

**MINUTES
ENVIRONMENTAL QUALITY BOARD**

August 21, 2007

Oklahoma Sports Museum
315 West Oklahoma
Guthrie Oklahoma

EQB approved
November 15, 2007

Notice of Public Meeting The Environmental Quality Board convened for a regular meeting at 9:30 a.m. August 21, 2007 at the Oklahoma Sports Museum, 315 West Oklahoma in Guthrie, Oklahoma. This meeting was held in accordance with 25 O.S. Sections 301-314, with notice of the meeting given to the Secretary of State on November 30, 2006 and amended on July 10, 2007. The agenda was mailed to interested parties on August 8, 2007 and was posted at the meeting facility and at the Department of Environmental Quality on August 20, 2007. Dr. Jennifer Galvin, Chair, called the meeting to order. Roll call was taken and a quorum was confirmed. Mr. Richard Hendricks from the Oklahoma Sports Museum welcomed the DEQ and thanked the Agency for coming to Guthrie, the historical capitol of Oklahoma, during this Centennial year. Representative Jason Murphey also welcomed the DEQ to his district.

MEMBERS PRESENT

Brita Cantrell (late arrival)
Mike Cassidy
Tony Dark
Bob Drake
Jennifer Galvin
Jerry Johnston
Steve Mason
Richard Wuerflein

DEQ STAFF PRESENT

Steve Thompson, Executive Director
Jimmy Givens, General Counsel
Wendy Caperton, Executive Director's Office
David Dyke, Administrative Services Division
Eddie Terrill, Air Quality Division
Judy Duncan, Customer Service Division
Gary Collins, Env. Complaints & Local Services
Scott Thompson, Land Protection Division
Jon Craig, Water Quality Division

DEQ STAFF PRESENT

Myrna Bruce, Secretary, Board & Councils
Ellen Bussert, Administrative Services
Skylar McElhane, Executive Director's Office
Jamie Fannin, Administrative Services
Matt Paque, AQD Legal
Monty Elder, Emergency Response Coordinator
Rick Austin, ECLS
Eric Braly, ECLS

MEMBERS ABSENT

Jack Coffman
David Griesel
Sandra Rose
Terri Savage
Kerry Sublette

OTHERS PRESENT

Ellen Phillips, Assistant Attorney General
Christy Myers, Court Reporter

The Attendance Sheet is attached as an official part of these Minutes.

Approval of Minutes Dr. Galvin delayed the approval of the minutes awaiting arrival of other members of the Board. When she called for a motion to approve the minutes of the February 23, 2007 Regular Meeting, Mr. Johnston made the motion to approve as presented and Mr. Mason made the second. Roll call as follows with motion passing.

(transcript pages 35-36)

Brita Cantrell	Yes	Jerry Johnston	Yes
Mike Cassidy	Yes	Steve Mason	Yes
Tony Dark	Yes	Richard Wuerflein	Yes
Bob Drake	Yes	Jennifer Galvin	Yes

Executive Director's Report Mr. Thompson asked Mr. Jimmy Givens, General Counsel, for a report on disclosure of financial interests which is required by statute. Mr. Givens reported that there were two staff members who are in a permitting or enforcement role

who have stock in companies that the DEQ may regulate. Additionally, Mr. Givens notified the Board and the public that DEQ's permanent rules from the last year are now posted on the DEQ website. *(transcript pages 11-13)*

Mr. Thompson provided information regarding the operational budget request, item number five on the agenda. He answered questions regarding the Agency's budget requests and the challenges the Agency faces relative to funding. Mr. Thompson provided handouts showing the impacts of legislative unfunded mandates. He stated that each of the Divisions will be going to their Councils with fee cases to make up for the differences. *(transcript pages 14-23)*

Mr. Thompson provided an update from the legislative session and discussed the bills that were of interest. *(transcript pages 23-35)*

Mr. Thompson showed a slide presentation and talked about the June, July, and August flood damage. He said there were many staff members who had worked on these situations, then introduced Monty Elder, Emergency Response Coordinator, Rick Austin, and Eric Braly. He gave them a public thank you for their tireless efforts working the South Coffeerville refinery spill. Mr. Thompson responded to comments. *(see transcript pages 37-51)*

DEQ Operational Budget Request Mr. Steve Thompson advised that the budget request for FY 2009 must be submitted to the OSF by October 1, 2007 noting that the budget request was brought before the Board after being reviewed by the Board's Budget Committee. He discussed the funding needs and the FTE needs for each program. Following discussion, Mr. Drake moved for approval of the budget request as presented stating that the Budget Committee had done a wonderful job. Mr. Dark made the second. Roll call as follows. *(transcript pages 52-72)*

Brita Cantrell	Yes	Jerry Johnston	Yes
Mike Cassidy	Yes	Steve Mason	No
Tony Dark	Yes	Richard Wuerflein	Yes
Bob Drake	Yes	Jennifer Galvin	Yes

Annual Performance Review of Executive Director Dr. Galvin called for motion to go into Executive Session to discuss Mr. Thompson's performance review. Mr. Johnston made the motion and Mr. Drake made the second. Following roll call, the Board moved to a private room. *(transcript pages 72-73)*

Brita Cantrell	Yes	Jerry Johnston	Yes
Mike Cassidy	Yes	Steve Mason	Yes
Tony Dark	Yes	Richard Wuerflein	Yes
Bob Drake	Yes	Jennifer Galvin	Yes

Mr. Johnston moved to reconvene the meeting and Mr. Drake made the second. *(transcript pages 73-74)*

Brita Cantrell	Yes	Jerry Johnston	Yes
Mike Cassidy	Yes	Steve Mason	Yes
Tony Dark	Yes	Richard Wuerflein	Yes
Bob Drake	Yes	Jennifer Galvin	Yes

Mr. Dark made a motion to set Mr. Thompson's salary to the maximum currently allowed by the Legislature effective July 1, 2007. Mr. Drake seconded the motion adding the Board's thanks to Steve and staff. *(transcript pages 75-76)*

Brita Cantrell	Yes	Jerry Johnston	Yes
Mike Cassidy	Yes	Steve Mason	Yes
Tony Dark	Yes	Richard Wuerflein	Yes
Bob Drake	Yes	Jennifer Galvin	Yes

Calendar Year 2008 Board meeting dates and locations: Following discussion, Mr. Drake made a motion to have the 2008 meetings on February 29 in Oklahoma City; August 19 in Duncan; and November 18 in Tahlequah with discretion given to Mr. Thompson and Ms. Bussert for suitable meeting room facilities switching Duncan and Tahlequah if necessary. Mr. Mason made the second. (transcript pages 77-83)

Brita Cantrell	Yes	Jerry Johnston	Yes
Mike Cassidy	Yes	Steve Mason	Yes
Tony Dark	Yes	Richard Wuerflein	Yes
Bob Drake	Yes	Jennifer Galvin	Yes

New Business None

Adjournment The meeting adjourned at 1:00 p.m. There were no issues for a Public Forum.

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

DEPARTMENT OF ENVIRONMENTAL QUALITY

STATE OF OKLAHOMA

* * * * *

TRANSCRIPT OF PROCEEDINGS

OF THE ENVIRONMENTAL QUALITY BOARD

REGULAR MEETING

HELD ON AUGUST 21, 2007, AT 9:30 A.M.

GUTHRIE, OKLAHOMA

* * * * *

MYERS REPORTING SERVICE
Christy Myers, CSR
P.O. BOX 721532
OKLAHOMA CITY, OKLAHOMA 73172-1532
405-721-2882
c_myers@cox.net

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

BOARD MEMBERS

- JENNIFER GALVIN - CHAIR
- BRITA CANTRELL - MEMBER
- MIKE CASSIDY - MEMBER
- TONY DARK - MEMBER
- BOB DRAKE - MEMBER
- JERRY JOHNSTON - MEMBER
- STEVE MASON - MEMBER
- RICHARD WUERFLEIN - MEMBER

STAFF MEMBERS

- STEVE THOMPSON - DIRECTOR
- JIMMY GIVENS - ATTORNEY
- ELLEN PHILLIPS - ATTORNEY GENERAL
- MYRNA BRUCE - SECRETARY

1

2

MEETING

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

DR. GALVIN: I'd like to call the meeting to order. I'd like to thank everyone for coming. I'm Jennifer Galvin, I'm Chairman of the ODEQ Board and this is the August 21, 2007 regular meeting of the Environmental Quality Board. It's been called according to the Oklahoma Open Meeting Act, Section 311 of Title 25 of the Oklahoma Statutes. Notice was filed with the Secretary of State on November 30, 2006 and amended on July 10, 2007.

Agendas were mailed to interested parties on August 8, 2007 and posted on August 20, 2007 at this facility, 315 West Oklahoma, Guthrie, Oklahoma; and at the Department of Environmental Quality, 707 North Robinson, Oklahoma City. Only matters appearing on the posted agenda may be considered.

If this meeting is continued or reconvened, we must announce today, the date, time and place of the continued meeting and the agenda for such

1 continuation will remain the same as
2 today's agenda.

3 With that, I would like to thank
4 Richard Hendricks for having us here. I
5 don't believe the Board has ever met on a
6 ball diamond before. And I would like to
7 ask Mr. Hendricks to come forward and tell
8 us about this phenomenal facility.

9 MR. HENDRICKS: Thank you, very
10 much. I want to just welcome you to
11 Guthrie today, to the historical capitol of
12 Guthrie, of Oklahoma, during this
13 centennial year. We're really pleased to
14 have you come and be a part of our
15 celebration year and have the opportunity
16 to see some of the things in Guthrie and to
17 be a part of the Oklahoma Sports Museum.

18 These are historical buildings that
19 have been renovated to host this official
20 sports museum of central Oklahoma. If you
21 have any questions about the museum,
22 itself, or any other people in here, I'll
23 be more than happy to answer them or make
24 up a good story, one or the other, anytime
25 today.

1 I will say, first of all, your
2 organizational staff is top notch, the way
3 they came in here and set this all up. I
4 don't know what they're paying you, but I
5 bet they are under paying you. But they
6 did a great job. And I -- they have been a
7 pleasure to work with and as you can see,
8 they've got this place set up where you are
9 able to see. We're just glad to have you
10 here.

