  
20 getting those approved as soon as possible so people can get  
21 working on them and make claims against the Fund, if that's  
22 their desire.

23                   Point out again, down below, our MTCP is still  
24 showing blanks. We're looking at -- and I'll talk about that  
25 a little more in budget, at getting some of our other

1 programs going back again when we have a little bit of  
2 certainty about the budget.

3 State Assurance Fund, June 2009, the bar graph  
4 is really not a whole lot of variation between June and any  
5 other month we've seen.

6 We're staying on top of the claims, getting  
7 them paid, making determinations within 90 days. Not  
8 necessarily without appeal, but we're getting them processed  
9 and making determinations for people. So nothing over 90  
10 days.

11 That's all I have on our typical ADEQ update.

12 I'd like to add a couple of things, unless  
13 there's some questions on those two tables.

14 CHAIRPERSON CLEMENT: The formal appeal requests, are  
15 they staying fairly static?

16 I've noticed that you've got seven appeal  
17 determinations in May and two in June.

18 MR. FULTON: You mean are we seeing --

19 CHAIRPERSON CLEMENT: Any particular trend?

20 MR. FULTON: I don't think what we would call a trend.  
21 Just variant. Depends just on each case so.

22 CHAIRPERSON CLEMENT: Okay.

23 Thanks. Any other?

24 MR. BUNCH: Just one comment.

25 Mike, it looks like we don't have a lot of

1 closure requests received over the last couple of months.  
2 And since folks are sort of at that do-or-die point, I'm just  
3 kind of hearing anecdotally from consultants out there that  
4 any speed-up we can see in terms of making those  
5 determinations would be helpful.

6 MR. FULTON: I'll repeat that, yes.

7 It's been my desire to make sure that we get  
8 not only closure requests reviewed as soon as possible  
9 because, you know, you have one year beyond closure to tidy  
10 up the site, so to speak, and to have those costs eligible  
11 for reimbursement.

12 But everything in the process from  
13 characterization reports, to CAPs, to getting those reviewed  
14 as soon as possible so owners, operators, volunteers can  
15 proceed with cleanups in a way that they can still access the  
16 Fund.

17 So we are concerned that we are going to have a  
18 big flood at the end. We have to be prepared for that.  
19 There's nothing we can do to avoid that.

20 It is one of those things that's  
21 deadline-driven. If there wasn't a deadline these things  
22 might go on for awhile.

23 But as access to the fund, it looks like the  
24 window is closing ever more. We might have more and more  
25 people coming in to close or ask for certain amounts of

1 preapproval.

2           So, yes, it's still a big emphasis of ours. I  
3 talk to Joe daily about this.

4           MR. BUNCH: Thank you.

5           CHAIRPERSON CLEMENT: Are you limited -- joining onto  
6 what Mr. Bunch said, are you staffing -- do you have staffing  
7 limitations in terms of these reviews now because I know  
8 there's been a period of time in which you have not been able  
9 to acquire new staff.

10          MR. FULTON: I don't think so.

11           I think what our biggest challenge is getting  
12 -- not necessarily making formal determinations real quickly,  
13 is having conversations with applicants on a timely basis.

14           If something comes in that looks deficient, we  
15 need to pick up the phone and talk to those people about it  
16 and not dwell on writing a formal letter.

17           We are an appeal-driven world, though, so we  
18 have our own reasons for wanting to formalize things. But  
19 try to get things moving along as quickly as possible. We  
20 know time is of the essence. And I don't think we have a  
21 staffing shortage. We have some flexibility to move some of  
22 these sites around.

23           But it could get there depending on the number  
24 of cases that come in for closure or significant amounts of  
25 CAP modifications or anything like that. So we're keeping an

1 eye on it.

2 CHAIRPERSON CLEMENT: Okay. Thank you.

3 MR. FULTON: The only -- the good thing is I think the  
4 number of new sites is a small number. It's new reports.

5 You can see on the very top line, one through  
6 four, we're still only about between one and four a month new  
7 reports. And those tend to be small, a little easier to deal  
8 with.

9 CHAIRPERSON CLEMENT: Looking at the numbers, I mean  
10 there's still, it appears to me anyway, that there's going to  
11 be a significant number of sites still open.

12 Even if you've got a closure rate of 20  
13 percent, you could easily be in the 500-plus range of open  
14 sites.

15 MR. FULTON: Yes. And that's what we got our eyes on  
16 in terms of the future, the funding need.

17 MR. BUNCH: Do you know approximately how many of  
18 those open LUST cases are not eligible?

19 Is it less than about a hundred based on what  
20 we've seen on the monthly reports?

21 MR. FULTON: How many new releases do we have, Joe?

22 MR. JOE: I think there's like 70 now.

23 MR. FULTON: Maybe 70.

24 They're opening and closing pretty quickly, for  
25 the most part. And we're focusing on trying to keep them

1 moving along through the process as well. But there's not a  
2 tremendous number of new releases.

3 As I've said before, I think what we are left  
4 with now are those tough-to-close sites, whether they're  
5 orphans. Those are our two big categories we need to keep  
6 our eyes on in terms of the future beyond the State Assurance  
7 Fund.

8 A couple of other just ADEQ updates of  
9 interest.

10 We did receive our federal stimulus funds  
11 award. I believe in your packet you'll see a press release,  
12 a news release that was sent out.

13 "The ADEQ Announces More Than 3.2 Million in  
14 Stimulus Funds."

15 It was \$19,000 more than 3.2 million. It's  
16 3.219 million in stimulus funds.

17 As I reported before, we've got sites all over  
18 the state on this list. They're largely orphaned sites that  
19 had been an element of our State Lead program.

