

MINUTES
ENVIRONMENTAL QUALITY BOARD
AUGUST 21, 2012
NORTHERN OKLAHOMA COLLEGE
GANTZ BUILDING, MONTGOMERY HALL
ENID, OKLAHOMA

Official after EQB Approval 
 On November 7, 2012

Notice of Public Meeting The Environmental Quality Board convened for a regular meeting at 9:30 a.m. at the Northern Oklahoma College in the Gantz Building, Montgomery Hall, 100 South University Avenue, Enid, Oklahoma. This meeting was held in accordance with 25 O.S. Section 311, with notice of the meeting given to the Secretary of State on November 23, 2011. The agenda was mailed to interested parties on August 10, 2012, and was posted at the meeting facility and DEQ on August 20, 2012.

A plaque was presented to Dr. Jennifer Galvin for her 15 years of dedicated service to the Board and the State of Oklahoma. Mr. Steve Thompson, DEQ Executive Director, introduced and welcomed new Board members, Billy Sims, Tracy Hammon and James Kinder. Mr. Jerry Johnston, Chair, called the meeting to order. Jeanette Nance called roll and a quorum was confirmed.

MEMBERS PRESENT

Tony Dark
 David Griesel
 Tracy Hammon
 Jerry Johnston
 James Kinder
 Jan Kunze
 Steve Mason
 Billy Sims

MEMBERS ABSENT

Brita Cantrell
 Mike Cassidy
 Terri Savage
 Kerry Sublette
 John Wendling

DEQ STAFF PRESENT

Steve Thompson, Executive Director
 Jimmy Givens, Deputy Executive Director
 Martha Penisten, General Counsel
 Wendy Caperton, Director, Administrative Services Division
 Catherine Sharp, Asst. Division Director, Administrative Services Division
 Eddie Terrill, Director, Air Quality Division
 Gary Collins, Director, Enviro. Complaints & Local Services Division
 Scott Thompson, Director, Land Protection Division
 Shellie Chard-McClary, Director, Water Quality Division
 Skylar McElhaney, Public Information Officer
 Jennifer Wright, Manager, Business & Community Relations
 Jeanette Nance, Board & Council Secretary, Business & Community Relations
 Quiana Fields, Board & Council Secretary, Business & Community Relations

Approval of Minutes Mr. Johnston, Chair, called for a motion to approve the Minutes from the February 24, 2012 Regular Meeting. Mr. Griesel made the motion and Ms. Kunze made the second. Due to the number of "abstains," motion to approve Minutes did not pass.

transcript pages 12 - 14

Tony Dark	Yes	Jan Kunze	Yes
David Griesel	Yes	Steve Mason	Abstain
Tracy Hammon	Abstain	Billy Sims	Abstain
James Kinder	Abstain	Jerry Johnston	Yes

Later in the meeting on advice of Counsel, Mr. Johnston went back to the February 24, 2012 Minutes. Following discussion, Mr. Griesel made a motion to approve the Minutes based on the Board members' reading of the transcript. Ms. Kunze made the second.

transcript pages 60 - 63

Tony Dark	Yes	Jan Kunze	Yes
David Griesel	Yes	Steve Mason	Yes
Tracy Hammon	Yes	Billy Sims	Yes
James Kinder	Yes	Jerry Johnston	Yes

Executive Director's Report – Mr. Thompson called upon Mr. Jimmy Givens, Deputy Executive Director, to provide an overview of the 2012 Legislative Session. Mr. Johnston introduced Mr. Eric Benson, City Manager of Enid. Mr. Thompson briefed the Board on several issues including fee proposals, Regional Haze and the Tribal NSR Rule.

transcript pages 14 - 44

DEQ Operational Budget Request - Mr. Thompson provided a memorandum outlining the Fiscal Year 2014 Budget Request which requires approval of the Board. He advised that the DEQ needs letters of support to EPA from the interested parties indicating their active support for funding in general revenue money for the Public Water Supply Program. Following comments, Mr. Johnston called for a motion to approve the request stated. Mr. Sims made the motion and Mr. Dark made the second.

transcript pages 44 – 55

Tony Dark	Yes	Jan Kunze	Yes
David Griesel	Yes	Steve Mason	Yes
Tracy Hammon	Yes	Billy Sims	Yes
James Kinder	Yes	Jerry Johnston	Yes

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. In connection with these responsibilities, the Board determined that it should conduct its annual performance review of the Executive Director. Mr. Johnston called for a motion to enter into Executive Session for the review. Mr. Griesel made the motion and Mr. Mason made the second. Mr. Mason was designated as the scribe for Executive Session.

transcript pages 55 - 57

Tony Dark	Yes	Jan Kunze	Yes
David Griesel	Yes	Steve Mason	Yes
Tracy Hammon	Yes	Billy Sims	Yes
James Kinder	Yes	Jerry Johnston	Yes

The Board reconvened. Mr. Johnston called for a motion to return to open session. Mr. Griesel made the motion and Mr. Dark made the second.

transcript pages 57 - 58

Tony Dark	Yes	Jan Kunze	Yes
David Griesel	Yes	Steve Mason	Yes
Tracy Hammon	Yes	Billy Sims	Yes
James Kinder	Yes	Jerry Johnston	Yes

Mr. Mason read the Board's recommendation into the record as a motion for approval and Mr. Griesel made the second.

transcript pages 58 – 60

Tony Dark	Yes	Jan Kunze	Yes
David Griesel	Yes	Steve Mason	Yes
Tracy Hammon	Yes	Billy Sims	Yes
James Kinder	Yes	Jerry Johnston	Yes

Calendar Year 2013 Board meeting dates and locations – Following discussion, Mr. Kinder moved to approve tentative dates and locations for Friday, February 22 in Oklahoma City; Tuesday, June 18 in Frederick; Tuesday, August 20 in Bartlesville; and Wednesday, November 13 in Muskogee. Mr. Dark made the second.

transcript pages 66 – 69

Tony Dark	Yes	Jan Kunze	Yes
David Griesel	Yes	Steve Mason	Yes
Tracy Hammon	Yes	Billy Sims	Yes
James Kinder	Yes	Jerry Johnston	Yes

As part of the discussion on meeting dates and locations, Mr. Thompson mentioned that the Governor's Water Conference is scheduled for the same days as the November Environmental Quality Board meeting. Following discussion, Ms. Kunze made a motion to move the next Board meeting from November 14, 2012 to Wednesday, November 7, 2012, in Lawton. Mr. Mason made the second.

transcript pages 63 - 66

Tony Dark	Yes	Jan Kunze	Yes
David Griesel	Yes	Steve Mason	Yes
Tracy Hammon	Yes	Billy Sims	Yes
James Kinder	Yes	Jerry Johnston	Yes

New Business None

Next Meeting November 7, 2012 in Lawton

Adjournment Mr. Dark moved to adjourn and Mr. Griesel made the second. Meeting adjourned at 11:30 a.m. No issues were raised during the public forum.

transcript pages 70 - 71

Tony Dark	Yes	Jan Kunze	Yes
David Griesel	Yes	Steve Mason	Yes
Tracy Hammon	Yes	Billy Sims	Yes
James Kinder	Yes	Jerry Johnston	Yes

The transcript and sign-in sheet become an official part of these Minutes.

