

MINUTES
ENVIRONMENTAL QUALITY BOARD
AUGUST 24, 2009
TULSA DOUBLE TREE HOTEL WARREN PLACE
6110 SOUTH YALE AVENUE
TULSA, OKLAHOMA

EQB approved
November 19, 2009

Notice of Public Meeting The Environmental Quality Board convened for a regular meeting at 9:30 a.m. at the Double Tree Hotel Warren Place in Tulsa, 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 September 8, 2008; April 27, 2009 to add the location; and July 17, 2009 to change the date. The agenda was mailed to interested parties on August 11, 2009 and was posted at the Department of Environmental Quality and the meeting facility on August 21, 2009. Brita Cantrell, Chair, called the meeting to order. Roll call was taken and a quorum was confirmed. On behalf of the Board members, Ms. Cantrell presented Mr. Steve Thompson with a token of appreciation for his being voted 2009 Service Director of the Year for the State of Oklahoma.

MEMBERS PRESENT

Brita Cantrell
Mike Cassidy
Tony Dark
Bob Drake
Jennifer Galvin
David Griesel
Sandra Rose
Kerry Sublette
John Wendling
Richard Wuerflein

MEMBERS ABSENT

Jerry Johnston
Steve Mason
Terri Savage

OTHERS PRESENT

Whitney Weingartner, Assistant Att'y General
Laura Lodes, AQAC Chair
Christy Myers, Court Reporter

DEQ STAFF PRESENT

Steve Thompson, Executive Director
Jimmy Givens, Deputy Executive Director
Martha Penisten, General Counsel
Wendy Caperton, Executive Director's Office
David Dyke, Administrative Services Div.
Shellie Chard-McClary, Administrative Services Div.
Eddie Terrill, Air Quality Division
Chris Armstrong, Customer Service Division
Gary Collins, Env. Complaints & Local Services
Scott Thompson, Land Protection Division
Jon Craig, Water Quality Division
Rick Austin, ECLS North Central Region
Roy Walker, Administrative Services
Ellen Bussert, Administrative Services
Skylar McElhane, Executive Director's Office
Karl Heinzig, Administrative Services
Myrna Bruce, Secretary, Board & Councils

The Attendance Sheet becomes an official part of these Minutes.

Approval of Minutes Ms. Cantrell called for motion to approve minutes from the February 27, 2009 regular meeting. Mr. Dark made the motion and Dr. Galvin made the second.

transcript pages 4 - 5

Mike Cassidy	Yes	Sandra Rose	Yes
Tony Dark	Yes	Kerry Sublette	Yes
Bob Drake	Yes	John Wendling	Yes
Jennifer Galvin	Yes	Richard Wuerflein	Yes
David Griesel	Yes	Brita Cantrell	Yes

Rulemaking – OAC 252:100 Air Pollution Control Ms. Laura Lodes, Chair, Air Quality Council, stated that the proposal to revoke OAC 252:100-15 Motor Vehicle Pollution Control Devices was made because the DEQ does not have legal authority to enforce these rules. Ms. Lodes pointed out the second item for consideration was the DEQ proposal to revoke the current Appendices E and F in OAC 252:100-3, Air Quality Standards and Increments, and add new Appendices E and F in order to update the ambient air quality standards for lead and to make them consistent with current federal standards.

Hearing no discussion on either item, Ms. Cantrell called for a motion for permanent adoption of the proposed rules. Mr. Griesel made the motion and Mr. Wendling made the second.

transcript pages 7 - 9

Mike Cassidy	Yes	Sandra Rose	Yes
Tony Dark	Yes	Kerry Sublette	Yes
Bob Drake	Yes	John Wendling	Yes
Jennifer Galvin	Yes	Richard Wuerflein	Yes
David Griesel	Yes	Brita Cantrell	Yes

DEQ Operational Budget Request Mr. Jimmy Givens, Deputy Executive Director, discussed the budget proposals that were to be provided to the Governor through the Office of State Finance and that required approval of the Board. He related that a subcommittee of Board members had discussed this budget request and were in unanimous support of it. Mr. Givens explained that the DEQ has requested additional state funding for an E-permitting system and an E-complaints system. Mr. Givens and Mr. Thompson fielded questions and comments regarding the budget proposal, then Ms. Cantrell called for a motion. Dr. Galvin moved that the budget proposal be adopted as presented and Mr. Wuerflein made the second.

transcript pages 9 - 29

Mike Cassidy	Yes	Sandra Rose	Yes
Tony Dark	Yes	Kerry Sublette	Yes
Bob Drake	Yes	John Wendling	Yes
Jennifer Galvin	Yes	Richard Wuerflein	Yes
David Griesel	Yes	Brita Cantrell	Yes

Disclosure of Employee Financial Interests & Report on Status of Rulemaking Petitions Martha Penisten, DEQ General Counsel, explained that Environmental Quality Code requires certain DEQ employees involved in issuing or enforcing permits to disclose their financial interests they hold in entities regulated by the DEQ. Ms. Penisten listed six staff members who had submitted disclosures. Mr. Thompson fielded questions. No action by the Board was required.

Ms. Penisten continued with a report on the status of rulemaking petitions. She described one petition which requested the emergency adoption of the new federal revisions to the definition of solid waste. The petition was referred to the Hazardous Waste Management Advisory Council who declined to take action as an emergency but directed the Land Protection Division to begin the process for permanent rulemaking. No action was required by the Board.

transcript pages 29 - 33

Executive Director’s Report Mr. Thompson reported on the many activities involving the Agency since his last report in February. He asked Mr. Givens to provide an overview of legislative issues.(*transcript pages 34-46*)

Mr. Thompson also had a PowerPoint presentation listing the high profile items happening at the Agency since the February Board meeting. Updates included were:

- Budget considerations (*transcript pages 46 – 55*);
- The new national administration (*pages 56-57*);
- Environmental priorities expected for the upcoming year (*pages 56 – 62*);
- An update on DEQ’s “Our Facility” initiative (*pages 62 – 63*);
- American Recovery and Reinvestment Act – stimulus money (*pages 63 – 65*);
- Activities related to the Locust Grove health issue (*pages 65 – 70*).

Annual Performance Review of Executive Director Among the statutory duties of the Board are responsibilities to appoint and set the compensation of the Executive Director and to assist the DEQ in conducting periodic reviews and planning activities related to the goals, objectives, priorities, and policies of the DEQ. Ms. Cantrell called for motion to go into Execution Session to consider the performance review of the Executive Director. The motion was made by Mr. Dark with the second by Mr. Drake.

transcript pages 71- 72

Mike Cassidy	Yes	Sandra Rose	Yes
Tony Dark	Yes	Kerry Sublette	Yes
Bob Drake	Yes	John Wendling	Yes
Jennifer Galvin	Yes	Richard Wuerflein	Yes
David Griesel	Yes	Brita Cantrell	Yes

Mr. Drake made the motion to return to regular session with the second by Mr. Dark. Ms. Cantrell summarized their discussion and commended Mr. Thompson and staff for continuing to advance the bar forward even during the financial restrictions faced by our state.

transcript pages 73- 75

Mike Cassidy	Yes	Sandra Rose	Yes
Tony Dark	Yes	Kerry Sublette	Had to leave
Bob Drake	Yes	John Wendling	Yes
Jennifer Galvin	Yes	Richard Wuerflein	Yes
David Griesel	Yes	Brita Cantrell	Yes

Calendar Year 2010 Board meeting dates and locations: Discussions led to 2010 dates being set for February 26 in Oklahoma City at the DEQ; June 15 in El Reno; August 24 in Norman; November 16 at Stillwater/Tulsa. Ms. Cantrell repeated what the Board had discussed and was taken as a motion by the Board. The second was by Mr. Drake.

transcript pages 75 - 82

Mike Cassidy	Yes	Sandra Rose	Yes
Tony Dark	Yes	Kerry Sublette	
Bob Drake	Yes	John Wendling	Yes
Jennifer Galvin	Yes	Richard Wuerflein	Yes
David Griesel	Yes	Brita Cantrell	Yes

New Business None

Next meeting Mr. Thompson reported that the Brownfields Conference in Louisiana is scheduled for November 17, 2009, the original date scheduled for the next Board meeting. He suggested that the Board meeting be re-scheduled to November 19, 2009 in Ada. Mr. Griesel made the motion to change the meeting date and Mr. Dark made the second.

transcript pages 83 - 84

Mike Cassidy	Yes	Sandra Rose	Yes
Tony Dark	Yes	Kerry Sublette	
Bob Drake	Yes	John Wendling	Yes
Jennifer Galvin	Yes	Richard Wuerflein	Yes
David Griesel	Yes	Brita Cantrell	Yes

Adjournment Ms. Cantrell adjourned the meeting at 1:50 p.m.

The transcript becomes an official part of these Minutes.

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DEPARTMENT OF ENVIRONMENTAL QUALITY
STATE OF OKLAHOMA

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TRANSCRIPT OF PROCEEDINGS
OF THE
ENVIRONMENTAL QUALITY BOARD
HELD ON AUGUST 24, 2009, AT 9:30 A.M.
IN TULSA, OKLAHOMA

* * * * *

MYERS REPORTING SERVICE
Christy Myers, CSR
P.O. Box 721532
Oklahoma City, Oklahoma 73172-1532
(405) 721-2882

1 MEMBERS OF THE BOARD
2 BRITA CANTRELL - CHAIR, PRESENT
3 JERRY JOHNSTON - VICE-CHAIR, ABSENT
4 JENNIFER GALVIN - PRESENT
5 BOB DRAKE - PRESENT
6 DAVID GRIESEL - PRESENT
7 STEVE MASON - ABSENT
8 SANDRA ROSE - PRESENT
9 TERRI SAVAGE - ABSENT
10 RICHARD WUERFLEIN - PRESENT
11 MIKE CASSIDY - PRESENT
12 TONY DARK - PRESENT (ARRIVED AT 9:45 AM)
13 KERRY SUBLETTE - PRESENT
14 JOHN WENDLING - PRESENT
15
16 ALSO PRESENT
17 STEVE THOMPSON - EXECUTIVE DIRECTOR
18 ELLEN PHILLIPS - ASSISTANT AG
19 MARTHA PENISTEN - GENERAL COUNSEL
20 MYRNA BRUCE - SECRETARY
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1

MEETING

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meeting of the

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MS. CANTRELL: Good morning. The

4

Environmental Quality Board is called to order.

5

Myrna, would you please take the roll.

6

MS. BRUCE: Good morning.

7

Mr. Cassidy.

8

MR. CASSIDY: Here.

9

MS. BRUCE: Mr. Dark.

10

MR. DARK: Here.

11

MS. BRUCE: Mr. Drake.

12

MR. DRAKE: Here.

13

MS. BRUCE: Dr. Galvin.

14

DR. GALVIN: Here.

15

MS. BRUCE: Mr. Griesel.

16

MR. GRIESEL: Here.

17

MS. BRUCE: Ms. Rose.

18

MS. MS. ROSE: Here.

19

MS. BRUCE: Mr. Wendling.

20

MR. WENDLING: Here.

21

MS. BRUCE: Mr. Wuerflein.

22

MR. WUERFLEIN: Here.

23

Sublette will be

MS. BRUCE: For the record, Dr.

24

in later and absent --

25

MEMBERS: He's here now. He made it.

Sublette. 1 MS. BRUCE: Hello. Sorry. Hi, Dr.
2 He s here.
3 Mr. Johnston and Mr. Mason and Ms. Savage
are absent,
4 but we do have a quorum.
5 MS. CANTRELL: Thank you. The next
Item on the
6 Agenda would be the Approval of the Minutes from out
last
7 meeting. Do we have a motion?
8 MR. DARK: So moved.
9 MS. CANTRELL: Do we have a second?
10 DR. GALVIN: I ll second.
11 MS. CANTRELL: Would you please take
the roll.
12 MS. BRUCE: Mr. Cassidy
13 MR. CASSIDY: Yes.
14 MS. BRUCE: Mr. Dark.
15 MR. DARK: Yes.
16 MS. BRUCE: Mr. Drake.
17 MR. DRAKE: Yes.
18 MS. BRUCE: Dr. Galvin.
19 DR. GALVIN: Yes.
20 MS. BRUCE: Mr. Griesel.
21 MR. GRIESEL: Yes.
22 MS. BRUCE: Ms. Rose.

23 MS. MS. ROSE: Yes.

24 MS. BRUCE: Dr. Sublette.

25 DR. SUBLETTE: Yes.

5

1 MS. BRUCE: Mr. Wendling.

2 MR. WENDLING: Yes.

3 MS. BRUCE: Mr. Wuerflein.

4 MR. WUERFLEIN: Yes.

5 MS. BRUCE: Ms. Cantrell.

6 MS. CANTRELL: Yes.

7 MS. BRUCE: Motion passed.

8 MS. CANTRELL: Before we continue with
the

9 Agenda we have a couple of announcements.

10 One is that our Board Member, Jerry
Johnston, would

11 have been here, however he had recent back surgery
this week

12 and he did everything he could -- in fact he was on
his way to

13 the Board meeting this morning and -- but he's still
on some

14 difficult medications, still mending from that
surgery, but he

15 sure made an effort to be here and was very sorry not
to be at

16 the Board meeting.