11 (Comment at Guthrie's Representative)

12 Just briefly let me tell you a
13 little bit about our museum and then I -- I
14 don't want to take too much of your
15 important time, but she asked me to tell
16 you a few things. These are historical
17 buildings and we took over in '93 and we
18 opened them in '96. About 30 years ago,
19 these buildings were part of the 3 project
20 to be restored, which never came about,
21 they just hadn't got started on it. The
22 area in which we're sitting, was going to
23 be an indoor swimming pool. And when we
24 purchased the building that was all dirt
25 back in there and piles of dirt that came

1 out of the halls and right here it was full
2 of water and frogs and snakes and whatever.
3 This was a big mud hole right there.

4 So these buildings were pretty bad
5 when we first started, but we didn't have
6 much money. So we were able to get these
7 on a good deal from the historical society,
8 so we've taken these buildings over,
9 restored them to put in a museum to honor
10 Oklahoma athletes, to use their influence
11 as a positive goal for kids.

12 We have a program called Breaking
13 Barriers in Life and in Sports, that was
14 put out from the Jackie Robinson Foundation
15 made in baseball. It's a character
16 building program, it's also got nine
17 character values that need to be had to be
18 successful in life. We have drug-free,
19 tobacco-free and alcohol-free programs that
20 we share with them when they come here
21 also.

22 I tell young people when they come,
23 that all of us are not professional
24 athletes, but all of us can be successful
25 with the ability to that God has given us.

1 Our responsibility is to find our niche and
2 then to take care of our bodies and to work
3 hard and apply ourselves and we can have
4 successful duties.

5 You're sitting in the area that
6 houses the memorabilia from Oklahoma
7 baseball players. Oklahoma, many times, is
8 looked on as a football state and we do
9 have some outstanding teams with some
10 outstanding players, but number wise we've
11 probably got more outstanding baseball
12 players than just about any state, in the
13 sport.

14 On the other level up here, is our
15 Centennial projects. There's a
16 Native-American display we've put together.
17 From the very beginning, we've had a
18 special area to honor Native-American
19 athletes, because that's what Oklahoma is.
20 We're Oklahoma.

21 The painting of Jim Thorpe there is
22 provided by Charles Banks Wilson. It's a
23 good picture of the painting that is of the
24 Capital. On the inside of that wall there
25 is a time line that's 34 feet long, that

1 has 100 years of sports in Oklahoma
2 provided in 10 decades. In the east
3 gallery is our Warren Spahn Award. We host
4 the Oklahoma Highschool Baseball Coaches
5 Hall of Fame. We also have batting cages
6 in there. and we can put you in there and
7 see if you can hit.

8 You came through our football and
9 basketball area. In the middle of our
10 football area. of course, is our area that
11 honors basketball players from Oklahoma.
12 In the west gallery is our Special
13 Olympics; wrestling, some ladies baseball,
14 our Pro Football Hall of Fame.

15 Again, just like to welcome you to
16 Guthrie. And we have available today, some
17 of the information about the events that
18 are taking place in Guthrie since this is
19 our Centennial celebration and we would
20 invite you to come back any time. We just
21 thank you for coming today.

22 DR. GALVIN: The Board was
23 talking -- actually Board Members were
24 talking last night, that we've seen lots of
25 posters around town and there were no dates

1 on those posters. Mr. Hendricks has
2 provided for us, information about all the
3 Centennial activities in Guthrie. So if
4 you're interested -- there's a reason
5 there's no dates on those posters, because
6 there are so many dates when things are
7 happening. He's put some of those on the
8 back table. So please come back and enjoy
9 Guthrie when we're not at a Board Meeting
10 and have more time to spend with the town,
11 in the town.

12 Mr. Murphy, we're really pleased to
13 have you here today. Would you like to say
14 a few words? There is a microphone right
15 over there?

16 MR. MURPHY: I would just like to
17 say thank you for inviting me. I
18 appreciate the invitation. And I think the
19 idea of rotating meetings across the state
20 is an exceptional one. I think that really
21 allows more people to come across and I'm
22 so excited to see how that's done. Thank
23 you.

24 DR. GALVIN: Well, I think that
25 concludes our initial remarks and we're

1 ready to start the meeting. Myrna, would
2 you start with the roll call.

3 MS. BRUCE: Ms. Cantrell, absent.
4 Mr. Cassidy.

5 MR. CASSIDY: Here.

6 MS. BRUCE: Mr. Coffman is
7 absent.

8 MS. BRUCE: Mr. Dark.

9 MR. DARK: Here.

10 MS. BRUCE: Mr. Drake.

11 MR. DRAKE: Here.

12 MS. BRUCE: Mr. Griesel is
13 absent.

14 MS. BRUCE: Mr. Johnston.

15 MR. JOHNSTON: Here.

16 MS. BRUCE: Mr. Mason.

17 MR. MASON: Yes.

18 MS. BRUCE: Ms. Rose is absent.

19 MS. BRUCE: Ms. Savage is absent.

20 MS. BRUCE: Dr. Sublette is
21 absent.

22 MS. BRUCE: Mr. Wuerflein.

23 MR. WUERFLEIN: Here.

24 MS. BRUCE: Dr. Galvin.

25 DR. GALVIN: Present.

1 MS. BRUCE: And we do have a
2 quorum.

3 DR. GALVIN: Thank you.

4 We do have some people that are on
5 their way to the meeting. We're not
6 exactly sure why they've been asked to turn
7 off of the turnpike. We're suspecting it's
8 water related. I'm sure we don't have to
9 discuss that very much at this point, but
10 there were discussions about water that hit
11 the state here, in a minute.

12 We're going to change up the agenda
13 just a little bit. We'd like to move into
14 an item that does not require any action by
15 the Board. And at this time, I'd like to
16 ask Steve Thompson to give us the Executive
17 Directors Report.

18 MR. THOMPSON: Thank you, Madam
19 Chair. You're going to hear a lot from me
20 today, but the first thing that we need to
21 do, with your permission, is to turn the
22 meeting over to Jimmy. There's certain
23 financial disclosures that the Agency makes
24 to the Board each year by statute and Jimmy
25 is going to make that presentation.

1 MR. GIVENS: Members of the
2 Board, you have been around, I think, all
3 of you, for at least one round of this
4 report in the past, so I won't go into
5 detail. You will -- can you hear?

6 (Comment about microphone)

7 MR. GIVENS: Can you hear?

8 MR. DRAKE: There.

9 MR. GIVENS: You will recall that
10 we have a requirement in the Oklahoma
11 Environmental Quality Code that employees
12 of the Agency, who are in any sort of
13 permitting or enforcement role, disclose to
14 the Executive Director if they receive
15 compensation or if they have any stock
16 holdings in companies that the DEQ may
17 regulate. The purpose for that is so that
18 the Executive Director can insure that
19 those personnel do not work in any way on
20 companies that they might receive some
21 benefit from. And the statute also
22 requires that we report those as part of a
23 Board Meeting, so that you can perform your
24 oversight role.

25 This year we only have two to

1 report. One is an employee in the Water
2 Quality Division, Joe Long, who has
3 reported that he has shares of Going
4 Energy. The only other report that we have
5 is David Caldwell has disclosed that he has
6 divested the shares that he had in Kerr
7 McGee. The reason we report this to you is
8 simply so that you can be assured that we
9 do take this seriously. And if someone
10 discloses that they have an interest in a
11 company or receive compensation from a
12 company, we issue, in written form, and
13 make sure that the division director, the
14 immediate supervisor and that employee know
15 that they cannot perform any duties related
16 to that company.

17 Those are the only disclosures I
18 have this morning. One other thing I would
19 mention, that's a bit of a sidetrack, is
20 some of you are interested when we update
21 our rules on our DEQ website, and all the
22 permanent rules from last year are now
23 posted on our DEQ website. So you can go
24 there for -- if you need to look at any of
25 our rules from the past year. That's all I

1 have, Madam Chairman.

2 MR. THOMPSON: Thank you, Jimmy.

3 It is not typical, I think, of me to come
4 to you and complain about money. We come
5 to you with budget requests, particularly,
6 mandates that come to us from the federal
7 level, because we do understand that for
8 the most part mandates that come to us from
9 the federal level, have much greater impact
10 on communities, particularly small
11 communities, and on industry. But I think
12 it is important for me to report to you
13 today about some of the challenges the
14 agency is facing relative to funding.

15 You will find in front of you, I
16 hope, a couple of sheets that look
17 something like this. One of them is the
18 impacts of what we call legislative
19 unfunded mandates, none of which,
20 Representative Murphy, has had anything to
21 do with, I might hasten to add. But when
22 you consider the increase cost of the
23 agency for retirement, the increase cost to
24 the agency for insurance, the increase cost
25 to the agency of fringe benefits and the

1 unfunded portion of a mandated salary
2 increase, that the agency now pays its
3 employees, well deserved I should say. But
4 the cost to the agency, now, per annum, is
5 about \$3.1 million of funding that we are
6 required to pay that we do not receive
7 legislative funding for.

8 There is also a sheet in front of
9 you that talks about the reductions in
10 federal funding. Something like this. And
11 we are projecting that at the end of fiscal
12 year '09, our reductions in federal core
13 grants will be around \$1 million.

14 So we are facing a decrease in
15 income over the next few years of about a
16 little over \$4 million. And that is at a
17 time when our costs are going up, just like
18 others are. Our estimate for the coming
19 year is that our motor pool cost on an
20 agency that obviously is traveling the
21 state to do its work. We think our motor
22 pool cost for next year is going to go up
23 about a quarter of a million dollars. And
24 that's just an example of the cost that the
25 agency is incurring. And that, in the face

1 of continuing increases in work load,
2 particularly, from the federal government.

3 I think there are a couple of
4 instances that we could point to where we
5 have been able to ward off a couple of
6 increases from the federal government.
7 There was a proposal by the U.S.
8 Environmental Protection Agency about -- I
9 guess, a year and a half ago, that the
10 entire cost of the NDS program, the
11 wastewater discharge program, be borne by
12 fee payers. That rule-making went forward
13 within EPA , Jon Craig with Swifka
14 (phonetic spelling), and through ECO's
15 brought that to the attention of the other
16 states, and I think more importantly
17 brought it to the attention of Senator
18 Inhoff. And while that would not have been
19 an increased cost to the agency itself, it
20 would have been an increased cost of \$2.5
21 to \$3 million to municipalities and
22 industries within the state. So it is, I
23 think, fair to say that, that rule making,
24 surely with Senator Inhoff's help, has
25 become wrong. It's my experience with the

1 U.S. Environmental Protection Agency that
2 things don't die but they do, on occasion,
3 become dormant.

4 Another example was that they were
5 coming forward with three wet weather
6 policies that, based on our calculations,
7 would have cost us about \$1.5 million to
8 implement. We, Shelly Sharp, of Perry and
9 David Pruett, Shelly with our
10 Administrative Services Group, and David
11 with Water Quality, developed the cost on
12 that and shared it with the other states.