Myers Reporting

Sheet 1 Page 1

* * * * *
TRANSCRIPT OF PROCEEDINGS
OF THE ENVIRONMENTAL QUALITY
BOARD MEETING
ON AUGUST 21, 2012, AT 9:30 AM
HELD IN ENID, OKLAHOMA
* * * * *

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<p>Sheet 2 Page 2</p> <p>1 MEMBERS OF THE BOARD 2 MS. CANTRELL 3 MR. CASSIDY 4 MR. GRIESEL 5 DR. HAMMON 6 MR. KINDER 7 MS. KUNZE 8 MR. DARK 9 MR. SIMS 10 MR. WENDLING 11 DR. SUBLETTE 12 MS. SAVAGE 13 MR. MASON 14 MR. JOHNSTON 15 STAFF 16 MR. THOMPSON, EXECUTIVE DIRECTOR 17 MR. GIVENS, DEPUTY EXECUTIVE DIRECTOR 18 MS. PENISTEN, GENERAL COUNSEL 19 MS. NANCE, SECRETARY 20 ALSO PRESENT: 21 MR. EUBANKS, ASSISTANT ATTORNEY 22 GENERAL</p>	<p>Page 4</p> <p>1 dedicated services at the 2 Environmental Quality Board, 1997 to 3 2012. You've been on there almost 4 as long as I have. 5 MS. GALVIN: I know. I'm 6 almost. 7 MR. JOHNSTON: Thank you. 8 MS. GALVIN: Thank you. 9 (Applause) 10 MR. THOMPSON: You were 11 never very quiet while you were on 12 the Board. 13 MS. GALVIN: I just want to 14 say the honor is all mine. You guys 15 at the ODEQ are doing very, very 16 important work. And I certainly 17 support you from top to bottom. And 18 it's been a learning experience and 19 as Jerry said you meet some great 20 people along the way both inside the 21 Agency and outside. And I just want 22 to thank everybody for the fun ride. 23 So thank you. 24 (Applause) 25 MR. THOMPSON: Okay. It's</p>
<p>Page 3</p> <p>1 PROCEEDINGS 2 MR. JOHNSTON: I'm going to 3 say welcome and we're going to get 4 some things that we want to do and 5 people introduced out of the way. 6 First of all, I'd like for my good 7 friend, Jennifer Galvin to come up. 8 As you go through life you meet some 9 great people. And one of the good 10 things about being on the Board is 11 that you get to interact with a lot 12 of people. Boards don't pay a lot 13 of money but you get the greatest 14 people in the world to visit with. 15 In my estimate this is one of the 16 greatest that I've had the privilege 17 to be with. 18 MS. GALVIN: Thank you. 19 MR. JOHNSTON: And I love 20 it. 21 MS. GALVIN: I had to come 22 to this meeting just to get one last 23 Jerry Johnston (inaudible). 24 MR. JOHNSTON: It says, in 25 appreciation to Jennifer Galvin for</p>	<p>Page 5</p> <p>1 my honor to introduce three new 2 members to the Environmental Quality 3 Board. Let me start with Bill Sims. 4 Bill was born in the -- it gives his 5 date of birth and he is, in fact, 6 older than I am which is rare but 7 I'm not going to read that part. 8 But he was born in the 9 Southeast part of Kiowa County, 10 Oklahoma in the Green Valley Saddle 11 Mountain community. He was born on 12 a farm that was homesteaded by his 13 great uncle and later acquired by his 14 grandfather Robert. He completed his 15 high school education in the 16 Cooperton Schools in 1957, continued 17 his education, and completed Business 18 and Administration in Accounting at 19 Draughn's School of Business in 20 Oklahoma City. He married Bonnie 21 Boyd on September 5th, 1957 and they 22 have three sons; Van, Stan, and Guy. 23 Bill has had a farming and ranching 24 operation since 1960. He also served 25 as a field representative for the</p>

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<p>Sheet 3 Page 6</p> <p>1 Oklahoma Farm Bureau in the '60s and 2 '70s. Bill spent 25 years with the 3 First National Bank of Mountain View, 4 Oklahoma. He served as 5 Vice-President and Loan Officer until 6 1989 and then became President and 7 served in that capacity until his 8 retirement in 2006. The last year 9 Bill has served as President and 10 Lending Officer for the First State 11 Bank of Canute. Mr. Sims has been 12 associated with Rural Water for over 13 30 years. He started his career in 14 the water business by helping 15 organize and create the Caddo County 16 Rural Water District Number 3. He 17 was elected to the Board in 1974 and 18 served as President until 2009. He 19 was elected to the Oklahoma Rural 20 Water Board of Directors in 2002 and 21 has served as President of the Rural 22 Water Association since April of 23 2009. He was also elected to the 24 ORWA Assurance Group and holds the 25 position of Assistant Secretary and</p>	<p>Page 8</p> <p>1 Health from Colorado State 2 University. Her PhD in Environmental 3 Science was obtained from Oklahoma 4 State University. 5 Prior to working for the 6 petroleum industry, Dr. Hammon was 7 employed as a Senior Toxicologist for 8 the Colorado Department of Pubic 9 Health and Environment. Dr. Hammon 10 is currently active with Special 11 Olympics Oklahoma and served as 12 Adjunct Faculty for Oklahoma State 13 University. 14 She has been married to Michael 15 Hammon for over 20 years and they 16 have one son, who plays competitive 17 soccer for the Washington County 18 Soccer Club. 19 Please join me in welcoming 20 Tracy Hammon to the Board. 21 (Applause) 22 MR. THOMPSON: And finally, 23 last but not least, James W. "Jimmy" 24 Kinder is a fourth generation full 25 time farmer/rancher from Cotton</p>
<p>Page 7</p> <p>1 Treasurer. Bill and Bonnie attend 2 church at the Mountain View Church of 3 Christ where he has served as an 4 elder for the -- for over 30 years. 5 Please join me in welcoming to the 6 Board, Bill Sims. 7 (Applause) 8 MR. THOMPSON: Would you 9 like to say anything? 10 (Comment) 11 MR. SIMS: Thank you. 12 MR. THOMPSON: Welcome. 13 Next Tracy Hammon was appointed 14 in 2012 to represent the petroleum 15 industry on the Environmental Quality 16 Board. She is currently the Manager 17 of Industrial Hygiene and Toxicology 18 for Phillips 66 based in 19 Bartlesville, Oklahoma. Dr. Hammon 20 is a Board Certified Toxicologist 21 with over 19 years of full time 22 professional experience in toxicology 23 and risk assessment. She has a 24 Bachelor's Degree in Microbiology and 25 a Master's Degree in Environmental</p>	<p>Page 9</p> <p>1 County Oklahoma. For 32 years his 2 primary business enterprises are 3 stocker cattle, wheat, and canola. 4 He blogs his experiences on the farm 5 at kinderfarms.blogspot.com. 6 Being an early doctor of 7 no-till production in southwest 8 Oklahoma, Jimmy speaks at numerous 9 producer meetings, his success in 10 grazing wheat and harvesting grain 11 has encouraged many producers to 12 change to no-till production methods. 13 Educating producers about no-till has 14 produced superior economic and 15 environmental results. The farm is 16 using canola, sesame and grain 17 sorghum in rotation. 18 Jimmy is active in the Oklahoma 19 Farm Bureau and is a state director. 20 He was past Board Chairman of the 21 Oklahoma AG Fund. He was elected as 22 a 2008 and 2011 national delegate to 23 the American Farm Bureau Convention. 24 Jimmy graduated with a BS in 25 Agronomy from Cameron University in</p>