17 MR. THOMPSON: Also this is the first
Board

18 meeting that we've had since the passing of our good
friend
19 Craig Kennimer, who was the Deputy Executive Director
of the
20 Agency. I can assure you that all of us in the
Agency miss
21 Craig, although we've done a really -- I did a pretty
good job
22 in picking a new Deputy Executive Director. It is
the first
23 meeting since his passing and so if you would keep
his family
24 in your thoughts.
25 MS. CANTRELL: Thank you, Steve. Also
since our

6

1 last meeting we had one item of accolade that I think
needs to
2 be recognized at this Board meeting and the Board
wanted to
3 recognize this item, and that is that Steve Thompson
was chosen
4 and selected as the 2009 Service Director of the Year
for the
5 State of Oklahoma, and was presented his award this
summer in
6 recognition of his work as a public servant leading
the
7 Department of Environmental Quality in Oklahoma and
for all of

8 the work that he does. And I think it goes without
saying that
9 his leadership is not only within Oklahoma, but that
it s
10 national leadership with his peers and with the folks
who are
11 wrestling with environmental issues across the
nation. And the
12 Board is very proud of the work that the DEQ does and
also
13 proud of the work that Steve Thompson is doing and
would like
14 to present Steve with a token of our appreciation for
his work
15 in recognition of this award that he received this
summer.

16 (Applause)

17 MR. THOMPSON: Well, I thank you all
very much.

18 I very much appreciate it. The award that I
received, I think

19 is a -- oh, my gosh. Isn't that beautiful?

20 It says Steve Thompson, Distinguished
Public Service

21 Award 2009.

22 This award is an indication that if you can
get

23 enough people to laugh at you, you can win anything.

24 But I was as shocked to receive the award
as I am

25 today to receive this beautiful gift. So thank you
all very

So when 1 much. It will go in a very great place in my office.
very 2 you come by it will be there. Thank you. Thank you,
3 much.

4 (Applause)

5 MS. CANTRELL: The next item that we
have now on 6 our Agenda would be a rulemaking item and it comes
from the 7 Council for Air Quality. And I believe we have a
presentation 8 from that Council.

9 MS. LODES: Madam Chairperson, and
Members of 10 the Board. We had two rules that were passed at the
April 15th 11 Council meeting.

12 The first was OAC 252:100-15; the Motor
Vehicle 13 Pollution Control Devices. We revoked this rule at
this time. 14 The DEQ does not have authority -- legal authority to
enforce 15 these rules. And they've put (inaudible) wrote these
rules 16 that effect the attainment or non-attainment status
of any 17 areas.

18 The only public hearing that this rule came
before

19 was the April 15th Council Meeting.

20 The second item on our Agenda was
Appendices E and F.

21 We revoked and adopted the new standards for lead.
EPA has

22 changed the national value of lead from 1.5
micrograms to .15

23 micrograms. So those were adopted. And those were
the only

24 changes that have been made.

25 Are there any questions?

8

1 MS. CANTRELL: Thank you. Are there
any

2 questions regarding the proposal?

3 Any questions from the audience?

4 Any questions from the Board?

5 Do we have a motion?

6 MR. GRIESEL: So moved.

7 MS. CANTRELL: Do we have a second?

8 MR. WENDLING: Second.

9 MS. CANTRELL: Myrna, would you please
poll the

10 Board.

11 MS. BRUCE: Mr. Cassidy

12 MR. CASSIDY: Yes.

13 MS. BRUCE: Mr. Dark.

14 MR. DARK: Yes.
15 MS. BRUCE: Mr. Drake.
16 MR. DRAKE: Yes.
17 MS. BRUCE: Dr. Galvin.
18 DR. GALVIN: Yes.
19 MS. BRUCE: Mr. Griesel.
20 MR. GRIESEL: Yes.
21 MS. BRUCE: Ms. Rose.
22 MS. MS. ROSE: Yes.
23 MS. BRUCE: Dr. Sublette.
24 DR. SUBLETTE: Yes.
25 MS. BRUCE: Mr. Wendling.

9

1 MR. WENDLING: Yes.
2 MS. BRUCE: Mr. Wuerflein.
3 MR. WUERFLEIN: Yes.
4 MS. BRUCE: Ms. Cantrell.
5 MS. CANTRELL: Yes.
6 MS. BRUCE: Motion passed.
7 MS. LODES: Thank you.
8 MS. CANTRELL: Thank you.

9 The next item on the Agenda is Item Number
5, the DEQ

10 Operational Budget. And I believe Jimmy Givens will
make a
11 presentation for the Department.

12 MR. GIVENS: Good morning Madam Chair
and
13 Members of the Board and members of the audience.

14 I do have a power point. I always have big
success
15 with those, and we also have put together slides,
that are
16 going around and you may want to pay attention to
those as
17 well.

18 I have to start by saying there is a
certain
19 delicious irony in having a presentation on a
technology
20 proposal by some guy that never learned to program a
VCR. And
21 that's kind of where I am.

22 I do think though that this is a proposal
that is
23 very worthwhile despite my lack of familiarity with
most things
24 technological and it's really that we want to present
to you
25 and ask you to allow us to forward on to the Governor
and to

10

1 the Legislature for this next session.

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reminded over

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classes start

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that. It

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about 35

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college.

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antipathy at

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you go back

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had

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cards that

11 fed into the computer.

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with

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punch cards.

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supposed to

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from that.

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that

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this

18 really does work.

19
manually?

20

While we're getting up to speed, I was

the weekend that OU starts back to school today,

today. Since I live in Norman, I'm keenly aware of

took me back some 35 years to be exact, probably just

years ago this date, that I took my first classes at

And at that time, just to illustrate the line

times where technology. At that time -- if any of

that far, you'll recall that computers at that time

languages like, COBOL and Fortran, and you had punch

My first experience with having a problem

technology was when the rubber band broke on those

If you don't feed them in in the order that they're

go, it's all gibberish. I'm still trying to recover

This, I think, will help you recover from

because those who have a reason to know, tell me that

really does work.

Are we going to handle the slides just

(Comments)

21 MR. GIVENS: Okay. Let me begin by
just saying

22 that there is a process as you know that we go
through before

23 we even come to this Board meeting to discuss the
proposal that

24 we -- whatever proposals we may have today for budget
25 (inaudible) Legislature and Governor.

11

1 And just by way of clarification, what
we're talking

2 about here is our request to the Governor and the
Legislature

3 for general revenue money.

4 Now as you know, we have both -- we have
fees that

5 provide part of our funding, we get some federal
money, the

6 rest of it comes for Legislative appropriation. And
that's

7 what we're really talking about this morning.

8 Just to give you a little bit more
background, in

9 very round figures about 55 percent of our funding
comes from

10 fees, likely 30 percent comes from federal money, and
the other

11 15 percent or so comes from general revenue money.
And the

12 statutes requires that for that general revenue money
we bring
13 to the Board our proposals for how that would be
used.

14 I need to tell you right up front, that
while we were
15 going through the slides last week after we had done
the Board
16 mailout, we realized we could have done a much better
job of
17 providing a little bit more background. You may
recall some of
18 it. But we didn't really put in the mailout what the
totality
19 of our general revenue request is.

20 So this first slide is intended to give you
a little
21 bit of background and it will move to what is unique
about this
22 particular year.

23 The state appropriates to DEQ for last
fiscal year,
24 the one that ended on June 30th, was a little over
9.7 million.
25 The appropriation that we received from the last
legislative

12

1 session for the fiscal year that we are now in was
about 9.3
2 million; a 4.4 percent cut.

3 Most state agencies as you probably are
aware took
4 about a 7 percent cut, there was some desire to
maintain a
5 level of support for municipalities and others that
we provide
6 some help in laboratory analysis and that sort of
thing. So
7 ours was pared back to a 4.4 percent cut; 9.3
million.

8 Now on top of that -- and by the way, I
mentioned

9 that we cut that 4.4 percent by paring back in
various areas

10 and by really focusing on more programs and
functions. And

11 what I mean by paring back is essentially we delayed
purchases

12 where we can if there is an area where we can delay
hiring, we

13 may do that. The source of things that any
governmental agency

14 or business might do when there is a significant, but
fairly

15 manageable cut in revenue. So that's what we have
undertaken

16 to do so far.

17 Steve will talk a little bit more in his
presentation

18 about what we see coming down the pike, and these, as
you are

19 probably aware they get worse before they get better.

20 But with that in mind, 9.3 million is what
we were

21 suppose to get for the fiscal year that we're in now.
We had

22 to add to the cost that we use -- the cost that we
had that we
23 used the general revenue money for, we have to add
about 1.3
24 million is our best guess right now, for legally
mandating
25 increases in costs. That mainly is insurance for the
time.

13

1 Several years ago the Legislature decided
in order to
2 make sure that the retirement systems were adequately
funded,
3 but there had to be an increase -- a yearly increase
in the
4 amount contributed by the employing agencies to make
those
5 fiscally sound and that continues to go up. And as
you are
6 well aware every year the premiums on insurance are
going up.

7 So just to provide the additional costs for
8 retirement and insurance is going to cost about
additional 1.3
9 billion this coming fiscal year beginning in July of
2010.

10 So the bottom bullet is a summation of what
I've --
11 perhaps is confusing in trying to go through, and
that is the

12 starting point for us today, to keep doing what we're
doing
13 even at a 4.4 percent reduced level means that for FY
2011
14 beginning in the summer of 2010, we would have to
have about
15 10.6 million dollars from general revenue.

16 Now on top of that what we are bringing to
you -- the
17 specific proposal we're bringing to you today is for
what we
18 call e-permitting and e-complaints.

19 I need to mention to you that by way of
background as

20 has historically been the case we did have a
subcommittee of

21 the Board that had a conference call about three
weeks ago

22 perhaps to talk over this particular proposal. And
if memory

23 serves me it was Brita and Jennifer and Richard
Wuerflein and

24 Steve Mason; Jerry was unable to be in on that call.
But I

25 will tell you up-front that there was a lot of
support for this

1 proposal. In fact, unanimous support for this
proposal.

2 Let me just briefly run back through what
it involves
3 and for those of you who already have had a chance to
look at
4 it, bear with me.

5 Obviously, DEQ has certain core functions
that we
6 have to perform. And those would luckily be
described as
7 permitting, complaints, inspection/monitoring and
compliance.

8 Over the course of time, the software, the
databases
9 and support of those particular functions have gone
through an
10 evolution. But we haven't necessarily done as good
of a job as
11 we would have liked at developing some sort of
integrating
12 system for all of that.

13 In particular, permitting and complaint
systems for
14 handling the data and the information have lagged a
bit behind.

15 Looking specifically at e-permitting, what
we are
16 proposing is what we have called a one-stop shop. By
that,
17 what we mean is that we would like to buy a system
that will

18 serve all of the various permitting needs that DEQ
has. It
19 would be a system that would be comprised -- and
we'll talking
20 a little bit later about this -- of a core if you
will, and
21 then a series of monitoring tools for each of the
different
22 permits and licenses that we issue. It would be a
web-based
23 system as you can see there. It would be integrated
with and
24 compatible with those particular systems that are
already
25 further along, they can talk to each other.

15

1 And perhaps most importantly on this slide,
what we
2 have done is we have talked to and even have made a
visit to
3 the other states that have used this particular
system. And it
4 has received unanimous acclaim. It does what it's
suppose to
5 do.

6 What's it is saying for those who are in
the
7 regulated community -- I talked a little bit about
what it does
8 for the agency but it also, we believe, has a very
real benefit

9 for those who receive the permits and licenses.

10 First of all, it's easy to get on line and
figure out

11 what the requirements are.

12 Secondly, we can provide on-line
assistance. If

13 you've ever gone through the process of trying to --
going

14 through telephone tag or trying to exchange emails or
letters

15 or whatever, we can short circuit some of the process
by on-

16 line permit assistance.

17 The regulated community can see where they
are in the

18 permitting process at any given time. It streamlines
the

19 process and it allows things to move along a little
bit

20 quicker. And when I say streamlines the process, the

21 regulatory requirements obviously remain the same,
it's simply

22 a matter of timing of getting the particular steps
done that

23 have to be done to receive an application and then
produce the

24 permit. Technology will allow us to move more
quickly in

25 performing those steps.

19 for the more complex billings.

20 The other half of the proposal is the E-
Complaints

21 Management System. As I mentioned the Complaints
Management

22 System that we have in place now, the capabilities
are lagging

23 a little bit behind just as we were with the
permitting part of

24 it. We're talking again about the same sort of
system, the

25 same company would provide this and the same sort of
features

17

1 that can talk to the systems that we already have in
place and

2 has some an extra features like GIS mapping
capabilities; and

3 one more attractive feature is that it has a great
appeal to

4 the Agency as it would allow access for field staff
to whatever

5 is in our complaints management system.

6 So putting all of that together, we've got
the E-

7 permitting System which is the first bullet and you
can see how

8 that breaks down in terms of cost. And then the E-
complaints

9 Management System again is all part of the same
company that

10 would provide this.

11 It doesn't come cheap. But compared to
what it would

12 take both in terms of time and resources to produce
something

13 like this as an agency, it is responsible.

14 So what we are proposing to take to the
Governor and

15 the Legislature in addition to that 10.6 million
baseline

16 figure, is an additional slightly over one million to
update

17 our permitting and complaints systems.

18 Now, cutting to the chase that's the bottom
line. I

19 think a natural question would be well, you've
already taken a

20 4.4 percent cut for the current fiscal year and
everybody knows

21 that things are looking pretty dire in the short-term
so why

22 even bother putting this proposal on in addition to a
base line

23 request.