13 Now. I guess, EPA was skeptical
14 about our cost figures, but once we shared
15 it with other states, we got support from
16 the state of New York, the state of
17 Illinois, the state of Nevada and others
18 that their cost were going to be similar to
19 us. That too, we hope -- those policies,
20 we hope, are also going. So we have been
21 somewhat successful in warding off
22 increasing cost both to the folks that pay
23 fees in Oklahoma and our own cost.

24 But nonetheless, we are faced with
25 these increasing costs. What I have

1 directed the division directors to do, is
2 to go to their Councils and make fee cases,
3 that's the one source of income that we
4 will have to make up the difference. And
5 the product of those fee cases will be
6 coming to the Board in February or not.
7 What we will do -- what each of the
8 division directors will do, is we will go
9 to their Council and just lay out for them
10 where we find ourselves, and hopefully they
11 will be supportive of an increase in income
12 that will allow the agency to continue to
13 function.

14 I guess I will pause for a moment
15 and see if there are any questions about
16 that.

17 MR. DARK: (Inaudible)?

18 MR. THOMPSON: It's about \$4
19 million. About \$3 million at the state
20 level and about \$1 million at the federal
21 level. And that's at a time of increasing
22 cost. I don't think we'll have a good
23 handle on the total increases and cost
24 overtime, but we have some examples, like
25 the motor pool, where we think we're going

1 to bear, about a quarter of a million
2 dollars cost greater than we did last
3 fiscal year. So we probably, I suspect,
4 are looking at somewhere in the
5 neighborhood of, and this is a guess, but I
6 suspect we're talking between \$4.5 and \$5
7 million.

8 MR. WUERFLEIN: Steve, I have a
9 question.

10 MR. THOMPSON: Yes, sir.

11 MR. WUERFLEIN: Put this in
12 relation to our total budget or our total
13 state allocations. Is it almost doubling
14 our state allocations?

15 MR. THOMPSON: Well, the budget
16 of the agency is about \$50 million now, so
17 we're talking about 10 percent. If we're
18 talking \$5 million, we're talking 10
19 percent. If you're talking about the
20 reductions at the general revenue level,
21 we're at about 15 percent, between 15 and
22 20 percent of that \$50 million in general
23 revenue. So clearly, the big hit has been
24 taken in general revenue dollars.

25 MR. MASON: Steve.

1 MR. THOMPSON: Yes.

2 MR. MASON: Every year we get our
3 employees raises.

4 MR. THOMPSON: Yes.

5 MR. MASON: So every year this
6 legislative unfunded mandate sheet is
7 probably valid. So what's the difference
8 this year than previously, when we gave
9 raises?

10 MR. THOMPSON: Well, I should say
11 that we do not always give -- the
12 legislature does not, every year, increase
13 the salaries of our employees. These are
14 legislatively mandated. The difference
15 this year is, that -- and it's not just the
16 DEQ, that with every state agency, the
17 allocations from general revenue fell far
18 short of meeting the mandate for the salary
19 increase.

20 MR. MASON: But if you go back
21 several years ago, and presuming you gave
22 your employees a raise without a
23 legislative mandate, how did you pay for it
24 back then?

25 MR. THOMPSON: Generally, we paid

1 for it -- there was a couple of ways we
2 paid for it. We paid for it through fees
3 and we paid for it through penalty money.
4 So that's, generally, the way we've paid
5 for increases in salary. It is not typical
6 of the agency to increase salaries -- base
7 salaries, which is typical of the agency
8 when we find that we can give a one year
9 stipend to employees. We have done that a
10 couple of times, get a check for a certain
11 amount of money without increasing the
12 base, because we are concerned about the
13 ability to continue to sustain that
14 increase in their salary over time.

15 So for the most part, what we have
16 done in the past, Steve, is to give
17 stipends -- one time stipends, when we
18 found that we could, through a combination,
19 mostly, I would say, fee money, but also
20 through some abilities in federal money,
21 but not typically in general revenue.

22 We are finding ourselves, as you
23 mentioned, relative to competitiveness in
24 the workplace in salaries. We are
25 struggling to hire people. We hired line

1 engineers, a lot of environmental
2 specialist and it is becoming -- we are
3 never going to be competitive with the
4 private sector. But we -- there is a range
5 in which we can be competitive with people,
6 but that range is growing rather than
7 (inaudible).

8 We did one thing -- I know I'm
9 probably talking too much about this, but
10 we did change the way that we recruit
11 people. We were doing the typical things
12 for recruitment; we were going to job fairs
13 and we were going to recruitment offices.
14 What we have done is decided -- and I
15 think, I hate to say this, I think this was
16 either Eddie Terrill's or David Baxter,
17 their idea, that we begin to visit
18 classrooms where we knew college
19 professors, so that we can talk,
20 individually, to kids about coming to work
21 for the DEQ. And that has produced -- that
22 has been a productive exercise on our part,
23 but we're still not keeping up with -- in
24 competitiveness in salaries with the
25 private sector.

1 Now we'll move on to -- Eddie is
2 going to make a presentation at the forum,
3 about potential impacts of the change in
4 the ozone standard. You all may or are
5 hopefully aware, that EPA is proposing a
6 change in the ground level ozone standard
7 from .080 to a range between .070 to .075.
8 I think it is fair to say that if they --
9 wherever they change it along that range,
10 it's not, if we go into non attainment,
11 it's the total land by which we go into non
12 attainment. But Eddie will have more
13 information. I mentioned it, here, simply
14 to say that it will also have a significant
15 impact on the resources in our agency --
16 our air program will have a lot of work in
17 front of it, if that changes.

18 I typically give an update on
19 legislation at the first meeting after the
20 legislative session ends. That's today.
21 So let me run through some of the
22 legislation that is of interest.

23 DEQ sponsored a Bill, Senate Bill
24 509, that established an open landfill
25 closure fund and that is in response to, it

1 appears -- I think it's clear now, we're
2 going to have to bear some cost for the
3 closure of the landfill in Tulsa and so we
4 needed to get legislative approval to set
5 aside funds for that effort.

6 The other thing, last year we
7 sponsored a Bill that allowed landfills to
8 pay for wheel washes at their facilities.
9 We changed that from a recoupment process
10 to a prorated process for the \$300,000 we
11 had set aside for that as and that was
12 really in response to the fact that we
13 didn't get as many -- the application
14 deadline ended July the 1st and we didn't
15 get as many applications as we thought. So
16 we wanted to go to proration to get that
17 behind us.

18 It should come as no surprise to
19 anyone, that there was tire legislation
20 last year. Tire -- waste tire legislation
21 passed for the first time in 1989 and there
22 has been at least one Bill to amend that
23 statute every year since 1989. Last year
24 was not an exception.

25 We did work with the tire processors

1 on a Bill that essentially transferred the
2 authority for dealer audits from the
3 Oklahoma Tax Commission to the Department
4 of Environmental Quality. It transferred
5 the authority for calculating reimbursement
6 amounts from the Tax Commission to the
7 Department of Environmental Quality and it
8 established a waste tire task force, one of
9 many that has been (inaudible) cost of time
10 that there is a task force.

11 We had another Bill that was out
12 there that ran into some procedural
13 problems in the legislature, so that Bill
14 was included in the waste tire Bill. That
15 provision -- there was an agency out there
16 that was requiring a storm water permit
17 from the DEQ, before they would issue the
18 major -- the main operating permit to
19 operate.

20 The problem with that was, that
21 there were facilities out there that were
22 having their main permit out of that and
23 did not need the storm water permit. So --
24 but the agency was insisting that they have
25 a storm water permit before they would

1 issue the main operating permits. So we
2 were sort of had ourselves in a position
3 where we were going to have to issue
4 phantom storm water permits. We went to
5 the legislature and got that changed to the
6 provision now says since they issued the
7 main permit and it was our decision when
8 they needed the storm water permits. So
9 that's what that did.

10 Some other Bills of interest that
11 were enacted -- those were all enacted.
12 Other Bills of interest that were enacted;
13 House Bill 1490, that was codified by
14 Sullivan and Easley -- that codified
15 certain aspects of the Tulsa poultry
16 lawsuits and. specifically, it requires a
17 phosphorus index in the Eucha-Spavinaw
18 watershed. Senate Bill 709, by Justice and
19 Hyman, that established that the manure and
20 related waste are not hazardous waste.

21 Senate Bill 609 by Sweeden and Pyatt
22 that created the Oklahoma Bioenergy Center
23 within the Department of Commerce, to
24 promote and coordinate bio-energy
25 development in the state center.

1 There's one thing that I think may
2 be interesting to you all. Senate Bill 69
3 by Bass and Blackwell, authorized public
4 bodies, like the Environmental Quality
5 Board to video conference. There are a
6 number of exceptions to that; that you must
7 provide both video and audio, a quorum must
8 be present at the principle meeting site,
9 and all of the sites from which you video
10 conferences, have to be open to the public
11 and there are no Executive Sessions. But
12 it does provide more flexibility in member
13 attendance than it had in the past.

14 There were some Bills of interest
15 that are either dead or dormant. One of
16 them was our main legislative issue from
17 last year and that was our Blue Skyways
18 initiative, which was a grant program to
19 encourage the use of alternative fuels. It
20 failed, basically, because it failed to
21 receive appropriation.

22 I'm going to talk about the budget
23 request in the next item on the agenda and
24 we will take that back up. But I think
25 it's fair to say that there's a strong

1 desire on the authors, who were Senator
2 Johnny Crutchfield and Representative Phil
3 Richardson to run that again. And so we're
4 going to make that a part of our budget
5 request.

6 Other Bills of interest that failed.
7 There was a state solid waste recycling
8 goal, by Paddock and Hilyard of 10 percent.
9 We supported the Bill, but that Bill
10 failed.