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<p>Sheet 4 Page 10</p> <p>1 1980. He and his wife, Margaret 2 Ann, of 32 years have three children. 3 Brad, and wife Lorraine, Bryson, and 4 Whitney. 5 Please join me in welcoming 6 Jimmy Kinder to our Board. 7 (Applause) 8 MR. THOMPSON: For those of 9 you sitting in the public section, 10 these folks serve at no pay and 11 generally at some expense to 12 themselves to try best serve the 13 people of the state of Oklahoma. So 14 I want to personally express my 15 gratitude to everyone that serves on 16 the Board, particularly, our new 17 member because it is the kind of 18 insight and input that Board Members 19 bring to the operation of the 20 Department of Environmental Quality 21 that is vital. We couldn't do it 22 without them. So we're very grateful 23 for your willingness to serve. 24 With that, Mr. Chairman, I'll 25 be quiet.</p>	<p>Page 12</p> <p>1 Dark is late. 2 Mr. Griesel. 3 MR. GRIESEL: Here. 4 MS. NANCE: Dr. Hammon. 5 DR. HAMMON: Here. 6 MS. NANCE: Mr. Kinder. 7 MR. KINDER: Here. 8 MS. NANCE: Ms. Kunze. 9 MS. KUNZE: Here. 10 MS. NANCE: Mr. Mason. 11 MR. MASON: Yes. 12 MS. NANCE: Mr. Sims. 13 MR. SIMS: Present. 14 MS. NANCE: Mr. Johnston. 15 MR. JOHNSTON: I'm here. 16 MS. NANCE: We do have a 17 quorum. 18 MR. JOHNSON: We need 19 approval of the February 24, 2012 20 regular meeting. Does anybody have 21 any questions about the Minutes. Do 22 I hear a motion to approve the 23 Minutes of the 2012 meeting? 24 MR. GRIESEL: So moved. 25 MS. KUNZE: Second.</p>
<p>Page 11</p> <p>1 MR. JOHNSON: Okay. Call 2 to order here. The August 21st, 3 2012 regular meeting of the 4 Environmental Quality Board has been 5 called in according to the Oklahoma 6 Open Meetings Act, Section 3.11 of 7 Title 25 of the Oklahoma statutes. 8 Notice was filed with the Secretary 9 of State on November 23, 2011. 10 Agendas were mailed to interested 11 parties on August 10, 2012 and were 12 posted at the facility at the DEQ on 13 August 20, 2012. 14 Only matters appearing on the 15 posted agenda may be considered. If 16 this meeting is continued or 17 reconvened, we must announce today 18 the date, time, and place of the 19 continued meeting and the Agenda for 20 such continuation will remain the 21 same as today's Agenda. 22 All right. We're ready for 23 roll call. 24 MS. NANCE: Ms. Cantrell is 25 absent. Mr. Cassidy is absent. Mr.</p>	<p>Page 13</p> <p>1 MR. JOHNSON: Roll call, 2 please. 3 REPORTER: I'm sorry, who 4 made the motion? 5 MR. GRIESEL: I did. 6 REPORTER: Thank you. 7 MS. NANCE: Mr. Dark. 8 MR. DARK: Yes. 9 MS. NANCE: Mr. Griesel. 10 MR. GRIESEL: Yes. 11 MS. NANCE: Dr. Hammon. 12 DR. HAMMON: Abstain. 13 MS. NANCE: Mr. Kinder. 14 MR. KINDER: Abstain. 15 MS. NANCE: Ms. Kunze. 16 MS. KUNZE: Yes. 17 MS. NANCE: Mr. Mason. 18 MR. MASON: Abstain. 19 MS. NANCE: Mr. Sims. 20 MR. SIMS: Abstain. 21 MS. NANCE: Mr. Johnston. 22 MR. JOHNSON: Okay with me. 23 At this time we will have our 24 leader, Mr. Thompson, with the 25 Executive Director's Report.</p>

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<p>Sheet 5 Page 14</p> <p>1 MR. THOMPSON: Well, 2 actually, I think what we had was 3 three ayes and -- four ayes. 4 Anyway, I don't think the motion to 5 approve the minutes passed because of 6 the number of abstentions. So we'll 7 let the lawyers work through that 8 issue for us. 9 I think the first thing we're 10 going to do today, for the Board 11 Members that have been here for a 12 while, they know that from February 13 through the end of May, I spend an 14 extraordinary amount of my time with 15 the Legislature. There are really 16 two ways that I think agencies 17 address their relationships with the 18 Legislature. 19 One way is to hire someone to 20 be their voice at the Capitol and 21 the other is for the Director of the 22 Agency to be their voice at the 23 Capitol. I tend to follow the -- or 24 I do follow that last scenario. But 25 there may be an impression, because I</p>	<p>Page 16</p> <p>1 quick look at bills that did not 2 pass that may (inaudible) something 3 for the future, and then just my 4 perception of a few trends that we're 5 seeing in the Legislature. I'll try 6 to make this fairly brief but I'll 7 make no promises. 8 The overview, as Steve 9 mentioned, we have a number of 10 different people who are involved in 11 working with the legislation. Among 12 the activities that we have going on 13 relating to the legislation, we 14 actually proposed a draft legislation 15 of what are called request bills from 16 DEQ. Typically in a given year we 17 will have one or two bills that are 18 fairly substantive in nature that we 19 will ask for and one or two others 20 that are more or less placeholder 21 bills so that if something comes up 22 during the legislative session that 23 we have a great need to address, we 24 have a vehicle to do that. And, of 25 course, the ones that we request are</p>
<p>Page 15</p> <p>1 spend so much time over there, that 2 I -- that I am the legislative 3 expert in the Agency and let me 4 assure you that is far from the 5 truth. I'm the mouth piece. Jimmy 6 Givens is the brains behind that. 7 So each year at this Board meeting 8 we give an update of the activities 9 that occurred during the Legislative 10 session. So with that please -- 11 Jimmy, if you would please come 12 forward and give your presentation on 13 that. 14 MR. GIVENS: Good morning, 15 Members of the Board and members in 16 the audience. There were about 2100 17 bills filed in the legislation this 18 year. So I'll only spend a couple 19 of minutes on each. 20 What I will do is look at the 21 overview of the Legislative Session, 22 take a quick look at environmental 23 bills, a couple of government 24 operations bills that were of some 25 significance to DEQ and then just a</p>	<p>Page 17</p> <p>1 the ones that we bring to you in 2 November for your approval as part of 3 our legislative program. (Inaudible) 4 of proposing legislation, the track 5 legislation, we try to identify bills 6 that may be of interest to the DEQ 7 either directly or indirectly. 8 (Inaudible) questions from 9 legislators about particular pieces 10 of legislation, whether they are our 11 bills or not. We provide input and 12 sometimes we're even asked to draft 13 language on bills that are not our 14 bills. And, of course, Steve spends 15 a great deal of his time, as he 16 said, at the Capitol, and much of 17 that attending committee meetings 18 that relate specifically to the 19 programs of the DEQ. 20 I put this up here because it 21 is interesting to note each year the 22 turnover that will occur among the 23 leadership of the Legislature and the 24 Governor's office. This year we have 25 only a slight turnover in that</p>

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<p>Sheet 6 Page 18</p> <p>1 Speaker Steele in the House, 2 term-limited out and will be replaced 3 as Speaker by Representative Shannon 4 from Lawton. It may be of some 5 significance to you to know that much 6 of what we do is try to foster 7 relationships with all of these folks 8 and their offices, but also in 9 particular with committee chairs. I 10 mentioned that Steve spends a lot of 11 his time in committee meetings and it 12 is very helpful to know the Chair of 13 those committees as well as the 14 Vice-Chairs and Members of the 15 Committee.</p> <p>16 Some of the major themes for 17 this past session -- actually for the 18 entire 53rd Legislation was -- which 19 was the past two sessions, obviously 20 budget was still a matter of 21 significant discussion although this 22 year less so, I think, than in 2011. 23 It was relatively flat appropriations 24 process for agencies and I'm sure 25 Steve will mention more about that</p>	<p>Page 20</p> <p>1 procedures. Some of the ones that 2 affect us the most we no longer 3 have, at least for the time being. 4 The past few years individual budget 5 limit bills were simply a general 6 appropriations bill for each agency 7 that lays out how much that agency 8 or each agency will get.</p> <p>9 House Conference Committees are 10 now meeting in open in scheduled 11 meetings as opposed to meeting behind 12 closed doors. And perhaps of most 13 significance as you're well aware, 14 those of you who have been on the 15 Board a while, there is now an 16 affirmative approval process for 17 rules that go to the Legislature that 18 involve new fees and they involve 19 licensing of some sort for individual 20 licensees. So it makes our job a 21 little bit more complicated, when 22 rules that you pass get to the 23 Legislature. To get them through the 24 Legislature we have to find authors; 25 we have to line up support for those</p>
<p>Page 19</p> <p>1 later.</p> <p>2 Tax cuts and tax credits were 3 very much in the forefront of 4 discussion, although we gave it up 5 with only very minor tweaks this 6 year. That will certainly be back 7 next year. Government transparency 8 efficiency remains very important on 9 the minds of many Legislators and so 10 we see bills each year trying to 11 address that in various reform 12 efforts, tort reform, workers' comp 13 reform, prison reform, all those 14 sorts of things.</p> <p>15 I mention process changes 16 because sometimes I think we have the 17 impression that going through the 18 legislative sessions that they all 19 are pretty much alike. Not 20 necessarily in terms of the bills but 21 in terms of the process. And that 22 is not true. Actually every new 23 Legislature that comes along with new 24 leadership there are some changes to 25 rules; there are some changes to</p>	<p>Page 21</p> <p>1 resolutions as well as for the 2 request bills.</p> <p>3 Taking a quick look at some of 4 the bills that passed this time. 5 Started out with the Water Bills 6 being at the forefront, as you might 7 expect with the comprehensive water 8 plan having been finalized late last 9 year. There were a ton of water 10 bills and only a few of them 11 actually survived at the end of the 12 session.</p> <p>13 Moving more directly to what 14 DEQ was involved in, a couple of 15 request bills. First of all, we 16 mentioned to those of you who were 17 on the Board last November that we 18 would pursue a bill to try to 19 regulate the roofing material 20 recycling facilities because those 21 were becoming quite numerous and they 22 really had no clear -- we had no 23 clear cut authority to regulate them. 24 And we felt like that with these 25 huge mounds of waste materials being</p>