20 So really the big difference here is we're  
21 going to substitute State money with federal funds to  
22 cleanup, or at least advance cleanups at these sites that  
23 were listed. Pulled off the website and attached also to it  
24 a list of sites that we have proposed to work with project  
25 goals attached. Not all of them are cleanup, but we're going

1 to advance site cleanups with this money over the next couple  
2 of years.

3 CHAIRPERSON CLEMENT: Is this a one-time grant or do  
4 you anticipate you'll be getting additional moneys?

5 MR. FULTON: We've been told it's a one-time grant,  
6 but if you look at our bill itself, if other parties who have  
7 been awarded monies aren't performing, EPA is going to look  
8 at them in about a year's time and be obligating some moneys  
9 from the parties that aren't performing.

10 So it's possible we could be in a position to  
11 get some more. It just depends on how well we perform. But  
12 I think we're not going to have any trouble doing what we've  
13 committed to doing because we already had a very-well  
14 developed State Lead program.

15 MS. KALAGHAN: When does the money have to be spent  
16 by?

17 MR. FULTON: The exact date -- there are -- there's a  
18 -- you have to obligate -- I think it's 50 percent within --  
19 I would have to read that. I could come back and report on  
20 the details next month. I'm sorry. I've kind of lost track  
21 of that. But we have to obligate a certain amount within a  
22 year and spend a certain amount within a certain amount of  
23 time.

24 So sorry for that vagueness, but there's a lot  
25 of milestones built in and huge amounts of reporting. So

1 it's money, but it's not free. And we're going to follow the  
2 transparency requirements for sure. We have to do a great  
3 deal of reporting.

4 But I can give a summary of that next month, if  
5 you'd like to add that as part of our Department report.

6 CHAIRPERSON CLEMENT: That would be a good idea.

7 MR. FULTON: I'll do a stimulus time line report.

8 How does that sound?

9 CHAIRPERSON CLEMENT: That sounds like a good idea.

10 MR. BUNCH: I was going say it sounds stimulating.

11 CHAIRPERSON CLEMENT: And that, too.

12 MR. FULTON: You might have followed some of the  
13 legislative action, but as the Department, our sunset  
14 legislation was passed.

15 We've been extended for another five years,  
16 which is -- it's still shy of the typical 10 that most  
17 agencies look at, but it's better than the two and the 18  
18 months or whatever we had seen before.

19 So the best part I think about this particular  
20 sunset extension is that it's without condition. It doesn't  
21 have lots of new performance measures for us to achieve.  
22 So that's also a big advantage to the sunset extension.

23 I'll save the rest for item number six.

24 That's all I have for our ADEQ updates.

25 CHAIRPERSON CLEMENT: Let's move on to -- unless

1 there's any questions or comments?

2 Let's move on to the next agenda item and get  
3 the SAF status.

4 MR. FULTON: Okay.

5 You have a State Assurance Fund Status Form,  
6 single sheet.

7 Differences aren't very great between last  
8 month and this. Still showing about a 15 and a half million  
9 dollars balance at the end of fiscal year 2009. That will be  
10 June 30th.

11 So our numbers are getting pretty good at this  
12 point. There will be stuff to go through as the 13th month,  
13 the reconciliation. We'll have about 15 and a half million  
14 at the end of the year.

15 But -- which is what I usually have to say.

16 If you've been following the fiscal year '10  
17 budget, the process, Senate Bill 1188, particularly, that  
18 it's still a bit in limbo because of special session.

19 But we're looking at, as far as the UST fund  
20 for fiscal year '10, a transfer out of the UST fund of about  
21 15.2 million dollars.

22 So that you'll start seeing accounted for next  
23 month when we start tracking FY '10 estimated transfers.

24 It's going to be about 15.2.

25 We need to work out the timing of those

1 transfers. It's probably something we can sustain without  
2 having to resort to rank in claims.

3 But the cash flow gets a little touchy with the  
4 balance low, depending on when those transfers occur. We get  
5 a recurring every month an influx of cash from the UST excise  
6 tax of about two, two and a half million a month.

7 So we can weather that if it's not all in one  
8 bite. So we're talking -- I know many, many agencies are  
9 talking about how these transfers -- when they're going to  
10 occur.

11 CHAIRPERSON CLEMENT: That's pretty much guaranteed  
12 that amount will be that during 2010?

13 MR. FULTON: Yes.

14 I think we're starting to book it for sure.

15 Again, I do not want to be a pessimist about  
16 it, but we have prepared to rank claims if we absolutely have  
17 to. We don't think we have to.

18 I have to repeat this every time in these  
19 meetings because I know that's the thing most people in the  
20 audience are listening to.

21 We're not ranking claims. But you can see as  
22 the balances and the carry-forward balances get less and  
23 less, we have to be ready to do that if it comes to that.  
24 It's not what we want to do.

25 I'd like to also talk about -- we're looking at

1 what we did in the middle of last fiscal year, was curtail a  
2 lot of our State Lead work. Try to give us a little -- ease  
3 the cash-flow crunch a bit.

4 And we think we might be able to at least start  
5 part of our State Lead program back again, in addition to  
6 what we're going to be doing in our using our stimulus money,  
7 trying to get that re-engaged. Maybe not at the same rate of  
8 site cleanup and closure we had before. But with a budget  
9 picture a little more clear, we're hoping we can start up  
10 some of those sites we curtailed last year.