11 There was concern that rose at the
12 end of the session, that the state
13 moratorium on water sales out of state,
14 might not meet the legal test related to
15 interstate commerce. And so there was an
16 effort to develop a limit for both in-state
17 and out of state users. That failed,
18 because of some concerns about the effects
19 that it might have on economic development.

20 There was House Bill 1507, by Atkins
21 and Morgan. It was a Bill that would have
22 transferred water use permitting for mining
23 from the Water Resources Board to the OWRP.
24 That failed amid concerns about
25 de-centralizing water use permits, but

1 there was recently a court decision in
2 southern Oklahoma that Bob's aware of, that
3 may muddy the water even more, pardon the
4 pun, on that issue. So we'll be looking at
5 that.

6 House Bill 1300, another Bill of
7 interest, these are just bills of interest,
8 that DEQ didn't even -- did not sponsor.
9 Non-port source litigation restrictions on
10 the Secretary of Environment, that was not
11 heard in the Senate.

12 There was a Bill, House Bill 1515,
13 by Dewitt and Lablanc, that we did become
14 involved in. That Bill called for the
15 relaxation of swine caffold setbacks, to
16 correspond to setbacks applicable to other
17 caffolds. The swine caffold had better
18 setbacks than the other confined animal
19 feeding operations in the state.

20 We opposed the Bill, simply because
21 they wanted to reduce the protection to
22 public water supply. I'm sorry, reduce
23 protection of public water supply from one
24 mile to 300 feet. So definitionally, it
25 was less protective. And so we did try to

1 involve ourselves in some negotiations to
2 find a compromise for setbacks for all
3 caffolds, but we weren't particularly
4 successful in that and ultimately, that
5 Bill was not heard. But there is an
6 interim study on it this year and it will
7 likely be back next year.

8 We also -- let me pause here and see
9 if there are any questions about any of
10 that?

11 MR. DRAKE: Johnnie Crutchfield
12 will have a Bill coming this time and
13 others on the agricultural tires. It seems
14 that way back there, many of us were so
15 proud that we kept ourselves away and
16 agriculture away from being charged when
17 the tires go in to be replaced. So now,
18 those tires are either going into landfills
19 that are not approved, or the dealers are
20 charging them what it cost them to take
21 them to some landfill, which is quite a
22 bit. So there will be an effort made and
23 he's supposed to be talking to you all. I
24 talked to him.

25 MR. THOMPSON: Senator

1 Crutchfield and I have talked. We want to
2 welcome the agriculture community into the
3 tire program when they're ready to come.

4 MR. DRAKE: All of them don't
5 understand that they need to be there yet,
6 but we will try to explain that to them.

7 MR. THOMPSON: And we will work
8 with them too. Let me run through briefly.
9 There are a number of interim studies that
10 the agency will be involved in.

11 There is a interim study related to
12 the consolidation of the Oklahoma Water
13 Resources Board into the Department of
14 Environmental Quality by Dewitt, that will
15 be taken up sometime in the interim.

16 There is an interim study related to
17 consolidating the Department of Mines into
18 either the Department of Environmental
19 Quality or the Department of Labor.

20 There is a study by Cox and Adkins,
21 about the feasibility of building a nuclear
22 power plant in Oklahoma.

23 There is another study relative to
24 permits and their affect on businesses,
25 particularly, labor permits. Where we are

1 involved, is that we share the asbestos
2 program with the Department of Labor and so
3 we may be involved in that.

4 There is an interim study by Jett
5 and Billy about achievable -- I'll just
6 read what it says. "Achievable synergies
7 in the areas of policy and economic
8 development between tribes and the states."
9 So we will probably be involved in that.

10 Rosabe and Dewitt will bring an
11 interim study about the close setback lines
12 and I suspect we will be involved in that.

13

14 There are -- there's another water
15 study by Leman, Dewitt, and Pruitt. We
16 probably will be involved in that.

17 Representative Sullivan, again, is
18 bringing an interim study relative to
19 appropriating waste and removal from
20 limited watersheds and I suspect that we
21 may be involved in that. Representative
22 Norman is bringing an interim study about
23 implementing performance based budgeting on
24 state agencies. We've been involved in
25 that in the past and will probably be

1 again.

2 And then there is an interium study
3 by Miller, about total government
4 consolidation and reorganization and I
5 would suspect we will be a part of that.

6 There is an interim study about the
7 reoccupancy of meth lab property. That
8 first meeting is Thursday of this week. I
9 had been specifically invited to that.

10 There is a water study by Raben.
11 There is the study of the use of surface
12 and groundwater by Paddock. And there is
13 the Waste Tire Task Force, which meets at
14 the end of September. I will sit in the
15 Chair for that task force meeting until
16 they can elect a Chairman, then I will move
17 on.

18 So that's the number. There's quite
19 a volume of interim studies that we will be
20 involved in between now and February. So
21 that will keep us pretty busy. Questions
22 about any of that? Yes.

23 MR. DRAKE: I have a question.
24 Or a comment. Concerning the unfunded
25 mandates that we continue to get from EPA

1 and, of course, as far as that goes,
2 Oklahoma also, and the lack of funding
3 thereof, have we talked to our partners who
4 are about to get hit pretty solid and
5 pretty good, to explain to them some of the
6 problems that we are having and perhaps --
7 and I know you all would have trouble doing
8 it, but certainly people that are in this
9 room could. That we need a little bit of
10 partnership here, in some of our groups,
11 that perhaps a visit with Senator Inhoff
12 and perhaps a visit with the environmental
13 secretary and others -- some senators and
14 representatives, about the fact that we can
15 only do so much with what we have, and
16 we're going to get some money somewhere and
17 since it's unfunded mandates, that perhaps
18 they'd like to get involved and help us get
19 this done. Watch me Ellen, because I get
20 right on the edge of it.

21 MR. THOMPSON: I would say that
22 we are in, really, the agency, is in pretty
23 good communication with Senator Inhoff's
24 office on this issue, but any help that we
25 could receive from anyone on this issue

1 would be much appreciated.

2 On the legislative issues, I think,
3 as I said, we are impacted, as all other
4 agencies of state government are impacted.

5 So I think there's an understanding
6 in the legislature, that this gap exists
7 and we will continue to work with the
8 legislature about that. I would say we are
9 a little fortunate in that we -- or maybe
10 more than a little fortunate, in that we
11 have other sources of income that we can
12 rely on. If you were an agency that would
13 100 percent general revenue funded, you
14 would be in a bit of a tight. But, yes,
15 any help that we can get would be much
16 appreciated.

17 Okay. Let me then, oh, sorry.

18 DR. GALVIN: We need to back up
19 on the agenda, to agenda item number three,
20 which is approval of the Minutes of the
21 February 23rd meeting.

22 MR. JOHNSTON: Move to approve.

23 DR. GALVIN: Do I hear a second?

24 MR. MASON: I second.

25 DR. GALVIN: Thank you. Myrna,
can we have a roll call for approval of
minutes.

1 MS. BRUCE: Ms. Cantrell.
2 MS. CANTRELL: Yes.
3 MS. BRUCE: Mr. Cassidy.
4 MR. CASSIDY: (Inaudible).
5 MS. BRUCE: Mr. Dark.
6 MR. DARK: Yes.
7 MS. BRUCE: Mr. Drake.
8 MR. DRAKE: Yes.
9 MS. BRUCE: Mr. Johnston.
10 MR. JOHNSTON: Yes.
11 MS. BRUCE: Mr. Mason.
12 MR. MASON: Yes.
13 MS. BRUCE: Mr. Wuerflein.
14 MR. WUERFLEIN: Yes.
15 MS. BRUCE: Dr. Galvin.
16 MR. GALVIN: Yes.
17 MS. BRUCE: Motion approved.
18 DR. GALVIN: Thank you. Now sir,
19 you're back on the agenda for the
20 operational budget requests.
21 MR. THOMPSON: No. We now have
22 one item on the Executive Directors Report.
23 One more item.
24 DR. GALVIN: I'm sorry.
25 MR. THOMPSON: That's fine.

1 DR. GALVIN: I thought you were
2 moving on.

3 We are going to show you some
4 pictures that are going to run over here on
5 the screen while I talk. It's probably much
6 more interesting and informative than
7 anything that I will say. We were going to
8 talk about the floods of the summer of
9 2007. What we are now talking about is the
10 June and July floods of 2007, because I
11 have an update on the August floods of
12 2007. So let me begin.

13 We became aware of the impacts of a
14 oil spill from a refinery in Coffeyville
15 Resources at the beginning of July. So we
16 requested assistance from EPA Region 6 to
17 respond to that oil spill. This was a
18 little different than emergency response
19 efforts that we've done in the past,
20 because this one, in fact, involved two EPA
21 regions and two states; the state of Kansas
22 and the state of Oklahoma.

23 So what we've developed is a unified
24 command structure, with us, the Kansas
25 Department of Environment and Health in

1 both regions. And each day, an incident
2 accident plan was developed and we would
3 sign off on that plan and each day, on at
4 least two and sometimes more conference
5 calls. We would oversee that the
6 activities that had been listed in that
7 plan were, in fact, going on.

8 Now I will tell you that there were
9 a lot of concerns with this spill, but the
10 base and most acute concern that we had
11 were with the three public water supply
12 systems on the Verdigre River and the seven
13 in Lake Olaga. So the first thing that we
14 did, was to cause a boom to be placed, and
15 this took some effort, because we were, in
16 fact, dealing with flood waters, but we
17 caused the boom to be placed at an entrance
18 at Lake Olaga, so that we might more
19 effectively protect the seven public water
20 supplies in the lake. But our agency, on
21 two separate occasions, took samples of raw
22 water and finish water, to determine if
23 there were any impacts from the spill to
24 those public water supply systems and it
25 turned out that there were none.

1 But we did require the company, who
2 was cooperative with us, I think, as much
3 as anything, because of the good services
4 of the Kansas Department of Health and
5 Environment. They routinely took samples
6 at the intakes to the public water supplies
7 and when they began to discharge, to clear
8 the refinery site of the flood water,
9 itself, they took samples of the discharge.
10 And this activity continued pretty much --
11 this is how we spent our July. This is how
12 the DEQ spent its July.

13 Some of the things that we did
14 besides the outside activities that we were
15 talking about, we produced fact sheets on
16 clean-up of oil contaminated properties for
17 distribution in south Coffeyville,
18 Oklahoma, where the greatest impact from
19 the oil spill was.