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<p>Sheet 7 Page 22</p> <p>1 produced that we needed to get ahead 2 of the curve as best we could. And 3 that bill did pass in both Houses 4 and was signed by the Governor and 5 hadn't reversed its clause. It's 6 already in effect. So rules will be 7 coming your way I'm sure to further 8 define that.</p> <p>9 Bill 2365 was simply a 10 clarification bill. You may recall a 11 year or two ago we had a (inaudible) 12 to say that we didn't expect, at 13 least, bomb squads to be regulating 14 license by us. This was just some 15 clarifying language.</p> <p>16 On the water front, probably 17 the most prevalent topic of 18 conversation this Legislative session 19 was water reuse. There has been a 20 work group the past couple of years. 21 We have had workgroups working on the 22 prospect for water reuse rules. We 23 passed those back in February; they 24 did go through the legislative 25 process and were approved there.</p>	<p>Page 24</p> <p>1 One of the bills that had to 2 do with the comprehensive water plan 3 is the Water for 2060 Act. I won't 4 go into any detail on it, but in 5 essence, it says the State will try 6 to use no more potable water -- no 7 more drinking water in 2060 than it 8 does now. In essence, we're try to 9 say whatever we're using now we're 10 going to engage in practices that 11 conserve water and try to use no 12 more in 50 years than we're using 13 now, and there is an advisory council 14 to work on how to best approach 15 that.</p> <p>16 Senate Bill 259, as you're well 17 aware, blue-green algae has been a 18 hot topic for the last couple of 19 summers. Senate Bill 259 makes 20 changes in the way that the public 21 is made aware of the advisories about 22 the blue-green algae. Essentially, 23 it says that blue-green algae 24 advisories will be the responsibility 25 of the Tourism and Recreation</p>
<p>Page 23</p> <p>1 Because they had fees associated with 2 them, they had to be affirmatively 3 approved, so this is one of those 4 resolutions that we had to line up a 5 sponsor for and work through the 6 process.</p> <p>7 There is going to be further 8 work by a working group, further 9 refining water reuse rules. I mean 10 particular reuse for (inaudible) 11 purposes, so you can expect to see 12 further meetings of that workgroup in 13 the coming months.</p> <p>14 Bill 2835 is actually a trailer 15 bill for something that came along a 16 year or two ago. There was a bill 17 that kind of defined what gray water 18 was for purposes of municipal 19 ordinances. This simply comes on the 20 heels of that and clarifies that for 21 gray water use under 250 gallons 22 there's no DEQ permit required. 23 Frankly, it probably clarifies what 24 we were doing anyway. It simply 25 establishes it in the statute.</p>	<p>Page 25</p> <p>1 Department. They have a website 2 where they post water quality 3 advisories for lakes. All the 4 agencies that they have sampling 5 results channel their results to 6 Tourism and Rec and they put it on 7 their website. It has an interesting 8 feature to it in that the advisory 9 is not supposed to be issued not 10 only until there is a certain cell 11 count but also until there is a 12 certain toxic level reached and I 13 think it's 20 micrograms per liter 14 microsystem, if my memory serves me 15 correct. Chris can tell you 16 afterwards if I miss quoted on that.</p> <p>17 But nevertheless it's a 18 two-pronged test about when 19 advisories are issued so it's fairly 20 -- sort of strict about when 21 advisories will be issued.</p> <p>22 Bill 2212 recreates the Water 23 and Wastewater Advisory Council. It 24 is the one Council -- Advisory 25 Council to this Board that is part</p>

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<p>Sheet 8 Page 26</p> <p>1 of the sunset provisions in the 2 statute, so every few years it has 3 to be recreated.</p> <p>4 On the air side we did, as you 5 will recall, adopt new lead-based 6 paint rules on renovation, repair and 7 painting. And those had to be 8 approved again affirmatively by the 9 Legislature because they have a fee 10 associated with them. That was a 11 request on our part, obviously, and 12 it made its way through the process 13 as well.</p> <p>14 Just a couple of other things. 15 There is interagency study that will 16 be presumably convened fairly soon on 17 burning of storm debris. There was 18 some concern that the requirements 19 were too strict about when private 20 residents could burn debris; the 21 circumstances under which they could 22 do that. Initially, the bill would 23 have simply allowed it. That was 24 converted into a bill that now says 25 several agencies, including DEQ, will</p>	<p>Page 28</p> <p>1 process that is ongoing. Our IT 2 staff officially became employees of 3 the Office of State Finance which is 4 renamed now, but at that time was 5 the Office of State Finance on 6 February the 1st, but the process of 7 transitioning goes on and will go on 8 for quite some time. And so we have 9 a lot going on to try to work with 10 OSF, work through that process to try 11 to make sure that we still have what 12 we need to operate even though it 13 will be -- even though it's not 14 overseen and eventually will be 15 completely overseen by the Office of 16 State Finance.</p> <p>17 Bill 3053 I just thought was 18 of interest and wanted you to be 19 aware of it. It says that OSF will 20 provide some guidance on metrics that 21 state agencies must use to measure 22 their performance as the agency. We 23 don't know how quickly that will come 24 out but at some point in the future 25 we will not only evaluate our</p>
<p>Page 27</p> <p>1 get together (inaudible) guidance are 2 under the auspices of the Office of 3 Emergency Management. Those groups 4 will get together and talk about 5 whether and under what circumstances 6 storm debris should be burned or 7 could be burned.</p> <p>8 The HC 1031 as you might 9 imagine USEPA is not tremendously 10 popular in Oklahoma and Legislature 11 took note of that and urged Congress 12 -- Federal Congress to pay close 13 attention to that (inaudible) USEPA 14 is doing in promulgation of rules and 15 guidance and take a little closer 16 look at whether they are following 17 all the proper procedures in what 18 they're doing.</p> <p>19 A couple of government 20 operations bills I want to mention 21 quickly. You will recall that, not 22 this past session but the one before, 23 there was a bill passed that required 24 that the IT functions of all state 25 agencies be consolidated. That is a</p>	<p>Page 29</p> <p>1 individual employees each year but we 2 will measure our performance as an 3 agency each year.</p> <p>4 I'm not going to run through 5 each one of these. There are a 6 bunch of them and I'm just going to 7 leave each screen up here for a 8 moment and then if you have some 9 questions about any of them at the 10 end, I will try to answer them. The 11 one I want to highlight is the one 12 that's up there as DEQ request. 13 This is the one out of the three 14 bills that we brought to you last 15 fall that did not make its way 16 through the process. It had nothing 17 to do with the bill itself. In 18 fact, there was widespread support 19 even among those who might have 20 tended to be a little bit resistant 21 to tightening of the Oklahoma Records 22 Act. There was widespread support 23 for this notion but because it 24 affected the Open Records Act it 25 became a target for a number of</p>

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Sheet 9 Page 30

1 amendments having nothing at all to
2 do with what the bill was intended
3 to do and the author decided that it
4 simply wasn't worth the effort to try
5 to make its way through the process
6 this year. I expect we will
7 probably pursue that again; if not
8 this coming year, at some point in
9 the future.

10 A few others that I will give
11 you just a moment to glance at.
12 They are related to water on this
13 slide and then just some
14 miscellaneous and I won't
15 individually address these but they
16 do kind of play into what I want to
17 mention in the way of some trends
18 that we are seeing.

19 As I already mentioned IT is
20 being consolidated. There is quite a
21 bit of discussion about further
22 consolidation of what the Legislature
23 typically calls shared services by
24 which they mean things that are
25 common to virtually all agencies and

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1 it theoretically could be combined
2 and consolidated as IT is being
3 consolidated. For example,
4 procurement might be a target for
5 consolidation in the future.