24 Well a couple of things. First of all
you'll notice

25 that we have again dramatically pared back. We
normally ask

18

1 for several millions that we would like to take to
the

2 Legislature. We are only asking for one at this
time. But in
3 terms of why this particular one and why even bother
in a short
4 budget year.

5 First of all, as you know, depending on how
things go
6 particularly in the oil and gas industry, state
revenues can
7 fluctuate pretty quickly. So perhaps there is an
opportunity
8 this fiscal year to get, if not the whole thing, at
least some
9 of this money. And the attractive part in adding
this modular
10 sort of system is that we can focus on what we need
the most in
11 the beginning and we're not able to get it all at
once, we can
12 add pieces as we go.25:33

13 But secondly, it's not again a question of
if, it's a
14 question of when. Because we are going to have to
get there
15 sooner or later; both because of the legislation that
I
16 mentioned earlier and because simply that's the
direction as
17 you all know that everything is moving these days.

18 And finally, and perhaps most importantly,
even if we
19 get no money this year for this particular proposal,
we believe
20 it's worthwhile to raise it with the Governor and
Legislature

21 to plant the seed.

22 One of the things that we try very hard to
do is to

23 watch and listen carefully what the Legislature and
Governor

24 see as priorities. And from this past session, one
of the

25 things that is abundantly clear they see as a
priority, is what

19

1 has gone by the catch phrase "Government
Modernization". And

2 what that means in general terms is that they expect
State

3 Agencies to employ new technologies to pursue new

4 efficiencies to do things better with what they have
and if

5 that means spending a little bit more money in the
short-run to

6 get a much longer term benefit, then basically
they'll be open

7 to that. So that is why this particular proposal is
what we're

8 bringing to you this morning. And we would ask that
you

9 approve it for us to take to the Governor and
Legislature when

10 they reconvene in -- actually going in the Governor's
-- the

11 basic proposal that would be out in January and then
of course

12 the Legislature will come back in February.

13 Now I think I've taken long enough to give
you the

14 basics. I would be happy to try and answer any
questions or to

15 defer to someone who can.

16 MS. CANTRELL: Thank you, Jimmy.

17 Do we have any questions from the Board?

18 Tony.

19 MR. DARK: A couple of questions. The
1.3

20 million is mandated, that represents 14 percent of
the budget,

21 so I assume that there was an increase last year in
the budget.

22 What difference from last year to this year we're
seeing in

23 that amount?

24 MR. GIVENS: There is a legally
mandated amount.

25 What happens quite honestly, is that most years we
will get

20

1 some of the additional money that we need for
increase costs

2 but we normally do not get whatever the total
increase is.

3 MR. DARK: Right. I guess my
confusion is if

4 you put that with your 4.4 percent, that's not a
manageable

5 cut, so obviously the year before you had increases
in your
6 insurance and retirement contributions, the question
is what is
7 the difference between this 1.3 million this year and
what was
8 put in the last year (inaudible)?

9 MS. CANTRELL: Jimmy, during our
budget meeting
10 we had talked about some of the ways that -- that
that deficit
11 would be handled. I think there were about four
different
12 ways. Do you want review those four different ways
that we
13 talked about, that I think that might address Tony's
question.

14 MR. DARK: It's more that I am curious
more than
15 anything else is how you managed out of that.

16 MR. GIVENS: Actually, I think that
will be part
17 of what Steve will be talking about in his
presentation. I can
18 go grab some notes.

19 MR. DARK: No. No.

20 MR. GIVENS: Do you want to take that
on now?

21 MR. THOMPSON: Let me just say, and
this is a
22 part of the presentation that I'm going to make
during the
23 Executive Director's Report. I think there's two
questions,

24 here.

25 One, this legislatively mandated cost for
insurance

21

1 and retirement, how has it changed from the previous
year? And

2 I think the answer to that question is it's about the
same

3 every year.

4 MR. DARK: It was just mandated this
year.

5 MR. THOMPSON: No, it's been mandated
for

6 several years and we've -- but a couple -- you all
might recall

7 that a couple of years ago we went through a pretty
significant

8 fee case with you all in February. And so what we
did was we

9 included this continuing mandate for this cause in
that. But

10 it continues and then each year we ask the
Legislature for the

11 money.

12 MR. DARK: So you're seeing about 13,
14, 15

13 percent annually?

14 MR. THOMPSON: Well --

15 MR. DARK: I know at the time it was
closer to

16 20.
17 MR. THOMPSON: Well, actually, it's
even worse
18 than that. If you look --
19 MR. DARK: We can wait until your -- I
don't
20 want to -- I didn't realize you had this in your
report.
21 MR. THOMPSON: Well, okay. We can
wait but I
22 can answer it now. Because these numbers are burned
into my
23 brain, believe me.
24 MR. DARK: That's fine, we can wait.
But I do
25 have another question though. If we adopt -- the
cost for the

22

1 data transfer and training, I'm sure that's included
in those
2 modules, so if you do have to prioritize then you are
truly
3 prioritizing by module assuming the Legislature
doesn't give
4 you what you want then you can prioritize if you
want. And
5 then that's included on a module by module basis.

6 MR. GIVENS: The training?

7 MR. DARK: Yes, the data transfer and
training.

8 MR. GIVENS: Yes.

by an 9 MR. DARK: Is that transfer being done
10 outside source or is that --
11 MR. GIVENS: Well --
data. 12 MR. DARK: All of your (inaudible)
13 MR. THOMPSON: I think the answer to
your 14 question is while they talk it over back there, is --
I think 15 the answer to your question is what we're asking for
is that 16 the licenses and the modules and we don't anticipate
an 17 increase in -- we think we can be able to do the
things you're 18 talking about with (inaudible). While there is a
cost 19 associated with that obviously, because we'll have to
code that 20 to (inaudible) we're not going to have to go back to
the 21 Legislature and ask for additional FTEs or additional
funding 22 in order to install the systems and do the data
transfer.
23 MR. DARK: As long as there's not
additional 24 cost for training because you're breaking it up, then
we're 25 good.

1 MR. THOMPSON: I think the training is
a part of
2 that in the modular cost.

3 MR. DARK: I think it's great to ask
for it, and
4 if you don't get it that would be an excuse for a
waiver.

5 MR. THOMPSON: And as far as the
modular, the
6 nature of it, clearly you would ask for the license
and sort of
7 the fundamental software first. I think probably the
second
8 priority would be for the complaint system and then
we would
9 just -- I don't know if we've decided which of the
modules, air
10 or water, we would go with first; maybe the IT folks
have done
11 that. But we would begin to try and pick these off
as funding
12 was available, either -- well, at this point, I'd say
if
13 funding was available from the Legislature to do it.

14 MR. DARK: Right.

15 MR. GIVENS: One of the things that I
should
16 clarify and I didn't do a very good job of it, we're
talking
17 about the extra 1.3 billion out of the general
revenue money.

18 Obviously, the budget of the DEQ is much larger
overall than

19 that 11 million or so. So if there is any
misunderstanding

20 about that -- it's not 14 --

21 MR. DARK: (Inaudible). Thank you.

22 MR. DRAKE: Really, what are you
asking for

23 right now? Are you going to go over the budget later
and this

24 will be a part of it; so all we're getting now is
what

25 you're requesting the additional? Because we've
already been

24

1 talking about another five percent decrease, at least
that's

2 what the paper is talking about. I don't know
whether that

3 reflects in the budget that you are going to present
us or do

4 you want to wait until we get to that part?

5 MR. THOMPSON: Well, we are at -- in
the DEQ

6 mind at least is divided into two pieces. What you
ask the

7 Legislature for as the appropriation and that's what
Jimmy is

8 talking about.

9 The piece I'm going to talk about is -- and
that is

What I'm 10 for the 2011 Budget Year, it's for the next budget.
try and 11 going to talk about in mine, is how we are going to
issues. So 12 handle the issue of shortfall and those kind of
13 that's a part of what I'm going to talk about later.

14 MR. DRAKE: Okay.

this issue 15 MR. THOMPSON: We did wrestle with
decided 16 about, you know, how we presented this and we finally
and 17 we would just leave it alone and I'd come along later
it from 18 explain that. But it's -- it's because we separated
19 appropriations and operations really.

the better 20 MR. GIVENS: Finally decided to let
21 looking guy go first.

22 (Laughter)

second. 23 MR. THOMPSON: And the smart guy goes

24 (Laughter)

25 MS. CANTRELL: Yes, John.

25

here and 1 MR. WENDLING: Jimmy, I was looking up

on-going 2 you have an initial one-time expense. What about the
leased 3 expenses on an annual basis that -- does this say
going to 4 through an internet -- another company that you are
5 have to pay annual fees on?

will allow 6 MR. GIVENS: No. What you see here
can handle 7 us to get what we need and we can -- we believe we
and 8 any other requirements out of our current (inaudible)
9 resources.

have was, 10 MR. WENDLING: Another question that I
direction, 11 if there's a state directive to move into this
are looking 12 e-permitting -- I'm calling it technology, if they
toward 13 for people to -- well, the State Agencies to move
side, are 14 technology, to me they are looking also on the flip
Agencies, and if 15 they looking for efficiencies within the State
type of 16 so, are there costs that they look at to offset this
approach a 17 investment. So I was kind of curious how they
18 proposal like this.

19 MR. GIVENS: Certainly they are always
efficiencies. I 20 encouraging agencies to look for additional

21 don't know that I can say that they look for
something that's a

22 one-for-one offset, if you will, where they can
request like

23 this. But things like energy efficiencies for
example, it's a

24 big deal this legislative session. All State
Agencies are

25 encouraged to look for those sorts of money saving

26

1 opportunities. So it's not a one-for-one tradeoff,
but yes,

2 part of this entire government modernization
government

3 efficiency move is to emphasis to state agencies.
You need to

4 take a look at where you're spending the money and
figure out

5 if there's a better way to do it.

6 MR. THOMPSON: I think, Jimmy, we'll
talk in the

7 legislative summary about some of the initiatives the

8 Legislature took this year. One of those was a Chief
IT

9 Officer for the State. And in all the discussions, I
don't

10 know that I ever saw from the Legislature some
calculation of

11 savings for having that person on board. It was more
of a

12 general gift from the Legislature, sort of the idea
that if you
13 had a chief IT person clearly that would save you
money. We
14 will see. But that's the kind of thing -- that's the
kind of
15 mandate at least so far, that we've gotten from the
16 Legislature.

17 MR. GIVENS: Just following up on
that, the bill
18 itself actually did, in that particular case, tell
whoever the
19 new IT officer is that they will have to demonstrate
in the
20 course of -- I've forgotten -- a year and a half, or
something
21 like, a 15 percent savings in state IT costs. I
don't know how
22 that's going to be measured but there was a specific
figure put
23 in there. But again, that's on a statewide basis.

24 MS. CANTRELL: Jimmy, in the
electronic system
25 proposed, will the regulated community have the
opportunity

27

1 also to access these electronic files in some
fashion, will it

2 improve the efficiency between the regulated
community and the

3 responsive ability of the Department because of the
electronic

4 database that would be created?

5 MR. GIVENS: I think the answer to
that is, yes,

6 exactly how that works, I'd probably have to defer to
somebody

7 else. But, yes, we clearly believe that it will
improve our

8 ability to communicate, get the process moving along,
and also

9 for the regulated community to see where they are in
the

10 process and make whatever adjustments that may be
necessary

11 during the course of that.

12 MS. CANTRELL: And will it also help
the

13 Department know sooner if there are issues with the
regulated

14 community because of obligations they'll have to file

15 electronically or submit information electronically?

16 MR. GIVENS: Yes.

17 MR. THOMPSON: The permitting process
is a

18 process by which an application received by the
Agency, it goes

19 into Administrative and technical review inevitably.
There are

20 issues in the application.

21 What we have done typically is in -- while
we have

22 ongoing discussions and exchange things by email and
those

of 23 kinds of things, there's -- generally there's notices
24 deficiencies in any application. And then they
respond, and
25 then we respond. And we think this process will
expedite that

28

back and 1 whole process of getting information that people need
2 forth much more quickly.

Does 3 MS. CANTRELL: Any other questions?

electronic 4 anybody else have any questions regarding the
5 information proposal?

6 Do we have a motion?

budget as 7 DR. GALVIN: I move that we adopt the
8 presented.

9 MR. WUERFLEIN: I will second that.

poll the 10 MS. CANTRELL: Myrna, will you please
11 Board.

12 MS. BRUCE: Mr. Cassidy.

13 MR. CASSIDY: Yes.

14 MS. BRUCE: Mr. Dark.

15 MR. DARK: Yes.

16 MS. BRUCE: Mr. Drake.

17 MR. DRAKE: Yes.
18 MS. BRUCE: Dr. Galvin.
19 DR. GALVIN: Yes.
20 MS. BRUCE: Mr. Griesel.
21 MR. GRIESEL: Yes.
22 MS. BRUCE: Ms. Rose.
23 MS. ROSE: Yes.
24 MS. BRUCE: Dr. Sublette.
25 DR. SUBLETTE: Yes.