11 Although that's still uncertain. The budget  
12 still hasn't settled completely. That's something I'm  
13 looking at all the time is trying to get that going again.  
14 That feeds into the site closure numbers that you've just  
15 pointed out. A lot of those are orphans.

16 CHAIRPERSON CLEMENT: For the record, Tamara  
17 Huddleston is now joining us. Joe is leaving. Joe Mikitish  
18 is leaving.

19 MR. FULTON: So that's what we're looking at trying to  
20 do with fiscal year '10.

21 A bit of -- you need to look at this in kind of  
22 a reserved way as well because we saw how '9 went. And the  
23 past isn't always a great indication of the future, but it's  
24 possible that the fiscal year '10 budget could be re-visited  
25 more than once as '9 was.

1           But I think at this point we just have to deal  
2 with the information we have and move forward as we can,  
3 knowing that we might have to change course if the budget  
4 picture changes. It's just really all we can do.

5           We're not alone in that as a program and  
6 department, and certainly not alone as any other state  
7 agency.

8           CHAIRPERSON CLEMENT: In terms of the municipal  
9 program, what are you doing with that?

10           That was primarily State Lead work.

11           When you're talking about reinfusing some  
12 funding and starting up, is that related to the municipal  
13 program?

14           MR. FULTON: It is related. And I guess I lumped  
15 together our State Lead program, which is the group within  
16 which we administer the Municipal Tank Closure program.

17           There's still a balance in the Municipal Tank  
18 Closure fund. It's about a half million dollars. I'd like  
19 to get that going as well.

20           So that's the big picture for State Lead. I  
21 need to speak to our budget people about that, and our  
22 ability to get that going, and achieve some more  
23 environmental benefit with that money.

24           CHAIRPERSON CLEMENT: Mr. Bunch.

25           MR. BUNCH: Is the State Lead work funded through the

1 State Assurance Fund dollars or is there a component funded  
2 out of your actual operating funding?

3 MR. FULTON: State Assurance Fund.

4 MR. BUNCH: So your concern, when you talk about  
5 budgets, that they're going to do another sweep of the fund?

6 Is that the concern?

7 MR. FULTON: It's a possibility.

8 When there was a big balance in the UST fund,  
9 and this is a distinction that's kind of important now, when  
10 the balances get low, the State Assurance Fund is a subfund  
11 within the UST fund. A lot of little other funds feed into  
12 the UST fund.

13 When transfers come out of the UST fund,  
14 they've been coming out of a variety of the subfunds,  
15 including State Assurance. But as many of those transfers  
16 have occurred, there's not new income to a lot of these  
17 subfunds. Those balances are about zero.

18 So really when we talk about transfers in '10,  
19 the fiscal year '10 from the UST fund, it's really State  
20 Assurance Fund. That's really what's left is the income to  
21 the UST fund. All the other balances have been pretty well  
22 depleted.

23 So that's the grim reality of that. But, yes,  
24 our State Lead work comes out of the State Assurance Fund  
25 largely. There is a Municipal Tank Closure program account

1 that we also tap.

2 CHAIRPERSON CLEMENT: Is there any current impetus to  
3 extend the tax period to fully monetize the future funds for  
4 the program?

5 MR. FULTON: Not that I'm aware, but we can cover that  
6 if we want to talk about that during the September 1 report.

7 CHAIRPERSON CLEMENT: Okay.

8 MR. FULTON: I think it might make better sense then.

9 CHAIRPERSON CLEMENT: Any other questions on this  
10 report?

11 Let's move on.

12 MR. FULTON: Oh, look where we are.

13 Let's skip and go to the recent legislation and  
14 rules affecting the UST program.

15 I don't know of any legislations out there. I  
16 haven't seen any advance in this last regular session or even  
17 the special session.

18 But ideas, I'm sure, are being put together for  
19 the next session. I haven't heard any that affect the UST  
20 program.

21 So one other thing I wanted to point out that  
22 has happened, we were under a -- State, as a whole, under a  
23 -- the Governor, when she came on, wanted to put a pause on  
24 rules and review them and see which ones to proceed with.  
25 That rule review by the Governor has been extended, I think,

1 another 90 days.

2           We didn't have anything in the cue. We do. We  
3 have our UST operator training rules that we'd like to get in  
4 place -- which have to be in place by 2012. They're not  
5 going to rise to the top of the Department's priority list  
6 right away, but we're keeping our eye on that, make sure we  
7 get that done. That will be a very public process when that  
8 happens.

9           Others of you that might be following the  
10 capitol goings-on, there's the newly-revived Administrative  
11 Rules Oversight Committee. It's been established -- or  
12 re-established. I don't know what the right word is.

13           But that will be a pretty large body that can  
14 oversight authority over all administrative rules. I'm not  
15 sure what their authority is. I don't know if anybody here  
16 has any insight as to what their authority is, but it will be  
17 another body that will be keeping an eye on rules,  
18 administrative rules, developed by all State departments.

19           And that could change the time lines and the  
20 time to develop rules. I'm not sure how exactly.

21           CHAIRPERSON CLEMENT: Is that body a function of the  
22 executive branch or the legislative branch?

23           MR. FULTON: Legislative.

24           CHAIRPERSON CLEMENT: Will it be appointed from the  
25 legislative branch or is it composed of legislative members?

1 MR. FULTON: I'm not an expert on this, but I've  
2 really briefly looked through it. It's made up of appointees  
3 from a variety of places in the legislature and the  
4 Governor's office.

5 I guess we can find a summary for that. I  
6 can't remember the bill number, but I'll have that as an  
7 action. Pretty short bill. Fits on one page. But most of  
8 the bill is listing members.