6 Controlling size and reach of
7 regulatory agencies. I've already
8 mentioned a couple of bills tended to
9 tighten down a little bit on the
10 authority that DEQ and some of the
11 agencies have. Part of that is very
12 high scrutiny when new fees are
13 involved. But I -- Steve didn't ask
14 me to do this but I can't help but
15 note that it is a tremendous
16 undertaking to guide the process in
17 getting a fee bill or a fee
18 resolution through the legislative
19 process. It takes a lot of behind
20 the scenes work and it requires more
21 now than it ever has before.

22 The preferred resolution I
23 mentioned a while ago about EPA is
24 simply an indicator of some of the
25 resistance and attitude that the

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1 federal government is over-reaching
2 not just in the environmental arena
3 but across a wide array of issues.
4 And there's certainly a push back by
5 many states including Oklahoma, what
6 we see as federal government
7 over-reach.

8 And then greater power in the
9 Governor and the Legislature. For
10 example, one of the bills that did
11 not pass that I had up there, was
12 one that would have made all state
13 agency heads subject to appointment
14 by the Governor serving at the
15 pleasure of the Governor. I heard
16 pros and cons on both sides of that
17 one. If it happens clearly, though,
18 it does enhance the power of the
19 Governor and the Legislature in that
20 process.

21 Okay. That's a pretty quick
22 run-through of some of the most
23 important bills that either
24 environmental in nature or related to
25 DEQ specifically.

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1 With that, I will stop.
2 Steve, do you have anything to add
3 to it.

4 MR. JOHNSTON: Could I
5 interrupt here a minute?

6 MR. GIVENS: Sure.

7 MR. JOHNSTON: In my
8 excitement and anticipation of your
9 exciting presentation, I forgot to
10 introduce a very important person in
11 our audience that we may like to
12 speak to us. He represents the
13 city, Eric Benson (phonetic). Would
14 you like to come up and say a few
15 words?

16 MR. BENSON: Mr. Chairman,
17 I'd like to wait for the public
18 forum.

19 MR. JOHNSTON: Okay. Thank
20 you.

21 MR. THOMPSON: With that,
22 Jimmy or I will be happy to take
23 questions from the Board.

24 I think on the issue of the
25 radiation, keeping certain

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1 information about radiation sources
2 confidential. It required an
3 amendment to the Open Records Act,
4 and Jimmy mentioned this effort to
5 make the legislative processes more
6 open, particularly the budgetary
7 processes more open and that's what
8 -- that bill got caught up in the
9 amendment like that. And the
10 legislative leadership was not quite
11 ready to make -- to decide about
12 that issue and so the bill just
13 stopped.

14 Any questions about that?
15 MR. MASON: Steve?
16 MR. THOMPSON: Yes.
17 MR. MASON: With this new
18 process of legislative approval of
19 fee increases, how (inaudible) is
20 that?
21 MR. THOMPSON: We're trying
22 to decide whether to use extremely or
23 very. What you do to get -- to do
24 those efforts -- actually what you
25 do, you've always done. And getting

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1 fee proposals through the Legislature
2 is bill coalitions of people who
3 support the fee. Typically, the
4 regulated community because with --
5 I'm going to get into my presentation
6 on budget request but that's okay.
7 With declining -- with a 22 percent
8 cut in general revenue and with flat
9 and declining federal funding for
10 delegated programs, the one option
11 that is left to the Agency is fee
12 increases. Typically, regulated
13 community is supportive of those
14 ideas because it's a choice between
15 being regulated by the DEQ and the
16 Environmental Protection Agency.
17 And so what we do and what we -- it
18 used to be a -- I'll call it a
19 coalition of silence because unless
20 there was an active effort to stop a
21 fee, it just passed through the
22 legislative process and we went on
23 our way. With the change in the
24 law, a couple of years where you
25 have to actively pursue fees -- the

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1 Legislature has to actively pass fee
2 legislation through resolution. It
3 became more of a process of active
4 participation by those that were in
5 favor of the fee. So you have build
6 a coalition and you have to build a
7 coalition that is willing to be
8 active in pursuit of those fees.
9 And even then, because more and more
10 it seems our Legislature believes in
11 shrinking government it becomes --
12 even with a coalition it becomes more
13 difficult simply because of that
14 growing philosophy in the Legislature
15 now. Last year we were able to do
16 it twice. Once for lead-based paint
17 and once for water reuse. That's
18 because we had a coalition of
19 communities that wanted water reuse
20 and because -- quite frankly on the
21 lead fee rule it was -- there was a
22 federal fee. So you either paid the
23 federal fee or you paid the state
24 fee. And that was a little easier
25 because people would -- if the fee

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1 was going to be charged they wanted
2 us to run the program.
3 Part of my report was some
4 negotiations that have been ongoing
5 for a couple of years to raise fees
6 on public water supply supervision.
7 And the Governor's now leading effort
8 to -- the Governor's office is now
9 leading an effort to do that through
10 Secretary of Environment, Gary
11 Sherrer. And that has been -- the
12 effort to build a coalition of the
13 active support has been interesting.
14 But that's what you have to do. I
15 mean it's -- I would like for you to
16 think that I go to the Legislature
17 and because of my charming
18 personality and intellect and all of
19 those things, that they just say,
20 well, gee, if Steve is for it, it
21 must be okay. That's not the way it
22 works. I have to build coalitions
23 to get those things done. So all of
24 those things have made it more
25 difficult.

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<p>Sheet 11 Page 38</p> <p>1 MR. MASON: Thank you. 2 MR. THOMPSON: Well, let me 3 then mention a few other things that 4 we've been dealing with since we last 5 met. I think all of you are aware 6 of the number of new rules -- 7 federal rules that are coming the way 8 of the regulated community from the 9 Environmental Protection Agency. 10 Many of those rules affect our Air 11 Quality rules and many of those rules 12 and rules in other media affect 13 public utilities, generation of 14 electricity. And so what seems like 15 a decade ago, although it's only been 16 two or three years, the most public 17 of those rules is the regional haze 18 rule. That has been very public. 19 And so the DEQ developed a state -- 20 it's a portion of the State 21 Implementation Plan, a SIP -- what is 22 called a SIP, for regional haze and 23 that was signed by the Governor. We 24 develop it; the Governor signs it. 25 Submitted it to EPA and it was</p>	<p>Page 40</p> <p>1 Service Company of Oklahoma has come 2 forward with an option for settlement 3 that the Department believes not only 4 addresses regional haze but addresses 5 the mercury and air toxics rule which 6 was issued right on the heels of 7 that and probably gets us down the 8 road for compliance to issues like 9 the cross-state air pollution rule, 10 makes reductions in greenhouse gas 11 emissions and others. So we are in 12 the process, the final steps of 13 getting that settlement agreement 14 finalized. The next step will be 15 that -- because this will in fact 16 have impacts on rate payers, that 17 will go before the Corporation 18 Commission. We are planning to give 19 testimony before the Corporation 20 Commission about that and so we will 21 see -- but that has -- in dealing 22 with all of these other things and 23 -- these other rules and in 24 negotiating this settlement with 25 Public Service Company, saving a lot</p>
<p>Page 39</p> <p>1 rejected, in favor of a Federal 2 Implementation Plan. The State 3 Implementation Plan made the claim 4 that low sulfur coal was the control 5 technology necessary to meet the 6 requirements of regional haze, and 7 low NOx burners for NOx. The 8 portion of the SIP that dealt with 9 NOx emissions was approved by EPA, 10 those dealing with sulfur were not. 11 Ultimately, they -- EPA developed a 12 FIP that required more aggressive 13 controls. In the public comment, the 14 Attorney General's office has taken 15 action on that FIP. But in her 16 comments during the public comment 17 period on the FIP the Governor made 18 an offer to negotiate with EPA a 19 settlement of that issue. And since 20 that time the DEQ and the Office of 21 Secretary of Environment and the 22 Office of the Secretary of Energy 23 have been seeking -- or have been 24 open to settlement of that issue. 25 And what has happened is that Public</p>	<p>Page 41</p> <p>1 of time. A lot of time, (inaudible) 2 -- well some of my time but mostly 3 from our Air Quality staff, so we've 4 been very busy doing that. 5 I will mention later the 6 negotiations for fees, I've already 7 mentioned with the Oklahoma Municipal 8 League and the Oklahoma Rural Water 9 Association for the Public Water 10 Supply Supervision Program. Again, 11 we have worked -- the way we operate 12 is, as rules come down we work hard 13 with the regulated community to try 14 to determine what the best way 15 forward is to meet those requirements 16 with the -- that meets the 17 requirements of the law of least 18 impact on the regulated community. 19 And so with the number of rules that 20 are coming at us, not only in air 21 but when you consider coal combustion 22 waste, and (inaudible) water intake 23 rules, I'm very ready for them to 24 slow down. But it is taking a 25 considerable amount of our time.</p>

