

Minutes of the Meeting of the Utah Privatization Policy Board
Wednesday December 21, 2005 10:00 a.m.
Room 1112, State Office Building
Salt Lake City, Utah

Attendees:

Senator Brent Goodfellow, Representative Fred Hunsaker, Ted Boyer, Steven Dickson, Steve Wrigley, Jim Kesler, Douglas Richins

Excused

Tanya Henrie, Robin Riggs

Absent

Norm Tarbox, Senator Chris Buttars, Gretta Spendlove

Visitors

Brad Johnson - DEQ, John Menatti - DEQ, Dianne Nielson - DEQ, Dale Marx - DEQ, John Hill - UPMRA, Jeff Done - Fleet Operations/Fuel, Brian Allred - OLRGC, Mark Ellis - Ellis Environmental, Paul Ashton - PRO

Welcome and Introductions

Senator Brent Goodfellow conducted the meeting.

Approval of Minutes:

Representative Fred Hunsaker motioned for the approval of the November minutes. Jim Kesler seconded that motion. The minutes were unanimously approved.

Storage Tank Trust Fund Issue

Brad Johnson, director of the Division of Emergency Response and Remediation in the Dept. of Environmental Quality gave an update on the issues discussed in the meeting with the Underground Task Force. DEQ has regulatory aspects delegated from the US EPA and also has responsibility for management of the fund. Only two states are like Utah in this respect. Most of the states separate these two functions with the regulatory being with DEQ and the fund management coordinated by another state entity (ie. Dept. of Commerce). The ½ cent surcharge currently generates \$6 million annually. 85% of tanks in Utah are on the PST fund. 3,500 sites have been cleaned-up. Mr. Johnson indicated that the DEQ task force recommended the following: 1. An owner should be required to put all their tanks on the program, or include none in the program (all or none). Representative Ure has opened a bill file to accomplish this. 2. The task force does not feel that the management of the fund is appropriate for privatization at this time. 3. The task force would like to develop a process to look at graduated fees for fund participants based on the age of the tank, etc. Mr. Johnson gave a slide presentation on the Petroleum Storage Tank Trust Fund Issue and passed out a hard copy. There was a healthy discussion on this subject.

Jon Hill representing the petroleum marketers association indicated that he supported Mr. Johnson's presentation, and said that his association does not support privatization of the fund at this time.

Paul Ashton representing the petroleum retailers association said that he fears that safeguards are not in place to protect the fund. He expressed concern that the state may not be up to date on the technology available for clean-up. He wonders if the gas station owner should be making the decision on selecting

consultants and contractors for the remediation when the state is ultimately paying the bills. He opined that there should be some type of competitive bid process involved in selecting the consultants and contractors.

Mark Ellis said that he believes that it would be prudent to separate the regulatory aspect from the management and administration of the fund. He expressed concern in his opinion DEQ doesn't adequately audit or inspect the work of the consultants.

Senator Goodfellow said that DEQ has both an advisory and regulatory board and that at this point it doesn't appear that further study or action is needed by the Privatization Policy Board on this issue. The board said however that they would like a report on the result of the Ure legislation. (Note HB271 Petroleum Storage Tank Trust Fund Amendments was approved by both the Utah Senate and the Utah House in the 2006 Legislative Session.

Reorganization of Board Leadership

Mr. Kesler nominated Senator Brent Goodfellow as the new Chair of the Privatization Policy Board. Representative Fred Hunsaker seconded that motion. There were no other nominations. Representative Fred Hunsaker moved that all nominations cease and that Senator Brent Goodfellow be elected. The Board unanimously approved.

It was decided to hold off on nominating the Vice Chair until the next meeting.

Other Business

Mr. Richins was asked to draft a letter to Ramona Rudert thanking her for her service on the Board. He was also asked to develop a draft of the board's annual report (1-2 pages).

March Meeting

The March Meeting has been cancelled. The next meeting will be on April 26, 2006 at 10:00 a.m.