29

1 MS. BRUCE: Mr. Wendling.
2 MR. WENDLING: Yes.
3 MS. BRUCE: Mr. Wuerflein.
4 MR. WUERFLEIN: Yes.
5 MS. BRUCE: Ms. Cantrell.
6 MS. CANTRELL: Yes.
7 MS. BRUCE: Motion passed.
8 MS. CANTRELL: Thank you, Jimmy, for
that
9 presentation. It sounds like an exciting innovation
that's
10 being proposed. We will be anxious to see how it
goes forward.
11 The next item on the Agenda is the
Disclosure of the

of 12 Employee Financial Interests and Report on the status
13 rulemaking petitions.

14 Do we have a presentation to be made by --

15 MS. PENISTEN: Yes.

16 MS. CANTRELL: Thank you, Martha.

17 MS. PENISTEN: Thank you.

18 The disclosure of employee financial
interests, as

19 you know the environmental quality code requires
certain DEQ

20 employees involved in issuing or enforcing permits to
disclose

21 their financial interests they hold in entities
regulated by

22 the DEQ, then in turn the DEQ is required to submit
those

23 disclosures to the Board and to include them in the
Minutes of

24 the Board.

25 This year six employees submitted
disclosures.

30

1 They are Kelly Dixon of the Land Protection
Division,

2 she recorded overriding royalty interest in oil and
gas leases

3 owned by Conoco Phillips and DCP Midstream.

4 Pam Dizikies of the legal staff, reported
that she
5 receives compensation from Anadarko Petroleum
Corporation.

6 Jay Laughlin, Air Quality Division reported
that he's
7 a stockholder in several oil and gas and energy
related
8 companies including Chesapeake, Sandridge and
Schlumberjay.

9 Patrick Reilly, Land Protection Division,
reported
10 that he's a stockholder in Waste Management Inc.

11 Scott Thomas, Air Quality Division,
reported that
12 he's a stockholder in OGE Energy Corporation.

13 And last is Robert Replogal, Land
Protection
14 Division, he reported that he's a stockholder in
British
15 Petroleum, AMACO, and receives compensation from
several oil,
16 gas, and energy related companies including CONOCO
Phillips,
17 Valero, Devon, Chesapeake, Sinclair, and Senoco.

18 And then the report on the status of the
rulemaking
19 petition.

20 MR. THOMPSON: Let me just say that
there's --
21 no action is indicated on any Agenda, no action is
needed by
22 the Board. We would be happy to answer any questions
but the

23 state requires us to report these activities -- these
interests

24 to the Board annually, so that you're just aware of
them. What

25 the Department does is really shield those people
with those

31

1 interests from any decision making relative to those
companies.

2 It's just a reporting requirement that we go through,
today.

3 MS. CANTRELL: Thank you, Steve.

4 MR. WUERFLEIN: Steve or Martha, is it
this a

5 similar investment level like our Ethics Commission
Report that

6 the Board Members have to do?

7 MR. THOMPSON: Yes.

8 MR. WUERFLEIN: Or is it that there's
a higher

9 level of --

10 MR. THOMPSON: I think it's -- David,
help.

11 MR. DYKE: It's very similar.

12 MR. WUERFLEIN: Okay, thank you.

13 MR. THOMPSON: Well the answer is yes,
like I

14 said, he was back there going like this and I
thought, oh, hold

15 it.

16 MS. CANTRELL: Steve, what it is --
once a DEQ

17 staff member has disclosed they have a conflict or
have

18 disclosed an interest, how is it that the DEQ
responds to that

19 disclosure?

20 MR. THOMPSON: For instance, if you
had an

21 interest in a company and there was a permit pending
before the

22 Agency with that company, that person would be
shielded from

23 decision-making in the permit for that company.

24 It's impossible to separate -- if you have
somebody

25 doing emissions inventory for instance, it would be
impossible

32

1 because those are inventories from companies, if
somebody in

2 that group had some interest in a company it would be
virtually

3 impossible to separate them from that activity. So
we do the

4 best we can but the point is that if you have an
interest in a

5 company you shouldn't be making critical decisions
regarding

6 that company, that's what we do.

7 MS. CANTRELL: So it isolates the
decision-

8 making function? For those with interest?

9 MR. THOMPSON: That's correct.

10 MS. CANTRELL: Thank you. Does
anybody have any

11 other questions for Steve or for Martha?

12 Jimmy?

13 MR. GIVENS: Let me just add that one
thing that

14 we do to (inaudible) Steve was talking about is that
once a

15 person makes the disclosure then we make sure that
not only

16 that employee, but the Division Director and the
immediate

17 supervisor all get copies of that disclosure. That's
the

18 mechanism we use to make sure that nobody is under
taking a

19 decision-making role in a area where they might have
a

20 conflict.

21 MS. CANTRELL: Thank you. Any other
questions?

22 Okay, Martha.

23 MS. PENISTEN: The Report on the
Status of

24 Rulemaking Petitions, DEQ procedure of the rules
require the

25 Agency to advise the Board of the status of any
petitions for

1 rulemaking it receives. There's one petition for
rulemaking to
2 report on today. This petition requested the
emergency
3 adoption of the new federal revisions to the
definition of
4 solid waste, and was referred to the Hazardous Waste
Management
5 Advisory Council earlier this year.

6 The new federal revision to the definition
of solid
7 waste specifically excludes certain hazardous
secondary
8 materials from regulation under the hazardous waste
rules as
9 long as the materials are transferred off-site for
reclamation
10 or recycling.

11 The Hazardous Waste Council declined to
take action
12 on the petition as an emergency rulemaking and
directed the
13 Land Protection Division to begin the process for
permanent
14 rulemaking on the new federal rule including possible
addition
15 of requirements more stringent than the federal rule.

16 The proposed rulemaking should come to the
Board for
17 consideration either in November or February.

18 And that's all I have.

19 MS. CANTRELL: Thank you, Martha.

20 MS. PENISTEN: Thank you.

21 MS. CANTRELL: Any questions regarding
the

22 emergency rulemaking procedure?

23 The next item on our Agenda is the
Executive

24 Director's Report. Steve Thompson.

25 ***** ED Report by Steve Thompson *****

34

I 1 MR. THOMPSON: Thank you, Madam Chair.

2 I believe the Director's Executive Report is somewhat
brief

3 because of the crunch of other activities of the
Board. But

4 since it's been sometime since February, that we met,
and

5 there's been a lot of things going on in the
Department, we

6 thought we would expand the Director's Executive
Report until

7 we see people begin to nod off and then we'll cut
that off.

8 The first piece of that is a presentation
on the

9 legislative session that Jimmy Givens is going to
give. I

10 think it's -- well, let me say that the legislative
session --

11 while those folks are in session, it really takes a
pretty
12 full-time job for three of us within the Agency.

13 Jimmy tracks the legislation that comes --
that is
14 introduced in both Houses of the Legislature to see
if there's
15 anything of interest to the Agency that from a policy
16 standpoint that we need to address with the
Legislature.

17 And that means that over his career Jimmy
has
18 probably reviewed something on the order of between
25 and
19 30,000 pieces of legislation.

20 The first thing that does -- the first
major thing
21 about that is he's kept his sanity. And the second
thing is
22 that I know of nobody that is more aware both
currently and
23 historically of the things that have come before the
24 Legislature over that period of time and in all of
that time.
25 I know of one instance that Jimmy let something slip
through

1 but it was not -- it didn't slip through in such a
way that it
2 was done and we couldn't address the issue before the
3 Legislature ended. So, you know, one half of one
issue in --
4 out of 30,000 is not at all a bad record. So Jimmy
tracks all
5 this legislation, has good historical knowledge of
what's gone
6 on in the past. Then as legislators come to the
Capitol for
7 the session they all bring constituent issues with
them.
8 Whether it's issues with their businesses or citizens
or
9 municipalities, and while this goes on year-around,
it tends to
10 intensify during the legislative session because they
will see
11 me in the -- you know, over at the Capitol and say,
oh, by the
12 way, here's two, or three, or four things that we
want you to -
13 - that we're curious about.

14 Well, Wendy Caperton has pretty well taken
over the
15 constituent issues with the Agency. So it's her job
to gather
16 that information, go back to the Agency, work with
the
17 divisions who do a great job in providing information
about the

the 18 particular situation and then addressing them with
19 Legislators. So she spends a lot of time during the
20 legislative session doing that.

with the 21 And then finally, I spend a lot of time
22 Legislature on policy issues that are in legislation.
And then

work that 23 the core piece of my work is to take credit for the

that's just 24 Jimmy and Wendy do during the session. So anyway

the 25 to give you some idea of the setup of how we address

36

with 1 legislative session during that time of the year. So
2 that, I'll turn this over to Jimmy.

while ago 3 MR. GIVENS: Remember what I said a

Apparently some 4 about always having problems with technology?

version. So 5 how I managed to save this PowerPoint in the wrong

in time to 6 I'm going to plow ahead. If they get it loading up

fairly 7 use the slides, fine. I'm going to run through this

8 quickly anyway.

9 Most of you are somewhat familiar with what
happened

10 because we did send out periodic updates to the Board
Members

11 about what was going on during the session. Many of
you in the

12 audience, I know, follow the session quite closely.

13 Let me just begin with a quick overview and
then I'll

14 talk a little bit about a few pieces of specific
legislation

15 and I'll try to keep this brief because I know it's a
fairly

16 long morning anyway. First of all in
terms of

17 leadership of the Legislature this time, you're
probably aware

18 that the Speaker of the House is Chris Benge. Senate
President

19 Pro Tem is Senator Coffee.

20 Minority Leader is Representative Morgan
Craig and

21 Minority Leader is Senator Lassiter on the Senate
side.

22 The interesting thing about that is both of
the

23 Majority Leaders, the Speaker of the House and the
President

24 Pro Tem will be term-limited after this coming
legislative

25 session in 2010. So the sort of thing that we were
seeing back

the
we're
the

1 in, say, 2004 with the Democrats being in control and
2 leadership being on the Democratic side, the party,
3 starting to see now that same sort of thing happen on
4 Republican side.

in both

5 And so in addition to having new leadership
6 the House and the Senate after next year, the
Governor is term
7 limited, there is going to be a large turnover in
state
8 leadership at -- this January of 2011, actually a
little before
9 that as far as the Legislature is concerned.

10 And of course, we have the first --
probably the
11 first -- well, I guess the second opportunity,
realistic
12 opportunity, for a woman to be in the Governor's
chair next
13 year because we have two strong candidates who are
running for
14 Governor coming up for the 2010 election.

15 The other thing I'd mention, just in way of
16 generalities is that you may recall back in 2004
there was a
17 change in the committee system in the House. The
House went to
18 a system where they had subcommittees not only for
the

19 Appropriation and Budget Committee but for all of
their
20 substantive committees.
21 So, for example, DEQ not only had to take
bills to
22 the Energy and Environment Committee in the Senate
and the
23 Environment and Natural Resources Committee in the
House, but
24 on the House side there was a subcommittee to Energy
and
25 Natural Resources, bills had to go through that, both
the House

38

1 generated bills and the bills that started in the
Senate. So
2 there were two extra steps in essence.
3 That didn't work out, quite honestly, as
well as
4 those who proposed it back in 2004 thought it would.
It was
5 seen as an opportunity for additional scrutiny, but
it kind of
6 got confusing for everybody concerned, was my
perception. So
7 that was done away with this year and we're back to
the system
8 where we only have one committee in each House for
bills to go
9 through.

10 Now the flip side of that is this year
there was no

11 environment committee in the House. That particular
committee

12 was done away with and to this day I'm not sure
whether that

13 was intentional or accidental but as a result we
didn't have a

14 single chair for example, or a single set of
committee members

15 that we could go ahead of time; well, this bill is
likely to go

16 before that particular group of legislators. So it
made it a

17 little bit more difficult, even though we had one
fewer

18 committee to deal with.

19 The load as far as the number of bills was
a little

20 bit higher again this years and continues to creep
up. There

21 were about 2,600 bills and resolutions -- joint
resolutions

22 proposed this year. Some of the themes that kept
running

23 through the session as far as environmental or

24 quasi-environmental themes were, as you would expect,

25 continuing issues over water rights and water usage.
There was

1 quite a bit of emphasis on clean energy.

2 Now having said that, I would say that many
of those
3 bills did not make it through because in a large part
they were
4 designed to either offer tax credits or to encourage
the
5 building of infrastructure for alternative energy.

And with
6 the budget situation turning out the way it was -- or
looking
7 the way it was beginning to look, those bills
typically dropped
8 by the wayside this time.

9 Finally the third one I would mention in
terms of
10 reoccurring themes, the carbon sequestration is a big
deal this
11 time. I'll talk a little bit more about that in just
a minute.

12
13 DEQ request bills. Two of the bills that
we had
14 brought to you last November as proposals to take to
the
15 Legislature did pass. One of those was what we
called the
16 Notice of Risk Base with Deviation. You will recall
that if we
17 do a cleanup or order a cleanup to be done to a risk
base
18 standard that we have to put a notice in the land
records to
19 show that that was -- that cleanup was done to less
than a

20 Residential Standard Cleanup.

21 What we had proposed to do and took to the
22 Legislature was to emphasize or make clear that those
notices
23 never expire. They go on forever and for obvious
reasons. All
24 future owners of the land ought to know the level of
cleanup.

25 And so that bill did pass without any
problem at all.

40

1 The notices that go in the land records do now go on
in
2 perpetuity.

3 Well, we're half way there. I don't think
the remote
4 is going to work.

5 You can go down a couple more slides and
we'll pickup
6 from there. Back up one.

7 As I mentioned the first one was the land
based
8 remediation. The other request bill that we had
going forward
9 was to change our Brownfields Program, so that it was
not a
10 permit approach to Brownfields before a cleanup or a
11 remediation approach to Brownfields.