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<p>Sheet 12 Page 42</p> <p>1 I reported to you that the 2 Agency had decided to take legal 3 action against the Environmental 4 Protection Agency on the tribal new 5 source review rule. We take that 6 action because we believe that EPA 7 has overstepped its bounds in 8 including allotted land under the 9 purview of that rule as a federal -- 10 how to explain this -- that allotted 11 land becomes regulated by the federal 12 government as opposed to state 13 government. And that creates what, I 14 think, is a regulatory nightmare for 15 us all. Determining where allotted 16 lands are, I think they have just 17 opened up sort of a Pandora's box of 18 regulatory nightmares that we're 19 going to have to face with that, so 20 we are pursuing legal action against 21 EPA on the allotment issue. Now we 22 recognize, and have for sometime, 23 that when you're talking about tribal 24 trust land that that is clearly under 25 the control of either the tribe or</p>	<p>Page 44</p> <p>1 while they were negotiating with OML 2 and ORWA, and while we were working 3 on PSO settlement. So we're pretty 4 busy around DEQ. I don't see that 5 that's going to change any time soon. 6 I guess with that, Mr. 7 Chairman, I would entertain questions 8 about that. 9 MR. JOHNSTON: Questions 10 from the Board? Questions from the 11 Board on anything that Steve 12 discussed? Are there questions or 13 comments from the public? 14 Any action by the Board that 15 includes a roll call vote, et cetera? 16 Moving right along, we come to 17 Number 6 which is -- 18 MR. THOMPSON: We need to 19 do Number 5. 20 MR. JOHNSTON: -- Number 5. 21 Okay. The Operation of Budget 22 Request. 23 MR. THOMPSON: Okay. Let 24 me just go over the process that the 25 Board has established for that. A</p>
<p>Page 43</p> <p>1 the federal government but allotted 2 lands are somewhat -- are quite a 3 bit different, so we continue to 4 pursue legal action. 5 And I think probably as a 6 backlash to the aggressiveness with 7 which environmental rules have come 8 to the regulated community, a number 9 of lawsuits have been filed against 10 the Agency for its positions in 11 implementing those rules. I'm not 12 going to get into the details of 13 that, but I will say that our legal 14 staff has been very active and very, 15 I would say, successful in either 16 settling or defending the Agency in 17 court over those kinds of issues. 18 These are more than we've seen in 19 maybe, in my experience and maybe 20 it's just -- was just our time in 21 the barrel or -- I can't really 22 explain why. But we have been very 23 busy -- the legal staff has been 24 very busy doing that while they were 25 analyzing all the new federal rules,</p>	<p>Page 45</p> <p>1 number of years ago there was a 2 determination that we needed to have 3 a subcommittee of the Board to review 4 our budget request. 5 First of all, statutes say that 6 you all approve the budget request, 7 the request for general revenue 8 funding for the coming year by the 9 Agency. 10 A few years ago the Board 11 decided that it would be good to 12 have a committee of the Board to 13 review the request of the Agency and 14 so that was set up. Currently the 15 members of that subcommittee are 16 Jerry as President; John Wendling as 17 Vice-Chair; and Jan and Bill and 18 Steve Mason are all on that 19 subcommittee. We met a couple of 20 weeks ago. We reviewed for them the 21 information that was provided to you 22 as a part of this request. And the 23 -- and the subcommittee having 24 reviewed that and asked questions 25 decided that it was appropriate to</p>

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<p>Sheet 13 Page 46</p> <p>1 move this issue forward to the full 2 Board. We, I would say, have been 3 pretty -- I don't want to rehash old 4 ground here but we've been pretty 5 successful in -- I think the 6 financial health of the Agency is 7 generally very good. We have through 8 some innovative and routine efforts, 9 even in the face of these decreases 10 in general revenues, done some things 11 that provide support for the Agency's 12 programs. A few years ago we got a 13 portion of the gas tax for cleanup 14 programs and for waste programs. A 15 couple of years ago we increased the 16 tire fee and a portion of that goes 17 to the air program because there was 18 always a belief by those -- by the 19 regulated community that stationary 20 sources were paying all the fees that 21 the mobile source community should 22 pay their share, and so that's how 23 we did that, through the tire fee. 24 We've had more routine fee increases 25 for municipal and industrial</p>	<p>Page 48</p> <p>1 -- we are asking the Board to allow 2 us to make a \$2.2 million request 3 for general revenue funding to the 4 Governor and to the Legislature. At 5 the same time we are -- the 6 Governor's office has convened the 7 interested parties to see if there is 8 a way that we can increase fees in 9 support of the program. Obviously, 10 if we get \$2.2 million in general 11 revenue all is well. I will tell 12 you I am not encouraged that we will 13 get all of that money in general 14 revenue, although we might get some. 15 But there will have to be, I 16 believe, fee support to sustain the 17 program. In fact, my guess about 18 general revenue money (inaudible). 19 But the fact of the matter is, Tony, 20 you don't get as much as you ask 21 for. So where we are in this 22 process is that by September 30th of 23 this year we have to have a letter 24 to EPA from the interested parties 25 who are in fact DEQ, the Oklahoma</p>
<p>Page 47</p> <p>1 wastewater for the lead-based paint 2 and water reuse stuff that we talked 3 about already.</p> <p>4 The waste section has been the 5 public water supply supervision. And 6 twice we were pretty confident that 7 we were bringing rules to the Board 8 that had the support of the regulated 9 community and twice that turned out 10 not to be the case, or at least a 11 portion of the regulated community. 12 And so the financial help of the 13 Public Water Supply Supervision 14 Program has deteriorated to the point 15 that the Environmental Protection 16 Agency has threatened to begin 17 enforcement in the state and then our 18 next concern would be having taken 19 over enforcement whether they would 20 take the entire program back. They 21 would just deny us primacy on a 22 program that we have operated in the 23 state since 1972. We think the 24 shortfall in that program is about 25 \$2.2 million and so we are making a</p>	<p>Page 49</p> <p>1 Municipal League, and the Oklahoma 2 Rural Water Association, indicating 3 their active support for funding to 4 shore up the program. And so as we 5 -- 6 (Inaudible Comment) 7 MR. THOMPSON: That's 8 coalition, that's a difficult 9 coalition building. So that's where 10 we are. We're asking that you 11 support the request. Obviously, the 12 Board has always given me the 13 opportunity to negotiate that, up or 14 down, once the request is made. 15 Just like during the legislative 16 session, although you all approve our 17 request bills, I have to have some 18 flexibility to move during the 19 legislative session to address 20 issues. I would say to you that our 21 new Board Member, Bill Sims, was not 22 only on the subcommittee of the Board 23 that reviewed this, he has also been 24 a part of the negotiations that have 25 gone on with the interested parties.</p>

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1 I don't know whether he wants to say
2 anything about that bill or not. I
3 don't want to put you on the spot.
4 MR. SIMS: Well, of course,
5 we had a meeting of the group and
6 there were issues, and we kind of
7 thought we had resolved most of the
8 issues and we may have. But we're
9 kind of getting to a critical stage
10 from a time stand point. We've got
11 to come together and get this done
12 and move forward or we're going to
13 run out of time to respond to EPA
14 appropriately. But I'm hoping that
15 we're going to do another -- a
16 little subcommittee of the group are
17 going to do a little bit of work
18 here. And I hope in that process
19 we'll iron out what differences they
20 are.
21 But the major issues we're
22 certainly in agreement that Oklahoma
23 wants to move over and take primacy
24 in the current programs and take
25 primacy in the other three areas that

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1 we haven't taken primacy on here in
2 Oklahoma. I mean, everybody is in
3 agreement with that. You know,
4 there's some certain about -- some of
5 the group about some of the internal
6 things in DEQ and how those things
7 are administered and how you arrived
8 at the fees, related to the fees. I
9 would say that Steve made a very
10 sensible and a common sense approach
11 to how to deal with those in terms
12 of making sure they are fair to
13 everybody concerned and that we would
14 make our best guess to what the fees
15 need to be to sustain the program,
16 we would track and code and do all
17 those things necessary at the end of
18 the fiscal period to look and see
19 how close or how correct we were and
20 in the event that we were too low
21 everybody would be given credit back
22 in the following fiscal year. If we
23 got them too high we would refund;
24 if we got them too low we would have
25 to assess additional fees. Which is