9 CHAIRPERSON CLEMENT: Thank you.

10 Any questions or comments?

11 Okay.

12 MR. FULTON: Discussion of the September 1, SAF  
13 liability report requirements.

14 I sent to you last month, after last month's  
15 meeting, Senate Bill 1306 and the session law that was  
16 attached to it. And within that you could see the  
17 requirement within section -- I think it's 10 of Senate Bill  
18 1306 session law.

19 And I'm just going to read it now just to set  
20 this discussion up.

21 The Underground Storage Tank Assurance Account  
22 Liabilities Report, Section 10 of the Session Law.

23 "By September 1, 2009, the Department of  
24 Environmental Quality shall prepare and submit a report to  
25 the Governor, the President of the Senate, Speaker of the

1 House of Representatives, regarding anticipated financial  
2 liability of the Underground Storage Tank Assurance account  
3 based on applications for payments submitted to the  
4 Department, by June 30, 2009."

5 That's the requirement.

6 We've been working on drafting or internally  
7 reviewing discussing how we're going to proceed with putting  
8 that report together.

9 Obviously the factual parts of that report  
10 aren't too hard to see. It's a balance sheet and that's the  
11 primary elements of that report.

12 And I thought -- and I hadn't printed it out in  
13 time to get on your table here, but I've printed out  
14 something you've already seen, and I'm going to pass this  
15 around and give a copy to everybody out there.

16 This is a sheet that we've had put together for  
17 various legislative sessions. This was last updated February  
18 2009. This is the bigger picture beyond the one-month  
19 snapshot you get here, State Assurance Fund.

20 It shows what we think, based on balance we  
21 have as of a certain date and revenues coming into the Fund  
22 that we project through the end and obligations against it,  
23 where we are regarding being able to meet the objectives that  
24 were laid out in the sunset of the funds, which require the  
25 Department to do a number of things, including establish

1 Monitored Natural Attenuations Program, and maybe have some  
2 money left over for cleaning up orphan sites that aren't  
3 well-defined yet.

4 In this snapshot for February, using some  
5 assumptions that obviously can't be known very well at this  
6 point, but we're guessing -- and our number won't change a  
7 whole lot, about 11 million, 12 minimum, available for  
8 transfer into Regulated Substance Fund.

9 On -- wow, what's the transfer date? I'm  
10 sorry. There's a lot of dates in session law. On July 1,  
11 2011.

12 The process that was envisioned in the sunset  
13 was that claims -- obviously we already had a couple of  
14 sunset dates pass. One was eligibility for new releases.  
15 That passed in 2006.

16 Gradually there's been some more and more  
17 restrictions on the Fund. Eventually we're going to be left  
18 with distinguishing the Fund, the claims that are in-house,  
19 and then we transfer the moneys from the State Assurance Fund  
20 to the Regulated Substance Fund.

21 That's the question. How much might be  
22 available at that time for transfer?

23 When 1306 was passed, I think the budget  
24 pictures were very different than they are now. The vision  
25 forward is that there's a lot of money coming into the Fund,

1 and that by the time the sunset date arrived it would be  
2 about 60 million dollars available for transfer into the  
3 Regulated Substances Fund.

4 That would leave enough money for the State to  
5 performance its obligations under -- of the Regulated  
6 Substance Fund, administering the Monitored Attenuation  
7 Program, monitoring those sites out in the future, plus leave  
8 some money for the uncertainties that we talked about and  
9 Karen also talked about.

10 There's money available to take care of orphan  
11 sites and sites that just are harder to clean up. So the 60  
12 million dollars was the target set in 1306.

13 If you look at our assumptions here, we're  
14 saying 11.6 instead of 60. The one big -- they're probably  
15 not realistic assumptions built into this table here, is that  
16 we don't project additional transfers in fiscal year '10 or  
17 '11. How realistic is that, I don't know.

18 So that's kind of the tee-up for the September  
19 1 report. Very factual what the session law requires. Says  
20 to talk about the existing claims in-house and how we're  
21 going to be able to manage those. And I think we're going to  
22 be able to do fine.

23 It's the future that has me a little concerned  
24 as administrator of the Fund, is do we have enough money to  
25 perform the obligations that were set up in 1306 for the

1 Department because the conditions under which the sunset was  
2 pictured really changed.

3 So I just wanted to have a little bit of an  
4 open discussion with the Commission about beyond the basics  
5 of the report that are kind of a spreadsheet, balance sheet,  
6 what elements you thought the Department might want to  
7 include in that report to talk about the future.

8 I already have my own idea, but I don't want to  
9 lead that discussion.

10 CHAIRPERSON CLEMENT: One follow-up question, and  
11 we've discussed this, I think, briefly before.

12 The projected amount was 60 million, and that  
13 was based on a Department estimate of what might be in the  
14 future for these various elements of the program.

15 Have you done a re-analysis of that dollar  
16 amount and have a different or estimate or more substantive  
17 backup for that estimate?

18 MR. FULTON: Well, we're working on that because I was  
19 expecting that was going to be a question.

20 You said you needed 60, but now you only have  
21 20. Can you still do it?

22 That's going to be a question. We're working  
23 on that. Trying to reconstruct how the 60 million dollars  
24 arrived at has been -- it's forensic legislation? What is  
25 it? I'm not sure how it was actually constructed.

1                   But there was plenty of extra built in to that  
2 number because there's a lot of environmental conditions we  
3 don't know. There might be sites existing out there that  
4 haven't yet been discovered.