20 We provided information to flood
21 victims in oil contaminated areas,
22 including how to handle contaminated waste
23 and referrals for -- and then we referred
24 agricultural questions to the Oklahoma
25 Department of Agriculture.

1 We assisted the South Coffeyville
2 Waste Treatment Plant. We directed
3 Coffeyville Resources to remove the oil
4 contamination, which they did. We were
5 able to locate some pumps to remove -- to
6 assist them in removing the flood waters
7 from the facility and we worked to help
8 located funding to -- their waste water
9 treatment plant was under water. And so
10 the computers and their monitors and
11 everything was ruined. So we are
12 continuing to work to try to find funding
13 to assist them.

14 Now you're beginning to see some of
15 the -- just flood impacts, to the cities of
16 Miami and Bartlesville. So we had, in
17 those areas, impacts to water and
18 wastewater. We provided information to
19 flood victims on a variety of subjects,
20 including private wells, boil orders, oil
21 contamination and debris removal.

22 DEQ provided information on flood
23 response on our website. There are some
24 pictures of that. We provided private
25 water well analysis, at no charge, to flood

1 victims. We worked with municipalities to
2 manage the flood debris. We requested that
3 Region 6 EPA help us with household
4 hazardous waste collection and orphan drum
5 retrieval, which they did. Although we
6 provided the legwork to determine the
7 sites.

8 We provided services to flood
9 victims at five FEMA disaster recovery
10 centers around the state and we also
11 provided special assistance. There is a
12 --I think, there is a slide in here that
13 shows the amount of debris that was at
14 Miami and we -- including 200 flood damaged
15 homes in Miami.

16 Now that's -- and then, if I can
17 find it, that was just in the northeast.
18 We had flood damage all across the state.

19 MR. MASON: Steve, do we know
20 what caused the release at the refinery?

21 MR. THOMPSON: I don't think
22 we're sure. We have some suspicions, but I
23 don't think we're sure. I think it may
24 have been that they were filling a tank
25 from a pipeline and that got disturbed and

1 they were unable to get back, once the
2 flood really hit, to get in and shut it
3 off. We think that's what it is, but I
4 don't think we're sure.

5 We had -- at the same time all of
6 this was going on, we had major damage in
7 Comanche, Duncan, Blanchard, Lawton,
8 Chickasha and Waurika. That was with
9 public water supply systems. Then with
10 wastewater treatment plants, we had line
11 washouts and problems with waste water
12 treatment plants flooding themselves in
13 Duncan and Marietta and Purcell and Edmond
14 and Comanche and Kingfisher and Purcell and
15 Blanchard, as well as Pauls Valley. And
16 today, we are -- our folks are out across
17 the state dealing with -- where's your
18 list, Richard?

19 (Inaudible comment)

20 MR. THOMPSON: Here it is. Here
21 it is. You should have in front of you,
22 these two sheets. One for July and -- June
23 and July and one for August, and so I don't
24 need to go through these, but -- and we
25 have added two, I think, to this list this

1 morning; Calumet and Minco are having. So
2 I guess, when we go back to school this
3 fall, we can tell our teacher what we did
4 for our summer vacation.

5 Have we been through this at least
6 once? Maybe more than once? Okay, I think
7 you can shut that off.

8 There are so many people that have
9 been -- done so much in response to the
10 flooding that we've dealt with across the
11 state that it is with some, I think,
12 trepidation, that I want to mention three
13 people, but I'm going to do it anyway.

14 Our Emergency Response Coordinator
15 is a lady named Monty Elder. Who has,
16 particularly, during the July -- June and
17 July floods, was on the phone to EPA and to
18 the state of Kansas and to FEMA and to
19 everybody, almost constantly, and not just
20 five days a week, but seven days a week,
21 coordinating our efforts with theirs. So,
22 Monty, where you at? Okay, just remain
23 standing.

24 And then there are two people that
25 worked the, specifically, with the South

1 Coffeyville spill in the incident command,
2 to made sure that the things that were
3 planned were actually done on-site and that
4 is Rick Austin. Rick. And Eric Bradley.

5 These folks dedicated just about
6 seven days a week, 12 hours a day to the
7 response at, particularly, Coffeyville and
8 Miami and Bartlesville. And if you would,
9 please join me in showing your appreciation
10 to them for the work that -- the fine work
11 that they did. And I'm through with that
12 item.

13 Any questions about flood or fees or
14 the funds or any of that?

15 MR. MASON: I have one question.

16 MR. THOMPSON: Yes, sir.

17 MR. MASON: In the last year, we
18 passed a couple sets of rules about the
19 highway cleanup program.

20 MR. THOMPSON: Yes.

21 MR. MASON: How are you coming
22 with all those contractors?

23 MR. THOMPSON: We are -- fine.
24 We -- may get Gary could help me a little
25 bit. We have now licensed about 13 or 14

1 contractors -- 14 contractors. And I
2 think, as far as I know, there have not
3 been any incidents that have been failed to
4 be addressed as a result of those issues.
5 Is that fair to say, Gary?

6 MR. COLLINS: Well, we've had one
7 incident where we're still trying to decide
8 the fact of whether the licensed person was
9 on-site or not, but other than that, we
10 haven't had any problems.

11 MR. THOMPSON: It is a -- I think
12 operationally, Steve, it is working out
13 fine. Pretty close to fine.

14 MR. MASON: Were you sued over
15 the Oklahoma requirement?

16 MR. THOMPSON: Not yet. I think
17 that the reason we were not sued, is there
18 are folks out there that are going to
19 continue to seek a legislative fix, rather
20 than a judicial fix. And I suspect that we
21 will see in the coming year, some efforts
22 to change that. Although, I think the
23 biggest issue for most people was the
24 \$10,000 fee, the \$10,000 initial fee. You
25 only pay the \$10,000 once and then you pay

1 \$1,000 a year after that. Well, when you
2 have 14 or 15 people -- that 14 people, I
3 guess, that have paid the \$10,000. So the
4 sting over that initial \$10,000 cost has
5 probably gone out of those folks. But
6 we'll see. I do periodically hear from a
7 legislature about it and we will see what
8 happens next year in the legislature.

9 DR. GALVIN: Steve, I have a
10 question.

11 MR. THOMPSON: Yes.

12 DR. GALVIN: This question is
13 referring back to the floods and all the
14 damage that is occurring. Is the ODEQ
15 helping facilitate the wastewater treatment
16 facilities or any other facility in these
17 towns; water treatment facility plants that
18 are damaged, to help them find monies to
19 correct their problems caused by the flood?

20 MR. THOMPSON: Yes. We're
21 trying. At our request -- one of the
22 things that happened. At our request, the
23 Oklahoma Resources Board has some emergency
24 money that they could provide to these
25 communities to assist them, but it required

1 a vote of the Board. Now their Board meets
2 monthly, but it was difficult to respond to
3 as many situations as we found that we were
4 having to deal with, with a Board that,
5 when decisions could only be made once a
6 month. So at our request, the Water
7 Resources Board has given the authority to
8 their Chairman to make decisions about
9 emergency funds and so that moves more
10 quickly than it had in the past. We work
11 with rural development.

12 The other thing that we do, although
13 it has been very slow in coming, for
14 whatever reason, is we assist communities
15 to make sure on debris removal, that they
16 are doing it based on both federal and
17 state requirements, so that when FEMA
18 declares a public assistance effort, they
19 are eligible to receive reimbursement for
20 their efforts in removing storm debris.
21 And so we have been working with all of
22 these communities. I was on the phone
23 today with a community over that very
24 issue; make sure that you do this the right
25 way, so you don't miss your opportunity for

1 FEMA reimbursement should a disaster area
2 be declared. It's my understanding that
3 the governor, not on this most recent set,
4 but on all of the other issues that we have
5 faced, has made requests to FEMA -- now
6 Monty, if I'm telling these folks wrong,
7 you stand up, but we have made requests to
8 FEMA. Now, the funding for an individual,
9 like if it was your house, has come
10 forward. But the funding for the
11 communities to pay for their cost of debris
12 removal to -- we believe, that in the past,
13 FEMA has funding for the restoration of
14 public water supplies and for wastewater
15 treatment plants. So the individual
16 assistance came along, but the public
17 assistance piece has been -- I'm not sure
18 that's been done yet. Is that right,
19 Monty?

20 MS. ELDER: It has not been done.
21 FEMA has forwarded it --

22 MR. THOMPSON: Stand up and speak
23 up. I know you can talk louder than that.

24 MS. ELDER: The way the process
25

1 works is, the governor made a disaster
2 request to FEMA and FEMA then forwards that
3 along with assessment of damage to the
4 White House and it's up to the White House
5 to actually authorize public assistance
6 funds. And FEMA has forwarded that request
7 from public assistance to the White House
8 and it is still waiting to be approved.

9 MR. THOMPSON: So we are waiting
10 -- to a great extent, we're bringing what
11 limited resources that we -- I mean as far
12 as on the ground assistance, I mean a lot
13 of this stuff is, "We've got a busted water
14 line." So you've got to valve that off and
15 you come back and make permanent repairs
16 later and so our folks are out there
17 assisting them or assisting the Board,
18 we're doing a lot of that stuff. We don't
19 have a lot of money to pay for
20 infrastructure. We're going to have to
21 rely, to a great extent, on FEMA to -- or
22 the White House, to grab those kinds of
23 funds. We're just trying to keep them in a
24 position where they are eligible for that
25

1 funding, if it ever comes.

2 MR. DARK: Can DEQ suggest to
3 communities --

4 THE REPORTER: Can you speak up?

5 MR. DARK: I'm sorry. I'll
6 restate the question. If DEQ can suggest
7 to communities to seek private funding as
8 interim funding, I do know that through the
9 course of a lot of these emergencies
10 because of the FEMA situation there were
11 some private bond people that were -- that
12 could get money to the community within a
13 week, have that community that's financing
14 to go out and to move forward with the
15 confidence that they would be repaid
16 through FEMA at a later date. I don't know
17 about cash flow. Do we have that ability
18 or are we stepping outside of our bounds by
19 suggesting that?

20 MR. THOMPSON: I don't think we
21 would be stepping outside of our bounds, I
22 think we would be delighted to do that. I
23 just don't think we were aware of it. So
24 if you could help us know how we do that,
25 we'll pass that information along.