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1 just a common sense approach and we
2 still have some who seem to not
3 grasp or have other concerns which I
4 don't understand but I hope we can
5 -- you know, I hope that's -- does
6 that kind of clarify kind of the
7 process that we've been involved in?
8 I think we'll be able to come
9 together, hopefully, here shortly.
10 That's my hope.
11 MR. THOMPSON: Me too.
12 With that, Mr. Chairman, I would just
13 simply ask that the Board to approve
14 our request for \$2.2 million in
15 general revenue money for the Public
16 Water Supply Supervision Fund.
17 Unless there's other questions.
18 MR. JOHNSTON: Questions
19 from the Board?
20 Any questions or comments by
21 the public?
22 MR. DARK: Honestly it seems
23 like that would be more work trying
24 to pull all those people together and
25 we would be spending a lot of time

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1 with the Legislature. That's a lot
2 of (inaudible) people together that
3 are not -- they are diametrically
4 opposed to --
5 REPORTER: Tony, I'm sorry,
6 I can't hear you.
7 MR. JOHNSTON: Push your
8 button.
9 MR. DARK: I was just
10 commenting to Steve that -- that job
11 that he has in front of him with the
12 Municipal League and other is a --
13 is quite a lobbying effort in itself,
14 not unlike what he has to do at the
15 Capitol, but frankly it's tougher
16 with so many personalities involved
17 in the interest that are involved
18 with -- it's a tough game.
19 MR. THOMPSON: Well, I
20 understand but for good or for ill,
21 that's my job. So we're going to --
22 we're just going to do the best we
23 can.
24 MR. JOHNSTON: Hearing that,
25 the question is back to the Board to

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<p>Sheet 15 Page 54</p> <p>1 approve the request. 2 MR. SIMS: Are we ready for 3 a motion? 4 MR. JOHNSTON: Yes, we are. 5 MR. SIMS: I would make a 6 motion to approve the request as 7 stated. 8 MR. DARK: Second. 9 MR. JOHNSTON: We have a 10 motion and a second. Roll call 11 vote. 12 MS. NANCE: Ms. Cantrell is 13 absent. Mr. Cassidy is absent. Mr. 14 Dark. 15 MR. DARK: Yes. 16 MS. NANCE: Mr. Griesel. 17 MR. GRIESEL: Yes. 18 MS. NANCE: Dr. Hammon. 19 DR. HAMMON: Yes. 20 MS. NANCE: Mr. Kinder. 21 MR. KINDER: Yes. 22 MS. NANCE: Ms. Kunze. 23 MS. KUNZE: Yes. 24 MS. NANCE: Mr. Mason. 25 MR. MASON: Yes.</p>	<p>Page 56</p> <p>1 Board Members present. So we need a 2 motion to go into Executive Session. 3 MR. GRIESEL: Mr. Chairman, 4 I'd like to make a motion that we go 5 into Executive Session to discuss 6 compensation of the Director. 7 MR. MASON: Second. 8 MR. JOHNSTON: Made by David 9 and seconded by Steve. Roll call 10 vote. 11 MS. NANCE: Ms. Cantrell is 12 absent. Mr. Cassidy is absent. Mr. 13 Dark. 14 MR. DARK: Yes. 15 MS. NANCE: Mr. Griesel. 16 MR. GRIESEL: Yes. 17 MS. NANCE: Dr. Hammon. 18 DR. HAMMON: Yes. 19 MS. NANCE: Mr. Kinder. 20 MR. KINDER: Yes. 21 MS. NANCE: Ms. Kunze. 22 MS. KUNZE: Yes. 23 MS. NANCE: Mr. Mason. 24 MR. MASON: Yes. 25 MS. NANCE: Ms. Savage is</p>
<p>Page 55</p> <p>1 MS. NANCE: Ms. Savage is 2 absent. Mr. Sims. 3 MR. SIMS: Yes. 4 MS. NANCE: Dr. Sublette is 5 absent. Mr. Wendling is absent. 6 Mr. Johnston. 7 MR. JOHNSTON: Yes. 8 MS. NANCE: Motion passed. 9 MR. JOHNSTON: All right. 10 Among the statutory duties of the 11 Board are responsibilities to appoint 12 and set the compensation of the 13 Executive Director and assist the DEQ 14 in conducting periodic reviews and 15 planning activities related to the 16 goals, objectives, priorities, and 17 policies of the DEQ. In connection 18 with these, we need to consider a 19 possible Executive Session pursuant 20 to Title 25 of the Oklahoma Statute 21 Section 307(B)(1), discussion of 22 employment actions related to any 23 individual salaried public officer or 24 employee, if authorized by recorded 25 majority vote of a quorum of the</p>	<p>Page 57</p> <p>1 absent. Mr. Sims. 2 MR. SIMS: Yes. 3 MS. NANCE: Dr. Sublette is 4 absent. Mr. Wendling is absent. 5 Mr. Johnston. 6 MR. JOHNSTON: Yes. 7 MS. NANCE: Motion passed. 8 (Board goes into Executive 9 Session) 10 (Board returns from Executive 11 Session) 12 MR. JOHNSTON: We're back. 13 The first thing we need to do is we 14 need a motion to return to open 15 session. 16 MR. GRIESEL: So moved. 17 MR. DARK: Second. 18 MR. JOHNSTON: Roll call. 19 MS. NANCE: Ms. Cantrell is 20 absent. Mr. Cassidy is absent. Mr. 21 Dark. 22 MR. DARK: Yes. 23 MS. NANCE: Mr. Griesel. 24 MR. GRIESEL: Yes. 25 MS. NANCE: Dr. Hammon.</p>

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<p>Sheet 16 Page 58</p> <p>1 DR. HAMMON: Yes. 2 MS. NANCE: Mr. Kinder. 3 MR. KINDER: Yes. 4 MS. NANCE: Ms. Kunze. 5 MS. KUNZE: Yes. 6 MS. NANCE: Mr. Mason. 7 MR. MASON: Yes. 8 MS. NANCE: Ms. Savage is 9 absent. Mr. Sims. 10 MR. SIMS: Yes. 11 MS. NANCE: Dr. Sublette is 12 absent. Mr. Wendling is absent. 13 Mr. Johnston. 14 MR. JOHNSTON: Yes. 15 MS. NANCE: Motion passed. 16 MR. JOHNSTON: Ask for a 17 motion related to Executive 18 Director's (inaudible). 19 MR. MASON: Mr. Chairman, 20 I've just got a couple of brief 21 comments and I'll make a motion. I 22 think this Board certainly 23 appreciates Steve's service 24 protecting the system of our state. 25 I think we also appreciate how</p>	<p>Page 60</p> <p>1 DR. HAMMON: Yes. 2 MS. NANCE: Mr. Kinder. 3 MR. KINDER: Yes. 4 MS. NANCE: Ms. Kunze. 5 MS. KUNZE: Yes. 6 MS. NANCE: Mr. Mason. 7 MR. MASON: Yes. 8 MS. NANCE: Mr. Sims. 9 MR. SIMS: Yes. 10 MS. NANCE: Mr. Johnston. 11 MR. JOHNSTON: Yes. 12 We'd like to go back to the 13 Minutes and we'd like to ask the 14 current Board Members to read all of 15 this, the Minutes that we're going to 16 vote on, and we'd like to have a 17 motion to carry these Minutes over to 18 the next meeting and you all be 19 ready to vote for this, next meeting. 20 And I know it was quick timing on 21 that. 22 MR. MASON: Can I ask a 23 question? 24 MR. JOHNSTON: Yes. 25 MR. MASON: The reason I</p>
<p>Page 59</p> <p>1 important it is the quality of the 2 staff of the Agency and the quality 3 of the legal (inaudible), the quality 4 of the Agency Director, how much time 5 he focuses on the quality of those 6 personnel. We appreciate that. 7 Having said that, I'd like to 8 make a motion that says effective 9 January 1, 2013, Mr. Thompson's 10 salary is increases from its current 11 level to the mid-point of the salary 12 range recommended for the DEQ 13 Executive Director by the, then, most 14 recent State Compensation Report 15 issued by the State Office of 16 Personnel Management or successors. 17 MR. GRIESEL: I'll second. 18 MR. JOHNSTON: We need a 19 roll call vote. Just read the names 20 of the people present, please. 21 MS. NANCE: Mr. Dark. 22 MR. DARK: Yes. 23 MS. NANCE: Mr. Griesel. 24 MR. GRIESEL: Yes. 25 MS. NANCE: Dr. Hammon.</p>	<p>Page 61</p> <p>1 abstained on those Minutes is I 2 wasn't here. If you all feel 3 confident in the (inaudible) vote and 4 someone can tell me that I can vote 5 the minutes I didn't witness, I will 6 do it today. 7 DR. HAMMON: I'm in a 8 similar situation. 9 MR. EUBANKS: Yeah. I 10 know. That's the same thing. I 11 think it's just a matter of order. 12 It's probably more proper to just 13 read the transcript. If you had 14 said I've read the transcript and I'm 15 familiar with its contents and I'm 16 familiar enough with the information 17 to make a vote, I would feel more 18 comfortable if we did that. 19 MR. SIMS: Okay. I have 20 read the transcript and I'm 21 comfortable with what I just heard. 22 MR. EUBANKS: Okay. 23 DR. HAMMON: I am also. 24 MR. EUBANKS: I think we 25 could have a new motion then.</p>