5                   So the 60 million dollar construction is  
6 something we've been trying to reconstruct, figure out how it  
7 was done.

8                   We have some ideas. But it was a negotiated  
9 number, I'm sure. And it was based on certain amounts of  
10 known conditions with extra added for the unknown. So that's  
11 going to be our challenge, trying to come back to that  
12 number.

13                   It's certainly part of what we need to talk  
14 about. It's two years have passed, is our picture different?

15                   MR. BUNCH: The State Lead projects -- and looks like  
16 there might be 400 of them or so. 100 non-SAF eligible, 493  
17 SAF.

18                   Does that sound about right, 400 State Lead?

19                   Is that part of the 60 million or should that  
20 be part of your liabilities through SAF?

21                   MR. FULTON: The SAF liabilities are -- that's really  
22 talked about in context of sites that are eligible for the  
23 SAF, not necessarily orphans.

24                   But going forward, the 60 million was if the  
25 whole universe, how much would it take to cleanup the

1 universe of no leaking tanks.

2 State Lead, orphans from -- maybe even those  
3 sites that have been brought into the Monitored Natural  
4 Attenuation Program that weren't closeable at the time the  
5 State Assurance Fund was -- that's one of the obligations the  
6 State would have, if the sites brought into the MNA program  
7 is for us to take over that monitoring until the site is  
8 ready for closure. That's a cost that we try to guess at.

9 Some of those remaining open sites that we  
10 still see that are eligible for SAF will become those.

11 There are ground water sites that aren't  
12 closeable yet, but they might be subject to being applied.  
13 Owners, operators, volunteers. I don't know if the volunteer  
14 can apply for the MNA program.

15 That's the whole -- that's the guess at what it  
16 would take to clean up the known universe. Built in some  
17 padding for the unknown.

18 I think we've done a pretty good job of  
19 identifying the unknowns through our MTCP programs. Has been  
20 one just scouring the State for old sites. But there could  
21 still be some out there that we don't know about.

22 How many? We'll just have to build in some  
23 kind of factor for that.

24 The 60 million dollar account construct has  
25 been a little vexing, but I'm trying not to focus on it a

1 whole lot. But the point is, the deal has changed  
2 significantly since sunset proposed 60 million. Now we might  
3 have 11 or 12. That's without any more transfers.

4 CHAIRPERSON CLEMENT: When you acquired this money in  
5 this fund, does it -- is it an interest-bearing account or  
6 is it real money in an interest-bearing account or just on  
7 the books?

8 MR. FULTON: As far as I know it's real money and  
9 interest-bearing account, as much as the SAF is.

10 CHAIRPERSON CLEMENT: I mean I think the key to any  
11 practical person, such as hopefully the Legislature, in some  
12 cases, will be to know well, yes, we anticipated the 60  
13 million dollar surplus, basically.

14 I mean if I work backwards at what happened it  
15 seems like the Fund was going to generate approximately 60  
16 million dollars surplus over this period of time if there  
17 were no transfers.

18 And, of course, then that became the dollar  
19 amount necessary for the agency to run the future program.  
20 And I think fundamentally, knowing in more detail, what the  
21 costs in the future are going to be, with a built-in  
22 reasonable uncertainty factor, is going to be the crux of the  
23 analysis.

24 MR. FULTON: I don't know that my number's going to be  
25 a whole lot different than 60 million. That's the point.

1 But it's worth revisiting. With the information that we have  
2 today, if we were asked the same question that might have  
3 been asked in 2003, 2004, how much do you think you'll need,  
4 is a good question to ask again today. But I think it's  
5 going to be more than 11 million.

6 CHAIRPERSON CLEMENT: That I can understand easily.

7 Would your report also include an analysis of  
8 this is the 11 to 12 million, and then you'll have a fairly  
9 substantial analysis of what the future program will need, so  
10 that you can support that number very rigorously in  
11 discussions?

12 Then will you also include, if we continue the  
13 one cent per gallon tax, it would necessarily -- it would be  
14 necessary for this period of time to fully fund this program,  
15 assuming no additional transfers?

16 I mean would you include that in the report?

17 MR. FULTON: I'm not sure about including that in the  
18 report, but I think unless -- it's something that we talked  
19 about.

20 But your question is, well, if the Fund has to  
21 be extended, for how long? And we're looking at it as well.

22 CHAIRPERSON CLEMENT: I mean if I were someone in the  
23 Legislature, and certainly it would be a recommendation that  
24 I would personally give, it's not just these are the  
25 bottom-line numbers. But if we're going to manage this

1 program in the way that the State has supported it in the  
2 past, and what the future is, then how are we going to do  
3 that? And I think that should be a component of the report.

4 Ms. Gaylord.

5 BY MS. GAYLORD: One question I have is whether there  
6 are some things that the Department can't say to the  
7 Legislature that we could say.

8 And I don't know whether there's any place for  
9 a Board communication to go along with the report.

10 To some extent the 60 million number wasn't  
11 completely -- I guess the only thing wasn't really a number  
12 that was tied to specific figures, although the Department  
13 did a great job of backing that up.

14 But it was a political compromise and there  
15 were stakeholders that didn't want to change the SAF program,  
16 they didn't want eligibility to end, they wanted to continue  
17 on.

18 And there was a political compromise and there  
19 were people who, I believe -- I mean I was a bystander, to  
20 some extent. I wasn't in the thick of things. But what I  
21 saw was that there were people who grudgingly agreed to the  
22 change because they felt there was sufficient money there to  
23 take care of all their particular constituents' needs in  
24 terms of cleanups after the change in eligibility.

