BEFORE THE STATE OF NEVADA, STATE ENVIRONMENTAL COMMISSION

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In Re:

Remand of Penalty to TAHOE WESTERN ASPHALT, LLC for Alleged Air Quality Violation and Order Nos. 2783, 2784, and 2786

Class II Air Quality Operating Permit 1611-3748 (FIN A1969)

NEVADA DIVISION OF **ENVIRONMENTAL PROTECTION'S** REPLY BRIEF

The Nevada Division of Environmental Protection ("NDEP"), by and through legal counsel, Nevada Attorney General Aaron D. Ford and Senior Deputy Attorney General Daniel P. Nubel, hereby files its Reply Brief responding to the legally and procedurally deficient arguments set forth in Tahoe Western Asphalt, LLC's ("TWA") Opening Brief. This Reply is based on the attached Memorandum of Points and Authorities and all pleadings and exhibits on file, as well as all oral arguments the State Environmental Commission ("SEC") will hear on this matter.

MEMORANDUM OF POINTS AND AUTHORITIES

INTRODUCTION I.

In its Opening Brief, TWA attempts to abuse the remand process initiated by the District Court by asking the SEC to reconsider its final decision to levy approximately \$50,000 in administrative fines against TWA and the underlying Notices of Alleged Air Quality Violation and Orders ("NOAV") Nos. 2783, 2784 and 2786 that support those findings. TWA's arguments must be denied for two reasons.

First, TWA's request contravenes the District Court's decision, which limits review to curing a minor procedural defect in the prior proceeding, and violates NRS 233B.130 and NAC 445B.889 which establish procedures for requests to reconsider final decisions. Pursuant to those rules and the court's order, this remand must be limited to correcting the procedural defect that was contained in the SEC's final decision—that no findings of fact and conclusions of law was issued.

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Second, NOAVs 2783, 2784, and 2786 cannot be "set aside" as TWA argues in its brief. See TWA's Brief at 7. There is no dispute that TWA failed to appeal these NOAVs. TWA's attorney conceded as much at the SEC's December 9, 2020, hearing. See the Transcript for the SEC's December 9, 2020, Hearing at 9 ("[TWA's attorney] claimed that, similar to a criminal hearing, there are two phases: liability and sentencing. [TWA's attorney] stated that TWA chose to forgo the opportunity to appeal the underlying facts"). Thus, TWA's belated and inconsistent request to "set aside" or review NOAVs 2783, 2784 and 2786 must be denied.

For these reasons, NDEP again requests that the SEC adopt its Findings of Fact, Conclusions of Law, and Decision that was attached as Exhibit 1 to its Opening Brief.

II. LEGAL ANALYSIS

A. TWA's Request to Reconsider the SEC's December 9, 2020, Decision is Outside the Scope of this Remand Hearing

Rather than proposing its own Findings of Fact and Conclusions of Law, TWA improperly attempts to use the court's limited remand as another bite at the apple. However, the District Court's Order was clear on the scope of remand. At the outset of the Order, the court notes that, "as an initial matter, this Court does not address the validity of the penalties and imposed and makes no findings on the merits of the dispute." See the Order, attached as Exhibit 3 to NDEP's Brief at 2. The court then states that "absent detailed findings of fact or conclusions of law, the Court cannot appropriately review the merits of an administrative agency's decision." Id. As such, the court found that the SEC's final decision "does not provide any findings of fact or conclusions of law and fails to conform to the requirements of NRS 233B.125." Id. To conclude, the Court remanded the matter back to the SEC to issue a findings of fact and conclusions of law pursuant to NRS 233B.125 which will allow iudicial review of its final decision. then *Id.* at 3.

In addition, TWA's request for reconsideration is premature. NRS 233B.130(4) provides that "a petition for rehearing or reconsideration must be filed within 15 days

after the date of service of the final decision." "An order granting or denying the petition must be served on all parties at least 5 days before the expiration of the time for filing the petition for judicial review." *Id.* NAC 445B.899 restates this rule and provides additional requirements. That regulation provides that "if the commission grants a petition for rehearing, it will, within 20 days thereafter, conduct a hearing to allow the parties to present additional evidence and will issue a modified final decision or affirm its original decision." NAC 445B.899(8). Accordingly, to request reconsideration of the final decision reached by the SEC, TWA would have to do so after the Findings of Fact, Conclusions of Law, and Final Decision are issued pursuant to this remand hearing.

As the court plainly stated in its Order, the remand was not related to the validity of the SEC's decision or the merits of the dispute. As directed by the court, this remand hearing must be limited to documenting the SEC's decision on December 9, 2020, in a findings of fact and conclusions of law.

B. TWA Has No Legal Basis to Challenge the Substance of NOAVs 2783,2784, and 2786

As TWA is well aware, the purpose of the SEC's December 9, 2020, hearing was to consider the *amount* of the fines to be issued, not the substantive basis for those fines. This is due to TWA's failure to appeal NDEP's lawfully issued NOAVs. During the hearing, TWA conceded that the underlying facts and liability were no longer in dispute. See the Transcript for the SEC's December 9, 2020, Hearing at 9 ("[TWA's attorney] claimed that, similar to a criminal hearing, there are two phases: liability and sentencing. [TWA's attorney] stated that TWA chose to forgo the opportunity to appeal the underlying facts").

NRS 445B.640 provides that "any person who violates any provision of NRS 445B.100 to 445B.450, inclusive, and 445B.470 to 445B.640, inclusive, or any regulation in force pursuant thereto . . . is guilty of a civil offense and *shall* pay an administrative fine levied by the Commission of not more than \$10,000 per day per offense." Pursuant to this statute, the SEC was required to levy an administrative fine

1 against TWA. As such, the SEC could not then and cannot now simply "set aside" TWA's 2 violations in the NOAVs. III. 3 **CONCLUSION** For these reasons, NDEP requests that the SEC reject TWA's unlawful 4 recommendation to "set aside" NOAVs 2783, 2784, and 2786, and instead adopt NDEP's 5 6 proposed Findings of Fact, Conclusions of Law, and Decision, thereby correcting the lone 7 issue in the court's remand order. 8 DATED this 2nd day of December, 2021. 9 AARON D. FORD Attorney General 10 <u>/s/ Daniel P. Nubel</u> DANIEL P. NUBEL (Bar No. 13553) By: 11 Senior Deputy Attorney General 12 State of Nevada Office of the Attorney General 13 100 North Carson Street Carson City, Nevada 89701-4717 14 T: (775) 684-1225 E: dnubel@ag.nv.gov 15 Attorney for Nevada Division of Environmental Protection 16 17 18 19 20 21 22 23 24 25 26 27 28

1	CERTIFICATE OF SERVICE
2	I certify that I am an employee of the State of Nevada, Office of the Attorney
3	General, and that on this 2nd day of December, 2021, I served a true and correct copy of
4	the foregoing NEVADA DIVISION OF ENVIRONMENTAL PROTECTION'S REPLY
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