12 That also passed without any trouble. It
is now in

13 effect so that if there is a proposal for a
Brownfields
14 project, we still have public participation but we
don't have
15 all of the other steps that would be required for a
permit
16 process. It allows us to move those through a little
bit more
17 quickly and it encourages people to participate in
that
18 program. Next.

19 Let me go ahead and move ahead. The
greenhouse gas
20 measures that were of prominence this time around.
You will
21 recall there was a task force that was formed last
year to look
22 at the issue. That task force has been extended by a
year to
23 December 1st of this year. There was one meeting
last year.

24 In the meeting last year the focus was on
trying to
25 determine which State Agency had which piece. And
that

41

1 resulted in Senate Bill 610, it's where it divides up
the pie
2 between DEQ and OCC in pretty much the way that we
would
3 expect.

4 OCC has oil reservoirs, gas reservoirs,
coal bed
5 methane reservoirs, and mineral brine reservoirs.
DEQ

6 basically has everything else, including deep saline
7 formations, salt domes, non-mineral bearing shales,
et cetera.

8 We're the catch-all, but OCC has the oil and gas
related piece
9 of this puzzle.

10 Now, the reason for extending the task
force even
11 though 610 passed is because there are a whole host
of related
12 issues that go with this topic.

13 For example, things like what sort of
financial
14 assurance should be required for someone who has a
geologic
15 sequestration facility. So those sorts of related
issues,
16 really, have only been touched on briefly and the
task force, I
17 expect we'll talk more about that between now and
December the
18 1st.

19 And finally HCR 1035, I just wanted to
mention, that
20 the Legislature of Oklahoma did go on record as
opposing the
21 greenhouse gas cap and trade system that is being
proposed in
22 Congress.

23 Water and wetlands, just quickly going
through those.

24 House Bill 1483, conditions on out of state water
sales. That

25 was an attempt to provide some sort of legislative
fix for what

42

1 has become a series of lawsuits challenging the
various
2 moratoriums that the state has in place. And in
particular,
3 the moratorium on out of state water sales.
4 In essence what it says is that the state
needs to
5 not violate any compact that it has entered into
related to
6 water, but that's the first priority. And the second
priority
7 is to look at the needs that the other parts of the
state have
8 that might be served, for example, western Oklahoma.
How could
9 that need for western Oklahoma be satisfied by
eastern Oklahoma
10 water before looking at letting that water go out of
state.

11 Now depending on who you ask, this bill may
or may
12 not have accomplished anything in terms of helping to
defend
13 those lawsuits that are pending. But I think that
was the
14 genesis for the effort.

15 Bill 551 is a request bill -- it turned out
to be a

of ARRA 16 request bill in essence. During the session because
making a 17 money, the stimulus money, and also because we were
were 18 more concerted effort to try to use whatever funds
water and 19 available to us to help out small communities with
that that 20 wastewater infrastructure needs, we became concerned
by simply 21 process, particularly for ARRA money, could be slowed
Department of 22 the process that we have to go through with the
23 Central Services.

be able to 24 So 551 is a streamlined process for us to
Now as it 25 get engineering services done for small communities.

43

have 1 turns out we were able to work with DCS and we would
on 551. 2 something that we believe we can use without relying
They're more 3 It's a little bit slower but not significantly.
already in 4 use to it, so we probably will be able to use that
for us. 5 place mechanism, but this is sort of a safety valve

6 HCR 1027 and HCR 1012 again the Legislature
7 expressing its opposition to the Federal Clean Water
8 Administration Act, in particular the effort to add
back in the
9 -- or to take out rather -- the word "manageable"
from the
10 Federal Clean Water Act. The concern is that by
removing the
11 word "manageable" it opens up too broadly the
definition of
12 waters in the US. It includes wetlands that perhaps
weren't
13 intended to be included in that sort of thing.

14 So our State Legislature has gone on record
as
15 opposing that particular act as it's -- as it's
currently
16 proposed.

17 And 1012, this may be one of the more
important
18 issues on the national level that most of us probably
don't
19 have on our radar screens, but it's important in
Oklahoma and
20 other oil and gas producing states. And our
Legislature went
21 on record as opposing any effort to remove the
hydraulic
22 fracturing exemption from safe drinking water.

23 Highway Remediation Act, just quickly
following up on
24 a bill that passed a couple of years ago that
provided that
25 those who would provide cleanup services for spills
of

1 hazardous waste sorts of materials on highways had to
be

2 licensed by the DEQ. This actually simply makes
clear what was

3 already in practice that rail transportation and
utilities do

4 not fall under the Act.

5 And finally, we've already talked about the
-- both

6 of these on the miscellaneous. The State Government

7 Modernization Act is the one that I referred to that
does

8 require us to be moving in the direction of web-based

9 permitting. Steve alluded earlier to the Chief
Information

10 Officer requirement and that particular officer is
supposed to

11 be appointed by the Governor on or before January 1st
of 2010

12 and then that individual has about a year to come up
with a

13 plan for how to modernize and improve information
systems, IT

14 systems, without state government. So whoever is
appointed to

15 that position is not going to have a whole lot of
time off in

16 2010, I would say. SCR 13, we did have to
tell the

17 Legislature once we got word of how much money we
were going to

18 get from the stimulus package and what that money was
supposed
19 to be used for, we did have to tell the Legislature
how we
20 planned to use that money so that they would have
some idea and
21 oversight of the use of that money in Oklahoma.

22 And finally some measures that did not
pass, and the
23 reason that I bring this up is because they do tend
to make
24 their way back around within a year or in later
years.

25 First of all Scales and Fees for Commercial
Solid

45

1 Waste Incinerators, specifically as you probably
could guess
2 that relates to the Tulsa Waste Energy Plant which is
now a
3 private concern and as of now they do not pay solid
waste fees
4 for the waste that they receive. There was an effort
toward
5 that end, but that did not pass at least this
session.

6 Limit on sludge received by a landfills;
there was
7 some odor issues. One proposed the fix is to try to
limit the

8 amount of sludge that a landfill could take, but that
did not

9 pass.

10 Beverage container recycling bills have
come up

11 several years in a row now. They get a little bit
more

12 traction it seems each year, but not to the point of
passing.

13 Although there is this year an interim study looking
at

14 container recycling.

15 Pretty big deal, nuclear power licensing in
the city.

16 I believe if memory serves me, there were five bills
that

17 either intended to clarify how nuclear power
licensing would

18 work as far as state licensing goes for -- that were
intended

19 to serve as an incentive to someone to pursue nuclear
power in

20 Oklahoma. That did not pass this session. None of
those did.

21 Rotation log, getting back to highway spill

22 remediation, the last couple of years has been an
effort to

23 better define how to make sure that everybody gets
their fair

24 share of the particular calls that come in for spill

25 remediation. Again, that did not pass this time
around.

1 The number of green energy incentives, I
already
2 talked about the fact that the budget got in the way
of many of
3 those.

4 And finally one that was important to us, a
proposal
5 has come up for the past two or three years now that
would
6 require the Legislature -- well, as you know, the way
things
7 stand now the Governor has to affirmatively approve
rules and
8 the Legislature has to not disapprove them.

9 This would have required the Legislature to
actually
10 take a vote in both Houses to approve rules that came
to them.

11 Now in one sense that may not matter because
presumably the
12 Legislature would only focus on a few rules that are
of high
13 interest, but what it does cause is a number -- and
literally a
14 lot of additional themes for the Legislature to
consider during
15 a relatively short session. And even if they may not
have a
16 problem with what we are proposing, there is always
the chance
17 of getting lost in the shuffle as it moves toward the
end of

18 the session.

19 I'm going to stop there. That's enough of
listening

20 to me today unless you have any questions about any
of that.

21 MR. THOMPSON: Okay. I'm going to
attempt to,

22 this morning, to do a PowerPoint Presentation. I was
barred by

23 the staff from making these after my last attempt. I
made a

24 PowerPoint Presentation and afterwards Wendy came up
to me and

25 said you know you have a very free flowing
presentation style.

47

1

2 And I said what does that mean and she
said, it means

3 you never talk about what is on the screen.

4 So if -- in fact Shelly, keep your seat.
If I get of

5 track we'll just blame it on Shelly. So let's go to
the next

6 slide. Okay.

7 We talked about it a little bit before,
we're going

8 to talk to you about -- a lot of -- again, a lot of
things have

9 happened at the Agency since February. And so we
wanted to
10 talk about some of the high profile things that we've
been
11 dealing with since we last met.

12 And those include the budget, as we've
talked about

13 previously. We obviously have a new national
administration

14 and that means significant changes in the
Environmental

15 Protection Agency and the environmental field in
Washington, so

16 I want to talk a little bit about that. I want to
talk about

17 the administration and Congress's priorities --
environmental

18 priorities. We wanted to briefly talk about the --
our

19 facility initiative, which is our initiative with
small

20 communities. I wanted to talk with you about the
ARRA program,

21 which is the American Recovery and Reinvestment Act.
What

22 we're talking about here is the stimulus money that
was

23 approved by Congress. And finally an activity that
took an

24 awful lot of time and that is running down a very
serious

25 health issue that occurs, actually about a year ago,
in Locust

1 Grove. So let's go to the next slide.

2 Now when we talked earlier about
appropriations, keep

3 in mind that about 15 percent of our budget comes
from general

4 revenue. That means that DEQ operates on a budget of
about 60

5 million dollars. And about -- a little over 30
million of that

6 is fees, some where around 21 million of that is
federal money

7 and the rest of it is general revenue.

8 So in dealing with the budget, and
particularly with

9 this budget shortfall, we had to consider the entire
budget in

10 order to meet what our needs are going to be. So
let's --

11 first of all we define either the cost or the cuts
that we knew

12 that we were going to take. So Jimmy went over the
\$400,000.00

13 based on the budget cut in the legislative session
last year.

14 But our increase in cost is not the 1.3
million

15 dollars for Retirement and Insurance. Our increase
in cost is

16 about 4 million dollars for this year. Now a piece
of that is

17 Retirement and Insurance, but the rest of it is, we
put people

18 and the State of Oklahoma puts people on a salary
track.

19 So if you are an Environmental Specialist
you start

20 out as a I, and then you go to the II, and you go to
the III

21 and then I guess ultimately you can go to a IV,
that's true of

22 all of the classes of employment in the DEQ.

23 As people move up the career track we are
not

24 appropriated money for those salaries, to give our
folks well

25 deserved increases as they move up the career track.
We have

49

1 to cover that cost.

2 I guess this is a legislative mandate.
People in

3 state government draw longevity pay as an effort to
get people

4 to stay in government. That equates to about \$100.00
a year.

5 So you know, if you're really old guy like John
(inaudible).

6 That means there's about a \$3,500.00 cost to the
Agency for

7 longevity pay. Well, those costs have to be covered.
We're

8 seeing -- we pay fees to other state agencies. We
pay fees to

9 the Office of State Finance. We pay fees to the
Office of
10 Personnel Management. There are others that don't
come to mind
11 right now, but as the budget shortfalls come, those
fees
12 increase and so we have had increasing costs for
those
13 activities. So if you add all of that stuff up
across the
14 entire Agency for everything we do, we're looking at
about 4.4
15 million dollars unfunded by general revenue.

16 So then we've had increases. You all
recall that as
17 far as the rulemaking, that we came forward to you,
we asked
18 that Consumer Price Index be calculated on fees as we
go
19 forward. We have a lot of support from folks to do
that from
20 the regulated community, because they can budget more
readily.
21 We're going to have an increase of about 1.3 million
dollars
22 from that. We are going to see a one time increase
from the
23 stimulus money at 1.5 million dollars for
administrative costs.

24 We have had an increase in federal grants of about
\$300,000.00
25 and because we completed some construction projects
within the

1 Agency within our building in Oklahoma City, we were
able to

2 give a \$500,000.00 cut to the programs in
administrative costs.

3

4 So when you add all of the increases up you
get to

5 about 3.6 million dollars. And that means we start
out at a

6 deficit of about \$800,000.00. Now these are
estimates. Keep

7 in mind these are estimated numbers of what we think
is going

8 to happen. Some of them are more clear -- the other
thing that

9 happens is that I didn't mention, is when people
retire, if you

10 -- we pay or the state pays for -- if they have
accumulated

11 annual leave up to 480 hours ,the state pays for that

12 accumulated leave. So if people retire we have that
one-time

13 cost that we have to cover also.

14 So our requirements grow in spite of what
the

15 Legislature does to meet our needs. So we're in
about an

16 \$800,000.00 deficit not including shortfall.

17 Now the way the way general revenue money
comes to

18 the Agency is they take your appropriation -- they
basically
19 would take your appropriation and divide it by 12 and
send you
20 a monthly installment. That's the way you get
general revenue.

21
22 Well, as the income to the state government
has gone
23 down we have obviously experienced shortfalls. And
for the
24 money that we got in August for the July allocation,
it went
25 down five percent. Now the actual shortfall
percentage was 17

51

1 percent. And so what the Governor and the Treasurer
were able
2 to do was to take cash reserves that made up 12
percent of
3 that. And so we took a five percent shortfall for
that monthly
4 allocation. It's not five percent for the annual
allocation;
5 it's five percent for the monthly allocations, which
amounted
6 to about \$50,000.00. Sorry, about \$38,000.00.
Nickel here,
7 nickel there.