25 So I would think that those stakeholders might

1 care if they found that there wasn't any longer going to be a  
2 sufficient cushion there after the eligibility changes to  
3 insure that their cleanups would be taken care of.

4 I would think that there would be stakeholder  
5 who might have very strong feelings pro or con about the tax.

6 And in the past it's been very -- it's been  
7 either uncomfortable or impossible for the Department to  
8 weigh in on whether the tax should continue because there are  
9 stakeholders on both sides.

10 So I guess a long-winded way of asking a  
11 question, is there a role for the Board to weigh in and not  
12 take a position pro or con, but point out that there are some  
13 questions raised if there's insufficient funding or maybe not  
14 even insufficient, if there's not the 60 million dollars  
15 anticipated funding upon transfer.

16 CHAIRPERSON CLEMENT: I am trying to understand our  
17 role in this document more fully because I very much  
18 appreciate your willingness to listen to our suggestions.

19 This isn't really policy or rule and we don't  
20 have explicit authority. However, it shouldn't hold us back  
21 since this is such a salient topic relative to our Commission  
22 role.

23 I think perhaps at a minimum we could, as a  
24 group, read the report and then provide either supporting or  
25 clarifying comments in a letter to the Governor and the

1 Legislature.

2           That seems to be something that we do  
3 periodically on various documents.

4           MR. FULTON: To bring this up to the Board or the  
5 Policy Commission, I wasn't interested in slicing it that  
6 thin whether it was policy or not, because policy, budget,  
7 available resources and policy are also very intertwined.  
8 They're not independent of one another.

9           So I wanted to get your active participation in  
10 that report either -- hopefully I can get more involvement  
11 during the construction of the report that's due in  
12 September. Sounds like a long way away, but it's not.

13           And it's also competing with lots of other  
14 things that are going on at the Governor's office and at the  
15 Department.

16           But, Karen, I think you hit it right on. There  
17 are things that Boards and Commissions might offer that the  
18 Department may not because we have lots of considerations  
19 from what we do when we construct these reports.

20           I want it to be factual, but the run-ons as to  
21 what should be done next are questions we're wrestling with  
22 internally. What recommendations might be included in the  
23 report.

24           And I think a place for the Commission might be  
25 to -- a letter or some kind of decision in support or not in

1 report or even independent of the report establishing what  
2 concerns might be out there in the regulating community about  
3 the future.

4 CHAIRPERSON CLEMENT: So that would mean perhaps a  
5 couple of things. And let's just talk openly about this  
6 while we're here.

7 One could be the opportunity through the  
8 Evaluation Subcommittee to just hold a meeting perhaps --  
9 Mr. Bunch perks up.

10 As an open agenda item. What should be  
11 included in the report? What kind of stakeholder feedback  
12 that we could acquire through our process to provide the  
13 Agency. That's an option. I'm not -- I don't know.

14 Mr. Bunch, what is your opinion on that?

15 MR. BUNCH: You know, we could talk about it, but I  
16 think the Commission probably wants to put together some sort  
17 of an opinion, I think is what I'm hearing, that we can say  
18 things that Mike would be less apt to say because of his role  
19 as a State employee.

20 I'd be more than happy to key it up. I think  
21 at the end of the day, the session law sort of mandates what  
22 goes into the report.

23 We certainly might want to express some concern  
24 about what funds may be available when the final transfer's  
25 done to make sure that the program's going to continue to be

1 funded, and the opinions on how we might continue to fund the  
2 programs.

3 CHAIRPERSON CLEMENT: Ms. Gaylord.

4 MS. GAYLORD: What it comes down to what we might be  
5 talking about is extension of a tax, a very hot political  
6 issue.

7 Even if the Department doesn't impose the  
8 extension of the tax, just mentioning it may not be  
9 politically possible for them.

10 We might not propose the extension of a tax,  
11 but we might bring to the Legislature's attention that in the  
12 end the stakeholders -- some stakeholders may have support  
13 for extension of a tax, but some may be very opposed to an  
14 extension of a tax.

15 We may point out to the Legislature that what's  
16 happening to the Fund right now may result in that --

17 CHAIRPERSON CLEMENT: Yes.

18 What I was thinking perhaps through the  
19 Evaluation Subcommittee we could get some stakeholder opinion  
20 to support the direction that the Commission may choose to  
21 take.

22 I mean it's obvious to me, and I'm not a  
23 political person, it's obvious to me either you fund  
24 something to complete its mission or you don't.

25 I mean -- and the obvious mechanism for funding

1 is the tax on fuel. And we have representatives of an  
2 environmental organization which may have a certain point  
3 about that, and industry, et cetera.

4 So we -- I think it could be perhaps flushed  
5 out more in a subcommittee meeting. We all have our own  
6 personal opinion, I'm sure.

7 And we could go to our stakeholders and get  
8 additional input. But I don't know if it will be worthwhile  
9 or not to have a subcommittee meeting, but it certainly  
10 wouldn't hurt, I don't think, in any way.

11 And then what do you envision the process, in  
12 addition to something like that --

13 MR. FULTON: With the time available probably not a  
14 whole lot more. But I've kind of outlined the basic elements  
15 of the uncertainty.

16 Whether or not the Policy Commission actually  
17 got to deliberate on a draft Department report or not, I'm  
18 not sure we'll have a lot of time to do that. I think I've  
19 tried to outline and lay out elements that are probably going  
20 to be in it.

21 You guys should see as a Policy Commission what  
22 the potential going forward pitfalls are. I think that might  
23 be an opportunity just to provide some kind of feedback or to  
24 accompany the report in a way that might be timed to be  
25 submitted at the same time of the report to the Governor's

1 office and to the Legislature.