1 MR. DARK: I got a lot of calls
2 this week.

3 MR. THOMPSON: I don't --
4 (Inaudible comment)

5 MR. THOMPSON: I don't think
6 that's a problem. Okay.

7 DR. GALVIN: Any other questions
8 for Steve before we move on?

9 I would just like to add my thanks
10 and the Boards thanks to Monty and Rick and
11 Eric. As we've seen, there's been a lot of
12 work to do and we appreciate your efforts,
13 especially those of us in a flood area, we
14 really appreciate your efforts.

15 All right. Agenda Item Number 5.
16 And I should say, Steve, thank you very
17 much for that visual. That really brings
18 home what you're trying to deal with.

19 And now moving on to the operational
20 budget requests. It is, yet, again, Steve
21 Thompson.

22 MR. THOMPSON: Well, let me also
23 say that it was a cooperative -- that set
24 of slides, particularly, the oil spill, was
25 put together by some people in ECLS and

1 some others and we forwarded that to the
2 regional response team and they were pretty
3 happy to get those pictures. It's a pretty
4 graphic display of what was going on with
5 that oil spill.

6 Okay. Let me talk a little bit
7 about our budget requests. This -- let me
8 talk a little bit about the process. We
9 have to make budget requests to the Office
10 of State Finance by October 1st. The
11 statute gives the Board the authority to
12 approve that budget request. The process
13 that we use and have used for quite a
14 number of years, is that a subcommittee of
15 the Board meets to review it and make
16 decisions relative to moving that onto the
17 Board as a whole. That committee met on
18 July the 30th. Ms. Galvin, Ms.
19 Cantrell, Mr. Johnston and Richard Wuerflein
20 and Steve Mason were not able to attend,
21 but he's on that committee too. They voted
22 to move the request, as a whole, to you and
23 so that's what you have in front of you.

24 One of the things that we have not
25 done in the past, that we are doing this

1 year, specifically, is to indicate to you
2 the increases in FTEs that we are
3 requesting of the legislature. I've made a
4 -- I don't know whether it's a strategic or
5 tactical error, but it was an error. I
6 went to the legislature last year and said,
7 "I need 20 new FTEs," and went through all
8 the committee meetings, and everybody sort
9 of nodded and said, "Well, that's fine."
10 And at the end of the session, we got one.

11 So we are trying to tie -- and we
12 just said, "You give us 20 and we'll figure
13 out where we need them, when we need them."
14 It didn't turn out to be the most effective
15 strategy.

16 So we have indicated the FTE's that
17 we need, along with the funding. And
18 again, let me start with the Blue Skies
19 Program that we talked about that failed to
20 get an appropriation last year. And as I
21 said, it's basically the same program,
22 although I think we're going to use a
23 little bit different name this year than
24 Blue Skies. I think I'm tired of getting
25 ribbed about that notion. But it is, in

1 fact, an effort to provide grants for
2 alternative fuels for clean air in a time
3 when we are battling to stay in attainment
4 or may be faced with non-attainment in the
5 very near future.

6 We had asked for \$2.5 million
7 dollars, that's what our request shows,
8 although, I have had some conversations
9 with the authors and they are intent on
10 asking for double that amount. So I bring
11 to you this as a 2.5 million dollar
12 request, just as last year, but I should
13 inform you. that these legislative authors
14 are pretty anxious to do that. We're
15 asking for one FTE for that effort.

16 The next item is, we're asking for
17 three replacement FTEs in the air quality
18 division. John, by some feat of magic,
19 stole three from Eddie and is using them
20 and Eddie wants them back. So -- but it is
21 clear with the impending issues related to
22 the ozone standard, we will need those
23 FTEs.

24 The next item is an FTE request for
25 ECLS. What has happened is the major

1 growth over the past, I suppose, six or
2 seven years, have been in the water
3 program. And as that program has grown, a
4 lot of the activities that the water
5 quality division used to do has been
6 shifted to ECLS, in order to accommodate
7 this stuff that's coming in. The ECLS has
8 become more efficient in their complaint
9 response and so we were able to find some
10 efficiencies in doing that. But they are
11 pretty much stretched to the limit.

12 Now what Gary and his folks do,
13 periodically. is run a model and it is a
14 model of the distance traveled and the
15 amount of work necessary to do the job and
16 they determine where we need to site people
17 in offices in order to be as efficient as
18 we can and the one -- whole we need an FTE
19 for ECLS here, they have identified us as
20 not being optimally or efficient as in
21 Muskogee County. So we are asking for
22 that.

23 Of course, David Dyke, who runs our
24 Administrative Services Division and as
25 programs grow throughout the agency, his

1 efforts grow and so David has, in effect,
2 jumped on the bandwagon and asked for an
3 FTE for administrative services.

4 We were able to hire a young man --
5 the next item is in our customer services
6 division. We were able to hire a young man
7 who was doing some small community
8 assistance outside of the norm. What our
9 normal process is, is you get in trouble
10 with the DEQ and then we go assist you
11 through a Consent Order. We wanted to take
12 a little bit different tactic. We wanted
13 to try to be proactive in finding
14 communities that were growing, that were
15 willing to do more to meet that growth, but
16 just didn't know how. A perfect example is
17 the town of Elgin that is going to
18 experience considerable growth, because
19 they have attracted a contractor that will
20 come to Elgin related to the increase of
21 work that's going to be done at Ft. Sill.
22 I mean, Ft. Sill is growing, Lawton is
23 growing.

24 So this -- so what we tried to do,
25 is to see if there was some funding and

1 assistance that we would do to communities
2 to effectively avoid non-compliance. So we
3 are asking that -- that young man left, so
4 we were asking for funding and an FTE for
5 that. That was a trial that we were in.

6 This is something that you've seen
7 before. Funding for analytical equipment.
8 We continue to rob Peter to pay Paul, to
9 pay for funding for equipment in the lab,
10 as our resources are now stretched. Our
11 ability to do that becomes less and so we
12 again are asking for money for laboratory
13 equipment on a one-time and on-going basis.

14 We are asking for an FTE in our
15 laboratory certification -- or
16 accreditation program. We did raise fees.
17 We used to have two people that work in
18 that program. Apparently, John stole one
19 of them, too, and so now Judy wants her FTE
20 back. So we're asking for -- John's being
21 very quiet back there -- So we're asking
22 for that FTE.

23 Blue-green algae is a problem that's
24 becoming more and more prevalent in the
25 state of Oklahoma. We have more and more

1 incidences of this, particularly, toxic
2 form of algae. We started out on our quest
3 for funding for blue-green algae wanting to
4 try to protect public water supplies,
5 focusing on public water supply systems.

6 But in the interim we have had a
7 couple of situations where -- in fact, we
8 had a -- this is particularly toxic to
9 animals. We had a dog die down at Lake
10 Texoma and we had an incident in a private
11 lake, where we thought we had impact from
12 blue-green algae, turned out not to be.
13 But it has moved our thinking from simply
14 protection of public water sites supplied
15 to protection of recreational areas. And
16 so we are asking for funding for equipment
17 and for manpower to begin to address the
18 issue of blue-green algae.

19 A couple of years ago we went to
20 move to the water quality division. A
21 couple of years ago, we were able to get
22 some money for small community assistance
23 for public water supply. I think, in the
24 information that we provided you, you can
25 see what we have done with that money, but

1 it has disinfection by-products and radio
2 nuclides, arsenic, all of those things
3 continue to come on and on. We are
4 finding, again, ourselves stretched pretty
5 significantly, in our attempts to help
6 small communities. And so we are asking
7 for an increase in funding and more FTEs to
8 do that.

9 This is an old friend of ours from
10 TMDL funding. You've seen it tons of times
11 before. We are, again, going to try to
12 focus on TMDLs for the protection of public
13 water supply. There appears to be more
14 money that is available for funding for
15 watershed work. If we can do a TMDL for
16 the protection of public water supply, if
17 we can get that funding, we think that we
18 can direct federal money to the protection
19 to watershed efforts from the protection of
20 public water supply. I do fully understand
21 that we have thought that in the past, but
22 we continue to think it and are going,
23 again, to ask for money for that.

24 Finally, I don't know that I need to
25 much more explanation than you have already

1 seen for our request for one FTE for
2 \$60,000 to do both drought and flood
3 assistance. We moved out of a period of
4 time, over two years, where we were
5 struggling to find alternative water
6 sources for communities to a time when the
7 City of Commanche has now, twice, had their
8 main sewer line washed out. So we need
9 some help on that issue.

10 With that overview, Madam Chair, I
11 would be happy to answer any questions.

12 DR. GALVIN: Any questions for
13 Steve?

14 MR. MASON: Steve, looking at
15 your FTE inquiries request and comparing to
16 that to your need for additional money,
17 because of the five percent raise from the
18 legislature. If you don't ask for FTEs and
19 you don't add employees, could you use
20 those savings or not spending that money to
21 fund your fund your five percent raises?

22 MR. THOMPSON: Well, we will have
23 to -- I'm not sure I understand your
24 question. If --

25 MR. MASON: I guess, my question

1 is, if you take 17 FTE's times \$60,000 a
2 year, that's more money you have to find.

3 MR. THOMPSON: We have to find
4 more -- almost all of that money would be
5 tied to a legislative -- to our budget
6 request. So if we want the money for,
7 let's take flood and drought systems, if we
8 want the money for flood and drought
9 system, we would need that FTE. If we
10 didn't get the money, we wouldn't need the
11 FTE.

12 There are some, like the ECLS ones,
13 there are a few that we will ask for and we
14 may not be able to have the funding to
15 hire. But if you'll look at -- I didn't
16 draw your attention to this. There is a
17 handout that we've provided, that looks
18 something like this. And it will show that
19 over time we have given FTEs back, to the
20 point that we are unfunded and we were at
21 the point where we can no longer -- we're
22 full up on FTES. So we are making a
23 request for money and for FTEs. If we
24 don't get the FTEs -- if we don't get the
25 money -- we would like to have the FTE, in

1 case money became available through some
2 other project. But it will depend to a
3 great extent on the legislature providing
4 us money to need those FTEs.