8 So we -- the budget picture does not look
good. Now

9 there are a couple of ways that these shortfalls --
money could

10 be made up in these shortfalls. First of all the
Rainy Day

11 Fund. The Legislature/Governor could allocate 225
million

12 dollars from the Rainy Day Fund to meet the budget
shortfall.

13 That would require a special session. Also there is
about 600

14 million dollars that was retained for budget
shortfalls in the

15 future from the stimulus money. So that money could
be

16 released. So there are a couple of pots of money
that could be

17 used to over come these budget shortfalls in the
future, but

18 those are decisions that will be made by the Governor
and the

19 Legislature in the future.

20 So what are we going to do? Well, both to
meet this

21 known short -- known deficit and to meet any
shortfall that

22 comes along; well, we're going to do the kinds of
things you

23 would normally expect. We're going to monitor
routine

24 spending; things like travel, and contracts, and
equipment.

25 We're going to delay some purchases. We have been
routinely

1 upgrading our computer hardware because if you wait
too long,
2 it costs too much and it becomes very difficult to
catch up and
3 you don't provide the kind of services you want to.
So we have
4 been routinely upgrading our computer hardware as we
went
5 along. We will delay that; we may delay some hiring.
6 There are a lot of things we do with fees,
7 particularly solid waste fees that are community
based
8 activities. We may have to divert from doing
community based
9 activities to funding program activities. The same
is true of
10 the armory cleanup money that we get every year that
is a piece
11 of the gas tax that we get every year. Although it's
going to
12 be really hard to stop armory cleanups. It's such a
popular
13 thing for the Agency and for the community that's
going to be
14 very difficult. But to the extent we can, we may
have to
15 divert some of that money to program activities.
16 And finally, we've gotten money that is
dedicated to
17 small communities. And we will dedicate all of our -
- well,

18 all of our -- a lot of our money is dedicated to
specific
19 projects. But as shortfalls come along and budgets
tighten,
20 all bets are off. Particularly when you are taking
across the
21 board kind of cuts.
22 So the assistance of small communities is
going to be
23 our last option. Maybe the next to the last option.
But
24 that's sort of the way -- that's sort of the
flexibility that
25 we find in meeting these problems.

53

1 Now you will notice that furloughs and
reductions in
2 force is not up there. It's purposely not up there.
Although
3 if it gets really, really bad, there's some -- it's
not
4 something we won't look at. But it would be -- in
fact we
5 don't anticipate that we would have to do that right
now. But
6 we think it will get tighter because as positions
come open we
7 will delay hiring for those positions.
8 So that gives you some idea of what the
actual costs
9 are and what the plan is -- the general plan we have
to address

10 it.

11 We still -- I think the Agency has
positioned itself

12 so that the more draconian kinds of things would --
that may

13 happen to some agencies may not happen to us but it
just

14 depends on how bad it gets. And we won't know that --
- we'll

15 know that month to month.

16 That's one of those -- what happens is the
17 Equalization Board gets together, they say this is
what the

18 income is going to be and budgets are projected for
agencies

19 based on that guess about what the income is going to
be. And

20 when it doesn't meet that, we have to deal with it.

21 I'm going to pause there and see if you all
have any

22 questions.

23 MR. DARK: A small community is less
than

24 10,000, is that what is defined as small communities?

25 MR. THOMPSON: That's what EPA --
that's the way

small
our time.

1 EPA defines small communities. We've got enough
2 communities of 1,000 or less that takes up plenty of

3 MR. DARK: Seems like an awful lot of
4 (inaudible) would see that as an option.

5 MR. THOMPSON: It's an option.

any
the

6 MS. CANTRELL: Steve, do you project
7 decrease in the income from fees with the downturn in
8 economy over the next year?

9 MR. THOMPSON: I think that we've
looked at that

10 and we think that there will be some -- we don't know
how --

11 it's hard to project that. What we're seeing --
where we're

12 seeing decreases in income is in ECLS particularly
related to

13 construction. You know they do storm water permits;
they do

14 individual septic system or individual waste
treatment systems

15 and I think the biggest blow has been to the budget
has been in

16 ECLS for those kinds of construction activities. So
everything

17 else seems to be rocking along okay. But in that
particular

18 area we've seen a decrease and ECLS doesn't have a
lot of non-
19 general revenue income anyway. So that's going to be
a bit of
20 a problem for (inaudible). Although the Agency will
look at
21 the budget issues as a whole.

22 MR. DARK: The 250 million or 600
million, which
23 is, I guess the Governor's whim, is that -- is that
annual and
24 when would that be -- when would we know that if they
decided
25 to do something that enormous? MR.
THOMPSON:

55

1 Well, there were discussions about having a --
calling a
2 special session August the 31st to deal with this.
They waited
3 to see -- they are waiting, as I understand it, to
see what the
4 impact is for the collections in August related to
the
5 September allocations, which will come out about the
middle of
6 September. So --
7 MR. DARK: I mean this could be a good
point
8 (inaudible).
9 MR. THOMPSON: It could be or things
could be

10 better. But if they come in and say well, we're
going to

11 allocate this money, then to the extent that the
shortfalls

12 don't eat up that money we could get -- they could do
some

13 combination. They could say, okay, we're going to
take a five

14 percent across the board for the agencies and we're
going to

15 shore anything up under five percent with these two
pots of

16 money. There's a lot of options that they could do.
Actually

17 the Governor and the -- the Governor can call a
special session

18 and I think the Legislature can too. But either one
of those

19 bodies can call it but as I understand, and I've -- I
don't

20 have any better inside information other than what's
in the

21 paper, but the legislative leadership and the
Governor are

22 working together to design a special session if it's
necessary.

23 It costs about 20 grand a day to hold a special
session, so I

24 would be surprised if they -- the leadership and the
Governor

25 did not have what they were going to do mapped out
before they

1 called a session, call them in and spend three days
and then

2 they'll leave. I expect that's what would happen.

3 Okay. I know this is very difficult to
read on the

4 screen so what we have provided to you in your
handouts are the

5 new leadership, environmentally, in the country
beginning with

6 a new position in the White House called the Energy

7 Coordinator, which has been filled with Carol
Browner, who is a

8 former administrator of EPA in the Clinton
Administration. The

9 Chair of the Council on Environmental Quality is
Nancy Sutley

10 from California. She was the Director of the
Southern

11 California Air District. The CEQ is sort of the over
arching

12 environmental group in the country that looks not
only at

13 issues related to EPA, they'll look at DOI and
others.

14 And then a whole list of -- I think we have
a couple

15 of -- let's go ahead and look at the next one.

16 There is about three pages of these. I
will tell you

17 that thing that encourages me about these nominations
by these

18 folks that have been appointed is they are
considerable number

19 of former state agency directors. Looked at Lisa
Jackson who
20 is an acquaintance of mine, is an Administrator. She
was a
21 former director in New Jersey.

22 Bob Perciasepe, while he was a former EPA
employee,
23 he was also the Director in Maryland.

24 The next page, Regina McCarthy was the
Director in
25 Connecticut.

57

1 Go down to enforcement, Cynthia Giles was
the Bureau
2 Chief in Massachusetts.

3 Steve Owens, not the football player, was
the
4 Director in Arizona.

5 So there is a -- there is a lot of former
state
6 directors involved with this and the leadership would
be
7 (inaudible).

8 And we are hopeful that -- I don't know how
quite to
9 say it. But that experience with that leadership
brings some
10 level of common sense to the Agency. We will see.

11 I have -- I know Lisa Jackson. I like her.
We've

12 served on some committees together. She's a person
that will
13 listen. So we'll see. We'll see how that works out.
But she
14 will be driven by the desires in the administration
just like
15 any other EPA Administrator.

16 Okay. Let me walk you through these.
These are some
17 of the big ticket items we see coming down the road
at all of
18 us relative to the environmental policy.

19 The first one and probably the highest
priority one
20 is climate change. And that could take two different
tracks.

21 The first one is a congressional track
which is
22 probably best represented by Waxman/Markey Bill which
has, as I
23 understand it, has passed the House but is somewhat
stalled in
24 the Senate. There will be continued effort to get a
climate
25 and probably, I guess, a cap in trade bill in
congress, but if

58

1 they are unsuccessful there -- if the administration
is
2 unsuccessful there the EPA has made (inaudible)
finding that

and the 3 greenhouse gas and CO2 are a danger to human health
under 4 environment and that means that they can regulate it
5 clean air.

almost all 6 So I guess I should say on all of this --
define a 7 of these things, if I were to define what the word --
issues in 8 characteristic of what's going on in environmental
see that 9 the country the word would be "unsettled". I don't
10 anything is settled.

we're 11 For climate for instance. We don't know if
we're 12 going to get congressional mandate; we don't know if
don't 13 going -- it's going to be regulatory (inaudible). We
have any 14 know what the state role is going to be; and we don't
15 idea what the resources costs is going to be.

-- I'm 16 MR. DARK: What I'm hearing though is
17 sorry.

18 MR. THOMPSON: No, go ahead.

19 MR. DARK: What I'm hearing though is
that there 20 is going to be something. What's the (inaudible)?

21 MR. THOMPSON: I don't think there's
any 22 question that there will be something, one way or
another,

23 there'll be something.

24 MR. DARK: (Inaudible).

25 MR. THOMPSON: Yeah. So good point.
We haven't

59

1 begun to talk to the regulated community and others
about what

2 you want our role to be. Because if you want us to
have a role

3 it's going to cost money.

4 But we can't define for people -- we've
said that as

5 just a broad over arching statement, but we can't
really tell

6 them what we think our role is going to be until we
know more

7 about what's going to happen either with
Waxman/Markey or with

8 EPA.

9 So we are waiting to see what happens
there. Jimmy

10 mentioned this Clean Water Restoration Act. There's
a couple

11 of court cases that confused the issue of what a
regulated

12 water is, so we're waiting to see if we go back to
where we

13 were prior to those two court cases. We'll wait and
see if

14 there will be a more inclusive definition of waters
in the

15 United States or less inclusive. We don't know.
We're waiting

16 to see. Next slide.

17 Unquestionably where things are most
muddled is in

18 Air Quality issues. The Bush Administration came
forward with

19 the Clean Air Interstate Rule to control NOx
particularly for

20 power plants in part of the country. The courts
struck down

21 that rule. The Bush Administration came forward with
a -- the

22 Clean Air Mercury Rule to control mercury emissions
generally

23 from power plants -- coal fired power plants in the
country,

24 the courts struck down that rule.

25 There is an initiative called Regional Haze
that has

60

1 the opportunity to have significant impact on rate
payers

2 across the country. We are working with our
utilities now to

3 meet the requirements of the Regional Haze. That's -
- but it

4 is hard to get clear guidance from EPA about Regional
Haze.

5 Of the toxics issues the motion that the
National

6 Ambient Air Quality Standards may be -- it's time to
roll

7 around and look at those again and then (inaudible).
Our
8 biggest problem, I think, both for the regulated
community and
9 for the state and should be, I think, for everybody
is that
10 there is no normalization of any of these
requirements. I mean
11 we are doing them piecemeal and it is virtually
impossible for
12 state agencies and for the regulated community to
know what
13 they should do so that they are both protective of
the
14 environment and mitigate costs to rate payers.
Because most of
15 this stuff falls on coal-fired power plants or
whether -- what
16 they should do. Maybe they should change the source
of
17 generation. So we continue to -- both Eddie Terrill
through
18 the Air Director's Association and me through ECOS,
continue to
19 try to push for a multi-pollutant rule or a multi-
pollutant
20 strategy or a multi-pollutant legislation that tries
to
21 sequence this stuff in such a way that it makes sense
to
22 people.
23 Enforcement. Apparently there is a
dissatisfaction
24 with enforcement and I can suspect beginning with
water, but

25 probably will spread to both Air and RECRA as time
goes on

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1 about the quality of enforcement across the country.

2 And so the Administrator has sent a memo to
the

3 AWEEKA Director which is the -- Enforcement Director
saying,

4 noting concerns and calling for action. And those

5 recommendations will be made on October the 2nd of
this year.

6 ECOS has been promised the opportunity to review
what's in the

7 memo and we will be doing so. ***stop 1:42:14 cm

8 As far as Oklahoma is concerned we go
through a

9 process about every three or four years of review of
all of our

10 programs and the review that was done four years ago
found all

11 of our activities adequate. The latest one is still
in draft.

12 I anticipate it will show the same but clearly there
is going

13 to be a greater emphasis on enforcement across the
country.

14 MR. DARK: As far as that being in
good shape,

15 is that not the reason for us to ask for money that
eventually

16 (inaudible).

17 discussion on as

MR. THOMPSON: Well there is

18 you get in all of this about being rewarded for good
19 enforcement and carried with it some baggage too. So
the short
20 answer is no.

21 Then I wanted to mention one other thing.
We work

22 very hard with Senator Inhoff's office about the need
for

23 expanded funding for the clean water and drinking
water state

24 revolving funds. And as a result, Senator Barbara
Boxer from

25 California and Senator Inhoff were the co-authors of
a

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1 reauthorization of the SRF Bills that expands funding
for

2 those. And I think there's a pretty significant
expansion of

3 clean water and some expansion for drinking water.