2 CHAIRPERSON CLEMENT: I think it would be very helpful  
3 if we had an opportunity to review the report, have a  
4 meeting, and then compose a letter of support or nonsupport  
5 or whatever.

6 And that time frame of what you're producing,  
7 if we have that opportunity -- and I'm not suggesting we're  
8 going to give you, you know, draft comments or anything like  
9 that, but since we are a Board or a Commission, and we have  
10 to meet publicly, we have to have that opportunity to review  
11 and then discuss.

12 And then even in the meeting we can prepare the  
13 elements, if not the language, of a letter. And in the past  
14 the Commission has provided the Chair authority to complete  
15 the letter with those elements approved.

16 MR. FULTON: That was my aim in getting the report  
17 done. I've kind of lost the ability to get something turned  
18 right around. It's competing with lots of other very  
19 important issues in our Department and also the Governor's  
20 office.

21 So I'm endeavoring to do that, but I can't make  
22 promises that I'm not sure I can keep. So that's why I  
23 wanted to have this conversation at least at this meeting.

24 I'd be happy to participate in a subcommittee  
25 and further discuss this in a little more detail.

1                   But I guess I'm happy I haven't heard anything  
2 that I haven't kind of thought about. But in terms of what  
3 the report could include or the implications of it, I think  
4 that's really an important part that the Policy Commission  
5 could help with is analyzing the implications of a shortfall  
6 policy finding and the impact it might have on the  
7 stakeholders represented by the Policy Commission Members.

8                   So that's the best I can do with the time  
9 available. And I really would hope to get that to you, but I  
10 don't know when I'm going to have a releaseable draft.

11                  CHAIRPERSON CLEMENT: Just to reiterate our timing as  
12 a Commission, our next meeting is the 26th of August. It  
13 would be very timely if the report was going to be available  
14 by the 1st of September.

15                  So we -- I'm not putting you -- but do you  
16 think that you could have something to us before -- at or  
17 right before the 26th of August so we can have an opportunity  
18 in a timely way to get a letter out?

19                  MR. FULTON: I'm hoping to.

20                  CHAIRPERSON CLEMENT: Okay. That might work very  
21 well, actually.

22                  And if you were to have the Evaluation  
23 Subcommittee, Mr. Bunch, what would your timing be on that?

24                  MR. BUNCH: Probably want to do it latter part of  
25 August, but before the Policy Commission meeting.

1                   You know, when one of the questions you asked  
2 today is what recommendations we may have in terms of  
3 components that might go into projected liabilities, I heard  
4 earlier that you anticipate a \$15,200,000 transfer. Then my  
5 recommendation would be to put that in. And I would actually  
6 put in based on historical transfers what is likely for '11  
7 and '12, so that they get a better picture that we're not  
8 talking about an 11 million dollar balance, we're talking  
9 about probably in the negative 10s and 20s.

10                   MR. FULTON: If I was to update this February 16  
11 report I would have included the transfers that I know about.

12                   The point here, even if I include the 2010  
13 transfer, what do we project, 2011 transfers or additional  
14 2010 transfers, 2012? I don't know.

15                   MR. BUNCH: 2010 seems like a slam dunk.

16                   MR. FULTON: Yeah, it is. I think so. We're hoping  
17 it's going to happen. So I appreciate that.

18                   CHAIRPERSON CLEMENT: To add on to what Mr. Bunch  
19 said, I don't want to interrupt you and I don't want to leave  
20 that thought. I wouldn't suggest that you put one set of  
21 figures in here.

22                   This is if the current budget status in the  
23 State of Arizona continues and transfers at the level that  
24 have occurred in the last two years continue, this is what  
25 happens by 2013. And if there are no additional transfers,

1 this is what happens. So that you're covered, you know, both  
2 ways. Because you do have that uncertainty.

3 But the Legislature, I'm sure, and the  
4 Governor's office, would like to see -- and I think  
5 stakeholders would like to see both of those pathways, if not  
6 a third pathway, which would be a midway.

7 So I just wanted to add to what Mr. Bunch said.

8 And I know you had some other comment.

9 MR. BUNCH: The other comment was the 31.2 million, is  
10 that for administrative ADEQ costs, internal costs?

11 MR. FULTON: Yeah. There's going to be going forward  
12 administrative costs for the program and those have to be  
13 accounted for as a potential future drain on the Regulated  
14 Substance Fund just as it is on the SAF.

15 MR. BUNCH: Maybe it's better addressed in the  
16 subcommittee we're going to have.

17 But what happens to the Department funding once  
18 you don't have the tax? You're losing, looks like, six  
19 million dollars a year, theoretically.

20 Is that over five years?

21 MR. FULTON: Yes.

22 MR. BUNCH: That's a lot of --

23 MR. FULTON: When I look at 1306 there's a few things  
24 left out of 1306, like how we're going to fund positions that  
25 are kind of important to the corrective actions going

1 forward.

2 We're going to have new releases to oversee as  
3 an agency. We don't do any EPA work. There's no clear  
4 pathway in 1306 that gives us explicit funding authority for  
5 corrective action staff.

6 Those might be some of the tweaks we can look  
7 at to this legislatively later on. But bigger fish to fry  
8 right now.

9 But you're right, there's an administrative  
10 component to that to the -- I call it liabilities against the  
11 Fund, which is theoretically ever shrinking because I think  
12 it can. And it has been.