5 MR. MASON: But if you go back to
6 -- okay, 17 FTEs times 60,000 employees is
7 one million dollars.

8 MR. THOMPSON: That's right.

9 MR. MASON: Now, go back to your
10 earlier presentation that says you have \$3
11 million of unfunded legislative mandates,
12 would you rather have \$1 million for new
13 employees or one million to pay for these
14 unfunded raises?

15 MR. THOMPSON: Well, we would
16 prefer to have it all. But in answer -- go
17 ahead.

18 MR. DARK: Just a comment. I'm
19 sorry, I'll have to speak up. It would
20 seem to me -- I mean, I understand exactly
21 what you're saying, but it would seem to me
22 if you make a presumptive close, the agency
23 is working at a decent deficiency level
24 then you really robbing Peter to pay Paul,
25 in pushing the existing employees, probably

1 faster than they're willing to go, to get
2 that additional money. We know that the
3 salaries are very low in the agency, with
4 regards to other positions and I don't
5 think we can -- can we legislate that we
6 increase those salaries? Can we legally
7 increase those salaries or are there limits
8 to those positions that are set?

9 MR. THOMPSON: There are
10 increases and then we have some flexibility
11 to increase wages, but very limited
12 flexibility to do that. For the most part,
13 we have to rely on the legislature to do
14 that.

15 MR. DARK: I just questioned
16 whether the gain would be there, if you
17 took that money and put it on the existing
18 employees and tried to get that efficiency.

19 MR. THOMPSON: Well, we are -- it
20 is fair to say that we are meeting payroll
21 and we are meeting these costs. But the \$3
22 million is in the coming year and at some
23 point, I don't think we're afraid of it
24 now, but if we don't get some funding, we
25 are going -- we can't sustain this. We

1 cannot sustain this without additional
2 funding and we will, at some point, begin
3 to have to lay people off, because you
4 can't just continue to increase workload
5 and decrease funding and sustain it, it's
6 just not sustainable. So we are asking for
7 money in the future, so that we don't have
8 to take actions that we clearly don't want
9 to take.

10 MR. DARK: Has agency had layoffs
11 before?

12 MR. THOMPSON: We've never -- to
13 my knowledge, we've never had a layoff. We
14 never had to do that. In fact, we've made
15 some strategic errors relative to return of
16 FTEs. When the legislature sent us --
17 asked us to send some FTEs back once and we
18 did, which was probably a mistake. But no,
19 we've never had to so a reduction in force
20 and I hope we never do, but it is
21 unsustainable to continue to take
22 reductions.

23 And what we are concerned -- the
24 other thing we're concerned about, this is
25 more projection than anything else. The

1 amount of money -- there are separate
2 statutes that require us to pay more each
3 year for insurance and more each year for
4 retirement. So the \$3 million we're
5 talking about for the coming year, will
6 only grow to three and a half and four and
7 on up. We will go -- what will happen,
8 Steve, is we will go to the Councils and we
9 will lay out for them the issues and each
10 of the programs and we will make to the Air
11 Quality Council, for instance, what our
12 needs are and what our income is, what our
13 expenses are going to be and wherever the
14 division directors determine that those
15 funds -- those programs are underfunded.
16 they will make a case to the Air Quality
17 Council that it is, in fact. And the Air
18 Quality Council will either believe them or
19 they won't. And then it will come to you.

20 So my presentation is simply to show
21 you the pressures that we are facing. The
22 real nuts and bolts of fee increases will
23 come in those fee cases that will go before
24 the Councils and, ultimately, before you.

25 MR. DARK: I think it would be a

1 good exercise, because it is very
2 important, what we're faced with that --

3 THE REPORTER: Could you please
4 speak up.

5 MR. DARK: It's very important
6 with what we're faced with, that we take
7 this aggressive approach in planning with
8 this, what you termed rift, as we do in
9 planning for these increased monies
10 because, at least I know in the private
11 sector, when those monies don't come, you
12 have to act and you have to act quickly to
13 stay alive. And if this agency is going to
14 be efficient and have -- be healthy in a
15 post-funding, then we need to see a plan of
16 what would happen if those numbers did not
17 come through.

18 And we all have to plan and hope
19 and we've done a very good job -- you've
20 done a very good job in getting those
21 monies before us. But I think having that
22 plan before us, is a thing that we should
23 know and we have at our ready, should this
24 funding not happen.

25 MR. THOMPSON: We do not -- the

1 agency has no capacity to raise fees,
2 obviously, but we do not. What I have
3 directed -- what I wanted you to know, is I
4 directed the division directors to go look
5 at their programs, see where they believe
6 they're underfunded relative to fees, to do
7 some projections of the work, not only the
8 current work, but the future work that's in
9 front of us. Particularly in their program
10 and if there's a case to be made, we'll
11 make it. And that's what we're -- that's
12 what this is all about. If there's no case
13 to be made, I'm sure the Air Quality -- I
14 know, well, that the Air Quality Council
15 will -- we will look at -- will be diligent
16 in looking at the case that Eddie would
17 make, as we will with all the Councils, be.

18 MR. DARK: But if the case came
19 -- they made a case and we lost funding
20 somewhere else. We have to still be
21 prepared for that.

22 MR. THOMPSON: We have to be
23 prepared for that. That's correct.

24 DR. GALVIN: Jerry.

25 MR. JOHNSTON: I think you don't

1 -- you haven't said anything about the
2 extreme cost that you've had for -- just
3 this picture that she showed us in the
4 flood we're in right now. That has to be
5 quite a bit of an expense off of a regular
6 -- not coming from everybody's budget.
7 These probably need to be mentioned, maybe,
8 when you're presenting it to the
9 legislature.

10 MR. THOMPSON: Well, I mean if we
11 (inaudible) -- let me first of all say that
12 to the DEQ employees that are here, we are
13 not planning a rif, so don't -- but --

14 (Interruption)

15 MR. THOMPSON: We pay
16 compensatory time, so we've got people out
17 there working lots of hours that get
18 compensatory time, but there is a cost of
19 compensatory time because at some point
20 they've got to take that time and you don't
21 have anybody there to do the work. We are,
22 in fact, ready for it to stop raining for a
23 while. I can just tell you that.

24 MR. JOHNSTON: I just thought it
25 would be a good thing to mention. The

1 Legislature knows it, but they need to know
2 it every time you talk to them.

3 MR. THOMPSON: What happened to
4 us is -- and I will tell you that probably
5 David was telling me this all along and I
6 just wasn't focusing on it, but there are
7 separate statutes -- there's a separate
8 statute that drives a retirement
9 contribution; and a separate one that
10 drives the insurance contribution; and then
11 there's a separate one that drives a salary
12 contribution and we -- I think it was only
13 in this past year that we put all three of
14 those together and looked at the figures,
15 and we're somewhat surprised to find out
16 what we were faced with.

17 MR. DARK: For the record, this
18 Board Member is in no way suggesting that a
19 RIF be planned, but I want to explain that.
20 I believe that if you do plan for that and
21 you know that, and you put that burden back
22 on our legislatures next year and you show
23 them the decisions they're making with
24 regards to our funding, I think we stand a
25 better chance of getting our funding. It's

1 just one other way to try to push that
2 responsibility onto someone that's
3 responsible for making those decisions.

4 MR. THOMPSON: I think you'll
5 find -- I think the full impact of this is
6 -- again, this is not an issue for only the
7 DEQ. I think Agency Directors will be much
8 more active as the cumulative effects of
9 this thing becomes more and more known. I
10 think the Agency Directors are going to be
11 over there banging on the door, on the
12 Legislature's door this coming year saying,
13 this is what -- this is the cost. You need
14 to understand this is the cost.

15 MR. DARK: I've seen that happen
16 in other industries and watched those
17 individuals go in to those legislative
18 offices and say my job is at stake; or my
19 peoples' jobs are at stake. And it really
20 does change their attitude as to how they
21 vote.

22 MR. THOMPSON: Yeah.

23 DR. GALVIN: Are there any
24 questions from the public? I guess I
25 should have asked if there are any more

1 questions of the Board first, but this is
2 an opportunity to ask questions of Steve,
3 on this budget.

4 (No response)

5 DR. GALVIN: Hearing no questions
6 from the public; are there any further
7 questions, discussions, from the Board?

8 MR. DRAKE: I move approval
9 because I know that that committee has done
10 a wonderful job, so I would like to move
11 approval.

12 MR. DARK: Second that.

13 DR. GALVIN: Thanks. Myrna, it's
14 time for a roll call.

15 MS. BRUCE: Ms. Cantrell.

16 MS. CANTRELL: Yes.

17 MS. BRUCE: Mr. Cassidy.

18 MR. CASSIDY: Yes.

19 MS. BRUCE: Mr. Dark.

20 MR. DARK: Yes.

21 MS. BRUCE: Mr. Drake.

22 MR. DRAKE: Yes.

23 MS. BRUCE: Mr. Johnston.

24 MR. JOHNSTON: Yes.

25 MS. BRUCE: Mr. Mason.

1 MR. MASON: No.

2 MS. BRUCE: Mr. Wuerflein.

3 MR. WUERFLEIN: Yes.

4 MS. BRUCE: Dr. Galvin.

5 MR. GALVIN: Yes.

6 MS. BRUCE: Motion passed.

7 DR. GALVIN: All right. Agenda

8 Item Number 6 is our Annual Performance

9 Review of the Executive Director, Steve

10 Thompson.

11 And at this time we will go into

12 Executive Session. We will return after

13 that Executive Session.

14 MR. JOHNSTON: You need a motion

15 to go into Executive Session.

16 DR. GALVIN: Sorry.

17 MR. JOHNSTON: So moved we go

18 into Executive Session.

19 MR. DRAKE: Second.

20 DR. GALVIN: It has been moved

21 and seconded that we go into Executive

22 Session. Thank you. Okay. Thank you,

23 Myrna.

24 MS. BRUCE: Ms. Cantrell.

25 MS. CANTRELL: Yes.

1 MS. BRUCE: Mr. Cassidy.
2 MR. CASSIDY: Yes.
3 MS. BRUCE: Mr. Dark.
4 MR. DARK: Yes.
5 MS. BRUCE: Mr. Drake.
6 MR. DRAKE: Yes.
7 MS. BRUCE: Mr. Johnston.
8 MR. JOHNSTON: Yes.
9 MS. BRUCE: Mr. Mason.
10 MR. MASON: Yes.
11 MS. BRUCE: Mr. Wuerflein.
12 MR. WUERFLEIN: Yes.
13 MS. BRUCE: Dr. Galvin.
14 MR. GALVIN: Yes.
15 MS. BRUCE: Thank you.
16 (Board Members go into Executive
17 Session)
18 (Board Members return from Executive
19 Session)
20 DR. GALVIN: I'd like to
21 reconvene this session.
22 MR. JOHNSTON: Do we need a
23 motion to reconvene?
24 DR. GALVIN: I'll call for a
25 motion.