4 Senator Inhoff and Senator Boxer are
clearly the

5 political (inaudible), so that provides an
opportunity I think

6 for cross-reference and support for this bill.

7 By the way, I have a copy of a letter that
was co-

8 signed a couple of years ago on the issue with EPA;
it's co-

9 signed by Senator James Inhoff and Senator Hillary
Clinton of

10 New York.

11 And in these tough budget times, we have
copies of

12 that letter for sale in the lobby at \$5.00 a piece.
So please

13 drop by and get a copy.

14 Part of this re-authorization is the
opportunity for

15 loan forgiveness for small and disadvantage
communities. We

16 think that is -- we have lobbied hard for -- John and
I have

17 lobbied hard for some level of grant funding for very
small and

18 disadvantaged communities and that is now part of the
bill. So

19 we're looking forward to see how that contract is.

20 Next, and I won't spend a lot of time on
this. This

21 is an idea that we have been talking about in the
Agency for a

22 couple of years about how we offer assistance to
small

23 communities struggling with compliance problems. I
will say

24 that this year we really institutionalized it by 15 -
- 27

25 communities, targeting 27 communities and defining
successes -

1 and these are my words, but I need to be careful
about what I

2 say -- but the fix is in.

3 The "fix is in" means that there's --
they're on

4 staff to solve the problem and have the funding, the
5 engineering and all of those kinds of things. We
think this is

6 a pretty valuable tool for us and for these small
communities.

7 We think we have a very intense up-front cost, but a
-- it

8 saves us money in the long run. So it's something
that we're

9 working on.

10 Next slide. Big issue for the Agency was
the

11 Stimulus Funding. The law was signed on February the
17th of

12 this year and projects had to be under construction
in a year.

13 That's a lot of work in a year. I'm just telling
you, that's a

14 lot of work.

15 In order for these to communities to have -
- do the

16 contracting that they needed to do in order to meet
the

17 requirements of the law they had to be "shovel ready"
by the

18 16th of June, you set that deadline and these
projects are

19 really for -- to achieve and maintain compliance with
the Safe

20 Drinking Water Act.

21 Next slide. These are the kind of projects
that
22 could be funded. Here's the dollar amounts. We've
got 31.4
23 million dollars in stimulus money instead of
administrative
24 money and that meant that the project funding was
30.2 million;
25 the bill required that 20 percent of the ARRA funding
of the 30

64

1 million or the 31 million to be green projects and at
least 50
2 percent of it being in the form of grants.

3 Next slide. So by June the 16th, by that
deadline,
4 we had 23 projects "shovel ready". And all we did
was take the
5 full amount of the stimulus money as the grant
funding. And
6 we've leveraged 115 million dollars from the existing
revolving
7 fund so that at the end of the day we have 145
million dollars
8 worth of drinking water projects in the State of
which 7.2
9 million needs to be green projects.

10 Next slide. So we turned 30 million bucks
into 145
11 million bucks for projects. The Water Board did the
same for

12 Clean Water Projects and the DEQ had to review all
the

13 engineering reports on all of those plus the rural
development.

14 The rural development got 70 million dollars in
stimulus money

15 and we had to do all of the engineering review and
work on all

16 of those.

17 So our folks in Water Quality were pretty
busy. And

18 so they -- and they should be congratulated for
keeping that

19 level of work done in that short period of time and
not letting

20 too much -- not letting too much (inaudible).

21 We also got stimulus money for the Diesel
Emissions

22 Reduction Act. Those are really to retrofit for
repower or

23 replace school buses.

24 Next slide. There were two grants; one for
small

25 communities in the Oklahoma City and Tulsa Metro
Areas.

65

1 Next slide. The other one was for large
schools in

2 those two areas. This is an issue that I think is
tied some

3 what to the economy in general. We'll continue to
work with
4 these communities, we'll continue to work on them,
we've not
5 had as many applications as we would like but we
anticipate
6 that -- what we're hopeful of. That the money that
was
7 allocated will be used by the end of the year.
8 Brownfields. We've got 1.99 million
dollars to
9 cleanup contaminated sites. Those are -- you can see
the
10 eligible entities there.
11 And we've got 15 million dollars that we're
are
12 advanced to this Agency for activities related to Tar
Creek.
13 I'm going to run through these real quick.
If you
14 guys have questions, just raise your hands.
15 The last thing I want to go over with you
today is
16 the issues that our activities are related to the E.
coli 0111
17 outbreak at Locust Grove; there's been some dress
codes.
18 Because this is the first anniversary of that outbreak
that
19 occurred at a restaurant in Locust Grove.
20 There were 341 confirmed cases of illness,
70 people
21 were hospitalized and some number above 20 had to go
on
22 dialysis as a result of this, and one person died.

23 I think it's important to note that after
all the
24 work we have done and the Health Department has done
and
25 others, we still don't know how that particular
variant strain

66

1 of E. coli was introduced in to the restaurant. We
know it was
2 probably spread by food form transmission. But how
it got in
3 there, we still have not been able to pinpoint.

4 But there were potential sources. The one
that I'm
5 going to concentrate on is the connect-contaminated
water well.

6 What happened at this particular location is that
there was an
7 interruption in the public water supply system at the
8 restaurant.

9 So the owners had no well, no private well,
and they
10 hooked up that old private well to the public system
and they
11 used that for their source of water in the
restaurant.

12 And as you can see from the top of the next
slide,
13 there were a lot of -- there was a lot of bacteria in
that

14 restaurant.

15 Now we, in cooperation with the Health
Department,

16 looked at the well for the seritoxin, 0111, to try to
determine

17 contamination from that well for that particular
subtype and we

18 were not -- between DEQ and the Health Department and
the

19 Centers for Disease Control, we were not able to
confirm that

20 that was the source.

21 That doesn't mean it wasn't. We were not
able to

22 confirm it. And in fact, we thought -- none of the
agencies,

23 nor the federal government had been able to confirm
the source

24 as of this date.

25 So we became aware that there was a concern
by some

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1 information we received from the Attorney General's
Office that

2 there were other wells contaminated, private wells
contaminated

3 in the area, and so we began to focus on what we were
going to

4 do. Shortly after that, luckily, we had a plan for
what we

5 were going to do and then we were called to the
Governor's

6 office. And the one thing I remember from that
meeting was the

7 Governor looked at me and the Director of the
Department of

8 Health and the Director of the Department of
Agricultural and

9 others, in the eye and saying, "I don't want any more
of this

10 on my watch."

11 So we were able to lay out for the Governor
what we

12 were going to do. And keep in mind that we don't
have any

13 specific regulatory authority for private wells.
Public water

14 supply is a whole different issue.

15 Private wells are different.

16 So we offered free testing of wells in the
Locust

17 Grove area identified within a five mile radius. And
we

18 collected samples from the wells, we performed
inspections, we

19 did a survey, not a study, but a survey of sources in
20 cooperation with the Department of Agricultural. We
looked at

21 well construction. We photographed the wells and we
collected

22 GIS data location for mapping for the wells.

23 Next slide. We tested for total coliform,
which is

24 an indicator in E. coli, we forwarded the E. coli
positive

25 samples to the Health Department and the CDC to look
for 0111.

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1 And then we went back and we provided information
about how to
2 disinfect those wells to the people that we collected
the
3 samples from and we asked them to call us (inaudible)
4 disinfected the wells, and we went back and we
sampled the
5 wells after they were disinfected.

6 So at the end of -- Tony.

7 MR. DARK: Did any of those wells
other than the
8 restaurant have counts of 2400?

9 MR. THOMPSON: There were some big
numbers. I
10 don't know if it was 2400 but there were some --
total coliform
11 was some big numbers.

12 MR. DARK: I mean besides the
restaurant?

13 MR. THOMPSON: Yes. And 86 of the
wells, 76
14 percent were total coliform positive; 24 wells were
E. coli
15 positive; 27 out of 113 wells were negative for
bacteria; and
16 27 wells were tested after disinfection; and 22
percent or 81
17 percent of those remained positive for bacteria.

18 But in all the testing that we did we did
not find
19 0111 in any of those samples.
20 Next slide. Again, we looked at
construction
21 deficiencies and we looked at particular sources
including
22 septic systems, and farm animals and other
agricultural
23 activities like poultry litter, and you have that
slide in
24 front of you. It's -- let's go to the next slide.
25 This is a very karst area. Any time it
rains there's

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1 karst free exchange of the surface to the
groundwater. Very
2 limited restriction. And we believe is very
susceptible to
3 surface contamination.
4 So we then looked at some studies. And we
looked at
5 a couple of USGS studies and from that particular
area, the
6 bacteria contamination for those wells is higher than
any USGS
7 study that we looked at; 76 percent of initial
samples and 81
8 percent after disinfection.

1 study. I just wanted to put that in the record.

2 MR. THOMPSON: Let me go ahead and
finish up

3 with the cost effective. When we had the oil spills
in the

4 refinery in Kansas, and we had issues related to
Carbon Black

5 in Ponca City, and there's others, he's always or
lead

6 (inaudible). And he's got a territory out there and
I say to

7 Gary -- Gary sent Austin to do this and they both
always say

8 it's not their territory and I say I don't care. He
lead this

9 (inaudible). So we are waiting for peer review on
the survey.

10 We need to make some recommendations to people, to
the

11 individuals who were part of the survey, and then we
need to

12 look at potential changes -- potentially changes in
public

13 policy related to areas like this. But until we get
this peer

14 review, I want to provide you sort of the information
that we

15 thought felt comfortable in providing to you. But
there will

16 be more, very shortly I hope, on this issue relative
to

17 recommendations not only to people in the area about
how they

18 can protect themselves but public policy makers
through out the

19 state on these kind of issue. So we're not quite
ready to do

20 that but we wanted to provide you with the
information we felt

21 comfortable with providing to you about this.

22 With that, Madam Chair, I will -- we've
been busy.

23 We've haven't been just kind of laying around. A
lot of stuff

24 going on. We'll be busy in the future given all the
things

25 we're keyed up on.

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1 With that, I'll be happy to answer any
questions.

2 MS. CANTRELL: Thank you, Steve. And
thank you,

3 also, Jimmy.

4 There is a lot going on. Does anybody have
any

5 questions for either Steve or for Jimmy?

6 Thank you very much for that thorough
presentation on

7 a number of topics and also giving us a feel for the
hard work

8 that the DEQ has in front of it for this next fiscal
year as

9 well as for the last.

10 The next item that we have on our Agenda is
-- in

11 speaking about the next fiscal year for 2010 is
speaking about

12 where this Board is going to meet.

13 Traditionally, we try to move around the
state, not

14 only to engage in communities around the state but
also to have

15 the opportunity to think about the environmental work
that's

16 being conducted -- oh, I'm sorry.

17 Actually, the next item on the Agenda is
not setting

18 the Board meetings but it's the Annual Performance
Review of the

19 Executive Director.

20 I believe Steve has a presentation to make
for that.

21 (Comments)

22 MS. CANTRELL: At this time we will go
into

23 Executive Session to consider the performance review
of the

24 Executive Director and I believe we need a vote.

RK: So moved.

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1 MR. DRAKE: I'll second that.

2 MS. CANTRELL: We have a motion and a
second.

3 MS. BRUCE: Mr. Cassidy

4 MR. CASSIDY: Yes.

5 MS. BRUCE: Mr. Dark.
6 MR. DARK: Yes.
7 MS. BRUCE: Mr. Drake.
8 MR. DRAKE: Yes.
9 MS. BRUCE: Dr. Galvin.
10 DR. GALVIN: Yes.
11 MS. BRUCE: Mr. Griesel.
12 MR. GRIESEL: Yes.
13 MS. BRUCE: Ms. Rose.
14 MS. ROSE: Yes.
15 MS. BRUCE: Dr. Sublette.
16 DR. SUBLETTE: Yes.
17 MS. BRUCE: Mr. Wendling.
18 MR. WENDLING: Yes.
19 MS. BRUCE: Mr. Wuerflein.
20 MR. WUERFLEIN: Yes.
21 MS. BRUCE: Ms. Cantrell.
22 MS. CANTRELL: Yes.
23 MS. BRUCE: Motion passed.

24 (Whereupon, the Board went into Executive
Session)

25 (Whereupon, the Board came out of Executive
Session)

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1 MS. CANTRELL: Okay. We're back on
the record

2 now. Do we need a motion coming out of Executive
Session?

3 MR. DRAKE: I move that we come out of
Executive
4 Session.

5 MR. DARK: I'll second it.

6 MS. CANTRELL: Myrna, call the roll
please.

7 MS. BRUCE: Mr. Cassidy.

8 MR. CASSIDY: Yes.

9 MS. BRUCE: Mr. Dark.

10 MR. DARK: Yes.

11 MS. BRUCE: Mr. Drake.

12 MR. DRAKE: Yes.

13 MS. BRUCE: Dr. Galvin.

14 DR. GALVIN: Yes.

15 MS. BRUCE: Mr. Griesel.

16 MR. GRIESEL: Yes.

17 MS. BRUCE: Ms. Rose.

18 MS. ROSE: Yes.

19 MS. BRUCE: Mr. Wendling.

20 MR. WENDLING: Yes.

21 MS. BRUCE: Mr. Wuerflein.

22 MR. WUERFLEIN: Yes.

23 MS. BRUCE: Ms. Cantrell.

24 MS. CANTRELL: Yes.

25 MS. BRUCE: Thank you.

Executive 1 MS. CANTRELL: Coming out of the
by 2 Session the determination of the Board this year was
reviewing 3 consensus. It was the consensus of the Board after
of the 4 the report of the Executive Director that the breadth
the 5 DEQ as well as the breadth of the work performed by
the Board, 6 Executive Director is exemplary. And by consensus
on the 7 in an individual capacity and collectively, remarked
outstanding 8 fact that the DEQ's leadership this year has been
stimulus 9 in responding not only to the unexpected challenge of
has shown 10 dollars on one hand which is a very large initiative
nation level 11 through the Executive Director's leadership on a
remarkable 12 through working with ECOS but has also done such a
that arise 13 job of also responding to the particular emergencies
reason, 14 on a day to day basis around the state. And for that
Director 15 the Board would like to commend, first, the Executive
directing not 16 for his outstanding leadership and his work in

17 only this Agency but in participating in these
matters across

18 the country. They are so important to us here in
Oklahoma.