13 As people leave we aren't replacing them. I  
14 think that trajectory is going to hold. There's going to be  
15 a certain fixed amount of staff that we are going to have to  
16 have to go forward.

17 MR. BUNCH: I think you need to be ready for a cyclic  
18 wave of potential UST failures, too. A lot of tanks out  
19 there that are meeting and exceeding their quote, "useful  
20 life." So do not be surprised if we saw another wave at some  
21 point. Which is another discussion, but ties into that.

22 MR. FULTON: That's a benefit of having this level of  
23 experience on the Commission to talk about those sorts of  
24 things.

25 CHAIRPERSON CLEMENT: That might be very helpful if

1 the Evaluation Subcommittee identified variables that are not  
2 anticipated by someone that is not as familiar with the  
3 program because that would be something you could really call  
4 from your own experience.

5 MR. BUNCH: I don't know if this is feasible, but is  
6 it possible to get sort of a list of all the tanks, regulated  
7 tanks out there, what they're made of and how old they are?

8 Or is that --

9 MR. FULTON: I think so, yeah.

10 MR. BUNCH: Do you want me to send in a request for  
11 that information?

12 MR. FULTON: Sure. If Ron was here he would be  
13 writing furiously. He's our compliance guy.

14 But I think we keep that sort of information,  
15 the makeup of the tanks.

16 CHAIRPERSON CLEMENT: Any other comments or questions  
17 or ideas?

18 I don't think we need at this point to -- I  
19 guess we do need to direct Mr. Bunch to hold the Evaluation  
20 Subcommittee to support discussion of the September 1st, 2009  
21 ADEQ report regarding the status of the future and its  
22 current funding for the UST program.

23 So is there a motion that we direct Mr. Bunch  
24 to hold the Evaluation Subcommittee meeting?

25 MS. GAYLORD: So moved.

1 CHAIRPERSON CLEMENT: Is there a second?

2 MR. BUNCH: I'll second my own pain and suffering.

3 CHAIRPERSON CLEMENT: All in favor?

4 (Chorus of ayes.)

5 CHAIRPERSON CLEMENT: Anyone opposed?

6 No.

7 So Mr. Bunch will work with ADEQ in acquiring  
8 additional data to support an end-of-August Evaluation  
9 Subcommittee meeting to discuss input into the ADEQ September  
10 1st, 2009 report regarding the status of the UST program  
11 funding and its future.

12 Great. Thank you.

13 Okay. We're going to zip through the rest of  
14 this.

15 The next is Evaluation Subcommittee update with  
16 Mr. Bunch.

17 MR. BUNCH: I have nothing to report.

18 CHAIRPERSON CLEMENT: The next agenda item is the  
19 Technical Subcommittee update with Ms. Kalaghan.

20 MS. KALAGHAN: There's nothing to report.

21 CHAIRPERSON CLEMENT: Now, it is on the agenda a  
22 general call to the public.

23 If you have any public comment at this point in  
24 time.

25 And our public has no comment.

1                   And then the next agenda item is Summary of  
2 Meeting Action Items.

3                   First is Mr. Fulton will give a summary of the  
4 stimulus federal dollars, called the Stimulus Time Line  
5 Report, at our next meeting.

6                   Mr. Fulton will be providing the Commission a  
7 Legislative Rules Oversight authority link and e-mail.

8                   Mr. Bunch will be setting up an Evaluation  
9 Subcommittee meeting for the end of August, but prior to the  
10 August 24th Commission meeting.

11                   And he will also send a request to ADEQ  
12 regarding information to support that meeting such as a list  
13 of tanks, their age and construction.

14                   I think that's all I captured.

15                   Are there any other agenda items?

16                   Okay. Great.

17                   I do think obviously that -- I'm not sure if I  
18 put the right date down. August 26. Yes, it is.

19                   I do think we are going -- it's going to be  
20 necessary to hold an August 26 meeting. It's going to be  
21 very timely relative to this very important report coming up  
22 of the Evaluation Subcommittee meeting.

23                   So I think that's firm. And everybody, please,  
24 if you can, put it on your calendar now. Because as we lose  
25 members it's even more important that we have participation

1 from the people that are still part of the Committee. We're  
2 two members short already and maybe in the future we'll be  
3 even shorter.

4 So, okay. So the next Policy Commission  
5 meeting is scheduled to be held on August 26, 2009, at 9:00  
6 a.m., in Room 250, that's this room, at ADEQ.

7 If there are no more comments or discussions,  
8 the July 22nd, 2009 UST Policy Commission meeting is  
9 adjourned.

10 And thank you, everyone.

11  
12 (The proceedings were concluded at 10:11 a.m.)

13 -000-

14

15

16

17

18

19

20

21

22

23

24

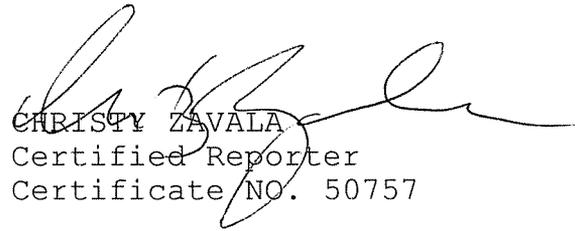
25

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

C E R T I F I C A T E

I HEREBY CERTIFY that the proceedings had upon the foregoing hearing are contained in the shorthand record made by me thereof and that the foregoing 47 pages constitute a full true and correct transcript of said shorthand record all done to the best of my skill and ability.

DATED at Casa Grande, Arizona, this 1st day of August, 2009.

  
CHRISTY ZAVALA  
Certified Reporter  
Certificate NO. 50757