1 MR. JOHNSTON: I move we
2 reconvene in to a regular session from
3 Executive Session.
4 MR. DRAKE: Second.
5 DR. GALVIN: All right. Myrna,
6 will you do a roll call.
7 MS. BRUCE: Ms. Cantrell.
8 MS. CANTRELL: Yes.
9 MS. BRUCE: Mr. Cassidy.
10 MR. CASSIDY: Yes.
11 MS. BRUCE: Mr. Dark.
12 MR. DARK: Yes.
13 MS. BRUCE: Mr. Drake.
14 MR. DRAKE: Yes.
15 MS. BRUCE: Mr. Johnston.
16 MR. JOHNSTON: Yes.
17 MS. BRUCE: Mr. Mason.
18 MR. MASON: Yes.
19 MS. BRUCE: Mr. Wuerflein.
20 MR. WUERFLEIN: Yes.
21 MS. BRUCE: Dr. Galvin.
22 MR. GALVIN: Yes.
23 MS. BRUCE: Thank you.
24 DR. GALVIN: Thank you.
25 MR. DARK: Madam Chair, I'd like

1 to make a motion. Can we do that now?

2 DR. GALVIN: Yes, sir. Please
3 speak into the microphone.

4 MR. DARK: I'd like to move that
5 effective July 1, 2007, which is the
6 effective date of House Bill 1273, the
7 salary of the Executive Director be set at
8 \$99,922 per year or \$8,326.83 per month,
9 which is the maximum salary that the
10 Oklahoma Legislature currently allows for
11 that position.

12 I further move that the new salary
13 remain effective until changed either
14 directly by the Legislature or by
15 subsequent actions by this Board.

16 MR. JOHNSTON: Second that
17 motion.

18 DR. GALVIN: Any discussion on
19 that motion?

20 MR. DRAKE: Certainly, publicly
21 we need to thank Steve and all of the DEQ
22 personnel for everything that they do. We
23 think they've done a great job.

24 DR. GALVIN: Any public comments?
25 Hearing none, Myrna, can we have a roll

1 call.

2 MS. BRUCE: Ms. Cantrell.

3 MS. CANTRELL: Yes.

4 MS. BRUCE: Mr. Cassidy.

5 MR. CASSIDY: Yes.

6 MS. BRUCE: Mr. Dark.

7 MR. DARK: Yes.

8 MS. BRUCE: Mr. Drake.

9 MR. DRAKE: Yes.

10 MS. BRUCE: Mr. Johnston.

11 MR. JOHNSTON: Yes.

12 MS. BRUCE: Mr. Mason.

13 MR. MASON: Yes.

14 MS. BRUCE: Mr. Wuerflein.

15 MR. WUERFLEIN: Yes.

16 MS. BRUCE: Dr. Galvin.

17 MR. GALVIN: Yes.

18 MS. BRUCE: Motion passed.

19 DR. GALVIN: Thank you. And I

20 would like to reinforce that we do thank

21 Steve for all your hard work and we know

22 you have an excellent staff and we'd like

23 to thank them as well.

24 MR. THOMPSON: Thank you. Thank

25 you, very much.

1 DR. GALVIN: We are rapidly
2 bringing the meeting to a close. The next
3 agenda item is the calendar year 2008 Board
4 Meetings.

5 Thank you, Ellen, you have, I
6 believe put together for us a map.

7 MS. BUSSERT: David Dyke put
8 together the map.

9 DR. GALVIN: David Dyke put
10 together the map with the suggestion that
11 Ellen passed on to David. What you see
12 here before you is a map of where these
13 ODEQ meetings have occurred in the past and
14 the number of times that we have met in
15 those locations.

16 Currently, I believe the suggestion
17 sent in your Board packet was to have
18 February 29th meeting in Oklahoma City at
19 our DE offices there; and then two other
20 suggestions were Duncan and McAlester. I
21 don't know if -- I know the Board Members
22 received this in their packet. It appears
23 to me that Duncan has never had a Board
24 Meeting, or at least I don't see it on this
25 map, and McAlester has had one other -- one

1 meeting at that location.

2 MR. DARK: Why Oklahoma City
3 again? We've done it so many times?

4 MR. JOHNSTON: Where, exactly, is
5 Duncan on this map?

6 DR. GALVIN: Duncan is between
7 Chickasha and Lawton, on this map.

8 MR. THOMPSON: Tony asked why
9 Oklahoma City again since we've been there
10 so often, and the answer to that is it's
11 really an accommodation to me. We must
12 have a Board Meeting during the Legislative
13 Session and because of my activities with
14 the Legislature during that time, it was
15 just a little easier for me.

16 MR. DARK: I remember I asked
17 that question last year, and I think I got
18 the same answer.

19 MR. THOMPSON: Just for me.

20 DR. GALVIN: Any other
21 discussion? Any concerns?

22 MR. MASON: I think Duncan is a
23 great spot. I might suggest that just due
24 to convenience of our Board Meeting
25 Members, we might consider the Northeastern

1 Oklahoma quadrant, instead of McAlester

2 MR. DARK: That would be nice.

3 There are good restaurants there as well.

4 DR. GALVIN: Do you have a
5 specific suggestion, Steve?

6 MS. MASON: I'd say the northeast
7 part of the state, somewhere.

8 DR. GALVIN: Pawhuska has been
9 suggested by the Executive Director. I'm
10 trying to look back over -- I thought we
11 met in Miami --

12 MR. THOMPSON: Talequah is
13 northeast.

14 DR. GALVIN: Talequah? I'd
15 consider that more due east.

16 (Discussion about meeting places)

17 MS. BUSSERT: Madam Chairman.

18 DR. GALVIN: Yes, ma'am. Ellen.

19 MS. BUSSERT: It's more
20 cost-effective for us to meet in our office
21 in the Oklahoma City area.

22 (Inaudible comments)

23 DR. GALVIN: All right. I'm
24 hearing Tahlequah and Duncan. I'm sorry,
25 is the two that remain available to me.

1 MR. DARK: Sounds like a motion
2 to me.

3 DR. GALVIN: So, Oklahoma City on
4 February 29th. August 19th, does it matter
5 which city? Pencil in Duncan.

6 MR. JOHNSTON: Duncan.

7 MR. DRAKE: Pencil in Duncan with
8 the idea if something would be better for
9 the next one, give Ellen and Steve a little
10 bit of flexibility because I don't think we
11 - I think that wherever we go, we should be
12 welcome. And I think that if we're not
13 welcome, and I mean welcome, then lets find
14 another place to go. And I think that
15 there needs to be a little bit of leeway
16 given, Steve and Ellen, to find a place
17 that we don't have to get charged a lot.
18 We're very fortunate. This is a wonderful
19 place. Others weren't so good.

20 And I think that -- it's like in
21 Ardmore and Braman, you know, we don't even
22 think about getting charged, because we're
23 welcome.

24 MR. MASON: How about if we go
25 back to Ardmore next year?

1 MR. DRAKE: Well, I can't get
2 that done. The bank told me not to come
3 back for another (inaudible) and Noble said
4 you've got to give us a break.

5 But they did welcome you. And you
6 do need -- I think it's an honor for a city
7 to have us. And I want you all to feel the
8 same way. And if they don't want us and
9 she can't deal with them, let's do
10 something else. And you can put that in
11 the minutes.

12 DR. GALVIN: All right. Thanks,
13 Bob.

14 Would someone like to make a Motion?

15 MR. DRAKE: I so move.

16 MR. MASON: Second.

17 DR. GALVIN: Myrna, would you
18 give us a roll call, please. And for
19 restatement that is Oklahoma City, February
20 29th; Duncan, August 19th; and Tahlequah,
21 November 18th with discretion given to
22 that --

23 MR. DRAKE: One other thing, just
24 give this a little thought. Is Tahlequah
25 more beautiful in the summer or in November

1 because the leaves are already gone?

2 Duncan is going to be hot in the summer.

3 I'm from there, I'm from that area.

4 MS. BUSSERT: If the leaves are
5 still on the trees, Tahlequah is beautiful
6 in the fall.

7 MR. DRAKE: In the fall?

8 MR. THOMPSON: I think it will
9 be.

10 MR. MASON: So what are you
11 suggesting?

12 DR. GALVIN: Motion stands, I
13 believe. Myrna, please.

14 MS. BRUCE: Ms. Cantrell.

15 MS. CANTRELL: Yes.

16 MS. BRUCE: Mr. Cassidy.

17 MR. CASSIDY: Yes.

18 MS. BRUCE: Mr. Dark.

19 MR. DARK: Yes.

20 MS. BRUCE: Mr. Drake.

21 MR. DRAKE: Yes.

22 MS. BRUCE: Mr. Johnston.

23 MR. JOHNSTON: Yes.

24 MS. BRUCE: Mr. Mason.

25 MR. MASON: Yes.

1 MS. BRUCE: Mr. Wuerflein.

2 MR. WUERFLEIN: Yes.

3 MS. BRUCE: Dr. Galvin.

4 MR. GALVIN: Yes.

5 MS. BRUCE: Motion approved.

6 DR. GALVIN: Thank you. Is there
7 any new business that should be brought
8 before the Board? And, of course, this is
9 any matter not known about and which could
10 not have been reasonably foreseen prior to
11 the time of posting the agenda. Does
12 anyone have anything to bring before the
13 Board? Hearing none, I call this meeting
14 adjourned.

15 And with that, we normally call into
16 session a public forum, but Ellen, I
17 understand, no one has signed up for
18 discussion or presentation. We are
19 discussing at this point in time since some
20 Board Members have to leave, that Eddie has
21 a presentation on Mercury and Ozone, but
22 that he'll present that at our next meeting
23 in Weatherford unless the Board disagrees
24 with that recommendation.

25 Hearing no disagreement, the public

1 forum is adjourned as well.

2 Thank you everyone for coming.

3 (End of Meeting)

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