19 The Board would also like to commend the
leadership

20 of the DEQ because of the hard work that you do on a
daily

21 basis -- the leadership you show, and we recognize
that the

22 Executive Director is performing an important
national role on

23 these issues through ECOS and through his peer
organizations

24 but we also recognize that each -- each Agency
component is

25 also performing leadership on a national role. And
the Board

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1 wants to commend both the Executive Director for his
leadership

2 but also the staff of the DEQ. Because this is one
remarkable

3 Agency and the work that you do is remarkable.

4 It was also the consensus of the Board that
a salary

5 increase is appropriate this year. However, we are
sensitive

6 and the Executive Director is sensitive to the
financial times

7 of our state. For that reason the Board cannot go
forward with

8 the proposal for a salary increase but it is the
consensus of
9 the Board that a salary increase for the Executive
Director is
10 appropriate for this year.

11 Finally, the Board's consensus is that we
would like

12 to recognize that the DEQ continues to advance the
bar forward.

13 All of these initiatives show forward movement no
matter what

14 the adversity at the times or the financial
restrictions that

15 you face you continue to advance the bar forward.
And for

16 that, we would like to commend the Executive
Director, Steve

17 Thompson, and the fine staff of the DEQ.

18 The next item on the Agenda is the calendar
year 2010

19 Board Meetings. In concert with what we're talking
about work

20 taking place around the state, it has been our
pattern as a

21 Board to meet in various places around the state so
that we can

22 involve local communities and also that the Board is
made aware

23 of particular issues in other parts of the state
rather than

24 just a central portion.

25 That's what we've done this year, in 2009,
and now

1 we're looking at the 2010 schedule for Board
meetings.

2 One thought that has been discussed by the
Board has

3 been that we engage the academic community perhaps
next year to

4 be a participant in our Board forums and make that
connection

5 with the folks in academia when we plan these Board
meetings

6 and one thought would be to consider as Board
locations,

7 Stillwater, Norman, and El Reno, to give us as a
Board exposure

8 to -- not only to those parts of the states but those
academic

9 institutions.

10 And with that as a starting point, are
there any

11 suggestions from the Board?

12 MR. DRAKE: Have we -- and maybe this
is a moot

13 question with the conditions that we are under, but
we used to

14 have four meetings. And you go six months, a full
six months

15 without any type of a meeting. I don't know that
it's

16 necessary to have some of the rules and regulations,
I can't

17 tell you about that. But there are so many things
going on and

18 so much happening, would it be prudent to at least
consider
19 this year to have a fourth meeting and break that up
between
20 February and August and sometime in June? Realizing
it's tough
21 to get people to come to these. But again, you've
just got so
22 many things happening.

23 MR. DARK: Is it because of the
Legislature we

24 don't do that when they're in session?

25 MR. THOMPSON: Actually, the reason
that we

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1 don't hold three meetings is that the June meeting --
quite
2 frankly, because the way things move through the
schedule and
3 the Councils, there's a lot of rules to be considered
in
4 February and not many at all to be considered in
June. And so
5 the decision was, well, we -- and this is a Board
decision,
6 don't get me wrong, that you all do this work
voluntarily, you
7 take away time from your own activities to do this
and so we
8 wanted to make sure that the meetings were
worthwhile.

1 MS. CANTRELL: Given that, and given
that gap,
2 what I would recommend is that we go a head and set
four
3 meetings now. And then between now and our November
meeting,
4 we can flesh out the timing of those meetings and we
don't need
5 -- Ellen, we don't need to give a notice between now
and our
6 November meeting, do we, for our 2010 Board Meetings?

7 MS. PHILLIPS: I'm not sure, Martha,
of the
8 notices due to the Secretary of State. Is that due
in October,
9 November, December?

10 MR. DARK: December 15th, before
December 15th.

11 MR. THOMPSON: You can accept four
meetings and
12 then I think it could be cancelled.

13 MR. DARK: You can cancel them anytime
-- you
14 can always call a special meeting.

15 MR. THOMPSON: I think our
recommendation would
16 that you plan for four, and if we don't -- I'm sorry,
Ellen.

17 (Discussion about setting the meetings)

18 MR. THOMPSON: I would recommend that
you get a

19 sense of the Board about the fourth meeting and if
that's
20 positive then you can set the meeting. Jimmy, you're
looking
21 at me.
22 MR. GIVENS: The only question I have
is, I
23 couldn't hear all of that, it's unclear to me whether
we're
24 talking about waiting until November to set the dates
for all
25 of them. If that's the case, the reason we have done
it in the

1 past few years in August is because the Councils like
to do 2 them earlier.

3 MR. THOMPSON: I would suggest that we
set -- if 4 the Board feels that way, it's clearly your call, if
you decide 5 you want to -- you agree with that, I just think we
should set 6 the dates for four meetings and then if something
happens that 7 we don't think we need the fourth meeting, you can
cancel it.

8 But I'm not trying to sway the Board.

9 MR. WENDLING: We have some
recommended 10 locations already and so maybe we can come up with a
mix, and 11 I'd recommend that we consider something like,
Oklahoma City, 12 Stillwater, Lawton and Norman for next year and then
the dates 13 and locations to be determined at a future date.

14 MR. DARK: Just a comment, I agree
that getting 15 academia involved is great. My current position has
allowed me 16 to spend a lot of time on OSU and OU's campuses. I
don't know, 17 but Stillwater has at their new campus in Tulsa and
they have

18 what they call the Camrick Applied Research and
Technology
19 Center, CARATC, and they are really doing some very
cutting
20 edge like nothing else in the country, work there.
They're
21 going to shuttle between there and Stillwater every
day.
22 I think if you asked Stillwater, whoever
that is,
23 that they may want to showcase their facility in
Tulsa
24 actually, that would be their shining star for
Oklahoma State,
25 as far as academia is concerned, from my humble
opinion. I

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1 don't know that -- OU has a campus here and I think
that would
2 be the same for Norman, I think they would love that.
But it's
3 just a thought.
4 MR. THOMPSON: I think if you vote to
have a
5 fourth meeting, you have some dates selected for
three of them.
6 You typically meet on the third Tuesday of the month.
Is that
7 right?
8 So I would recommend that if you're going
to set four

9 dates, that you set February 26th in Oklahoma City;
June, the
10 third Tuesday of the month in Lawton -- the 15th in
Lawton;
11 August 24th in Norman; and November 16th in
Stillwater. By
12 doing so we give the Councils the updates for the
Secretary of
13 State's office and places and give the Councils some
idea --
14 now we can always change those. I think it's good
for those
15 Councils to know when and where we're going to have
them
16 assuming you all want to do that.

17 DR. GALVIN: I would just like to add
one
18 comment to what Steve just said, in light of what
Tony said as
19 well that the Stillwater campus be "slash" Tulsa with
the
20 possibility of the Helmrick -- I don't what it's
called either,
21 we're doing some work with them on technology but
it's really
22 cutting edge and so Stillwater/Tulsa depending on
which
23 Stillwater campus they want -- that it is.

24 MR. DRAKE: In Norman, they're going
to look at
25 something in terms of either biological centers or
the national

1 weather --

2 MS. CANTRELL: Biological survey --

3 MR. DRAKE: -- the survey or the
national

4 weather center which either one would be very good.

5 MR. THOMPSON: (Inaudible).

6 MR. DRAKE: No, we've talked about
that already.

7 That was embarrassing. And one other thing, if they
don't want

8 us, or they indicate that they are not interested in
us going,

9 let us not go; find someplace else to go.

10 (Comments)

11 MS. ROSE: I would like to recommend
that we

12 consider El Reno rather than Lawton.

13 MS. CANTRELL: If we considered El
Reno rather

14 than Lawton we would have Oklahoma City on February
26th; June

15 15th, El Reno; August 24th, Norman; November 16th
affiliated

16 with OSU in Stillwater or through the Helmrick
Center.

17 Any questions about that proposal?

18 Do we have a motion?

19 MR. DRAKE: She just made it.

20 MS. CANTRELL: Do we have a second?

21 MR. DRAKE: I'll second it.

22 MS. CANTRELL: Myrna.

23 MS. BRUCE: Mr. Cassidy.

24 MR. CASSIDY: Yes.

25 MS. BRUCE: Mr. Dark.

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1 MR. DARK: Yes.

2 MS. BRUCE: Mr. Drake.

3 MR. DRAKE: Yes.

4 MS. BRUCE: Dr. Galvin.

5 DR. GALVIN: Yes.

6 MS. BRUCE: Mr. Griesel.

7 MR. GRIESEL: Yes.

8 MS. BRUCE: Ms. Rose.

9 MS. MS. ROSE: Yes.

10 MS. BRUCE: Mr. Wendling.

11 MR. WENDLING: Yes.

12 MS. BRUCE: Mr. Wuerflein.

13 MR. WUERFLEIN: Yes.

14 MS. BRUCE: Ms. Cantrell.

15 MS. CANTRELL: Yes.

16 MS. BRUCE: Motion passed. I believe
it's

17 February 26th in Oklahoma City; June 15th in El Reno;
August

18 24th in Norman; November 16th, Stillwater/Tulsa.

19 MS. CANTRELL: Okay. Yes.

in El 20 MR. THOMPSON: If we're going to do it
21 Reno, I would ask the Board if they hear any comments
from 22 people in El Reno about my youth, just disregard all
of that.

23 (Comments)

24 MS. CANTRELL: All right. I didn't
see any new 25 business. I don't believe we have any new business.

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Nobody 1 Any new business that we are unaware of?
2 signed up for this.
3 Moving on to the next item is Item 11 which
is the 4 next meeting. It has been scheduled as November
17th. The 5 Board has confirmed regarding the November 17th date
and 6 because the Brownfields conference is on that same
date in 7 Louisiana, it's very important that our DEQ
representation 8 including Steve Thompson, be present for the
Brownfields 9 conference.
10 We are considering moving the date of our
Board

11 meeting in November to November 19th which is a
Thursday. It
12 would be moving the date two days to Thursday, which
would, I
13 think, be good for the state and good for the Board.
14 Are there any concerns with the November
19th
15 discussion?
16 MR. GRIESEL: I'll make a motion.
17 MS. CANTRELL: We have a motion. Do
we have a
18 second?
19 MR. DARK: Second.
20 MS. CANTRELL: Do we have any
questions?
21 MR. DARK: That is in Norman?
22 MS. CANTRELL: Oh, I'm sorry, this
would take
23 place in Ada on November 19th. This is for 2009.
This will be
24 our next Board meeting.
25 I guess we're ready to poll the Board,
hearing no

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1 questions.
2 MS. BRUCE: Mr. Cassidy.
3 MR. CASSIDY: Yes.
4 MS. BRUCE: Mr. Dark.
5 MR. DARK: Yes.

6 MS. BRUCE: Mr. Drake.
7 MR. DRAKE: Yes.
8 MS. BRUCE: Dr. Galvin.
9 DR. GALVIN: Yes.
10 MS. BRUCE: Mr. Griesel.
11 MR. GRIESEL: Yes.
12 MS. BRUCE: Ms. Rose.
13 MS. MS. ROSE: Yes.
14 MS. BRUCE: Mr. Wendling.
15 MR. WENDLING: Yes.
16 MS. BRUCE: Mr. Wuerflein.
17 MR. WUERFLEIN: Yes.
18 MS. BRUCE: Ms. Cantrell.
19 MS. CANTRELL: Yes.
20 MS. BRUCE: The November Board Meeting

in 2009

21 will be November 19th.

22 MS. CANTRELL: Thank you.

23 This meeting is now adjourned.

24 (Meeting Adjourned and Concluded)

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C E R T I F I C A T E

3

4 STATE OF OKLAHOMA)

) ss:

5 COUNTY OF OKLAHOMA)

6
Reporter in

I, CHRISTY A. MYERS, Certified Shorthand

7
the above

and for the State of Oklahoma, do hereby certify that

8
but the

meeting is the truth, the whole truth, and nothing

9
shorthand

truth; that the foregoing meeting was taken down in

10
that said

by me and thereafter transcribed under my direction;

11
Tulsa,

meeting was taken on the 24th day of August, 2009, at

12
relative of

Oklahoma; and that I am neither attorney for, nor

13
action.

any of said parties, nor otherwise interested in said

14
hand and

IN WITNESS WHEREOF, I have hereunto set my

15
2009.

official seal on this, the 26th day of September,

16

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CHRISTY A. MYERS, C.S.R.
Certificate No. 00310

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