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<p>Sheet 17 Page 62</p> <p>1 MR. GRIESEL: So moved. 2 MR. KUNZE: Second. 3 MR. JOHNSTON: This is on 4 the approval of the Minutes. Roll 5 call vote. 6 MS. NANCE: Mr. Dark. 7 MR. DARK: Yes. 8 MS. NANCE: Mr. Griesel. 9 MR. GRIESEL: Yes. 10 MS. NANCE: Dr. Hammon. 11 DR. HAMMON: Yes. 12 MS. NANCE: Mr. Kinder. 13 MR. KINDER: Yes. 14 MS. NANCE: Ms. Kunze. 15 MS. KUNZE: Yes. 16 MS. NANCE: Mr. Mason. 17 MR. MASON: Yes. 18 MS. NANCE: Mr. Sims. 19 MR. SIMS: I did read the 20 transcript and since nobody was 21 present at that time or indicated any 22 changes in them of being accurate, I 23 vote yes. 24 MS. NANCE: Mr. Johnston. 25 MR. JOHNSTON: Yes.</p>	<p>Page 64</p> <p>1 was that you move it up a week to 2 November the 7th. Is that right, 3 Jennifer? 4 MS. WRIGHT: Right. Any 5 time that week. 6 MR. THOMPSON: Or any time 7 that week. It doesn't necessarily 8 have to be on a Tuesday. So -- 9 MR. MASON: Steve, another 10 option would be we just move it to 11 Oklahoma City and just miss part of 12 the water conference or would you 13 prefer to have another date? 14 MR. THOMPSON: We could 15 certainly have a meeting in Oklahoma 16 City. 17 MR. DARK: Could we do it 18 at the water conference? Or would 19 you rather not -- 20 MR. THOMPSON: You would 21 have to have a discussion with the 22 Governor about that. 23 MR. DARK: (Inaudible). 24 MR. THOMPSON: We could 25 arrange -- I don't know. Let me --</p>
<p>Page 63</p> <p>1 MS. NANCE: Motion passes. 2 MR. THOMPSON: Okay. A 3 couple of things we need to chat 4 about. The first one is that our 5 next Board meeting is scheduled for 6 November the 14th and against -- 7 without so much as a fare-thee-well, 8 the Governor has scheduled her water 9 conference at the same time as our 10 Board meeting. And I know that 11 there is interest, by a number of 12 you, in attending the Governor's 13 water conference. So it's clearly up 14 to the Board to make this decision. 15 If we change that Board meeting to a 16 week later we're going to run right 17 up against -- you may choose to have 18 the meeting at the same time as the 19 water conference and that's fine. 20 That's clearly your decision. If we 21 move it back a week we're going to 22 run right up against Thanksgiving. 23 So in looking at the calendar, if 24 you do decide to move the Board 25 meeting in November, our suggestion</p>	<p>Page 65</p> <p>1 we'll have a venue -- if we decide 2 to move it to Oklahoma City for that 3 week we will have a venue, and we 4 have sort of promised the folks in 5 Lawton that at some time we would 6 come. So we'll need to keep that in 7 mind when we're setting up next 8 year's meeting but the Board can do 9 whatever it wants to about this. 10 MR. MASON: Are you 11 suggesting we go a week earlier and 12 just go to Lawton? 13 MR. THOMPSON: That's kind 14 of what I would suggest. 15 MR. JOHNSTON: Comments from 16 the Board? 17 MR. THOMPSON: I think we 18 will need a motion probably to change 19 it. 20 MS. KUNZE: I make a motion 21 that we move it to Wednesday, 22 November the 7th in Lawton. 23 MR. MASON: Second. 24 MR. JOHNSTON: Roll call. 25 MS. NANCE: Mr. Dark.</p>

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<p>Sheet 18 Page 66</p> <p>1 MR. DARK: Yes. 2 MS. NANCE: Mr. Griesel. 3 MR. GRIESEL: Yes. 4 MS. NANCE: Dr. Hammon. 5 DR. HAMMON: Yes. 6 MS. NANCE: Mr. Kinder. 7 MR. KINDER: Yes. 8 MS. NANCE: Ms. Kunze. 9 MS. KUNZE: Yes. 10 MS. NANCE: Mr. Mason. 11 MR. MASON: Yes. 12 MS. NANCE: Mr. Sims. 13 MR. SIMS: Yes. 14 MS. NANCE: Mr. Johnston. 15 MR. JOHNSTON: Yes. 16 MS. NANCE: Motion passed. 17 MR. THOMPSON: I guess it's 18 time to think about, in addition to 19 changing the date of the one in 20 November, scheduling Board meetings 21 for the coming year -- for the next 22 year, 2013. 23 There is a sheet in your 24 packet that looks like this. We 25 have -- staff kind of looked at</p>	<p>Page 68</p> <p>1 analysis of it. Of course, the 2 Board is free to pick wherever they 3 want to go. 4 I recommend we stay within the 5 borders of the state of Oklahoma. 6 MR. JOHNSTON: Any other 7 ideas to the Board or motion or -- 8 MS. KUNZE: Does the water 9 conference move around in November or 10 does it typically stay that same 11 week? 12 MR. THOMPSON: The water 13 conference tends to move around from 14 -- I think it's been in -- 15 (Multiple voices) 16 MR. JOHNSTON: It's the 17 Governor who sets the water 18 conference. 19 MR. THOMPSON: Yeah. 20 MR. JOHNSTON: What do you 21 think? 22 MR. KINDER: I move to 23 approve these tentative dates. 24 MS. NANCE: And locations? 25 MR. KINDER: And locations.</p>
<p>Page 67</p> <p>1 where we had been, you know, and 2 where we hadn't been in a while, and 3 where we had maybe some leftover 4 commitments to go. We are 5 recommending, as always, February 22, 6 2013 in Oklahoma City. 7 MR. JOHNSTON: Are you going 8 to put Lawton in there at the top of 9 this -- 10 MR. THOMPSON: Yeah, we're 11 going back to Lawton. We chose to 12 go to Lawton just a week earlier. 13 So we'll be back to where we are. 14 MR. JOHNSTON: We're 15 (inaudible). 16 MR. THOMPSON: Yeah. 17 Tuesday, June 18th in Frederick. 18 That's the one that we sometimes do 19 not have, a Board meeting in June. 20 Tuesday, August the 20th. Again, the 21 day after my birthday. I don't know 22 what kind of deal this is but in 23 Bartlesville. And finally, 24 Wednesday, November the 13th in 25 Muskogee. That's just sort of our</p>	<p>Page 69</p> <p>1 MR. JOHNSTON: Second? 2 (Multiple voices) 3 MR. DARK: Second. 4 MR. JOHNSTON: Okay. Roll 5 call. 6 MS. NANCE: Mr. Dark. 7 MR. DARK: Yes. 8 MS. NANCE: Mr. Griesel. 9 MR. GRIESEL: Yes. 10 MS. NANCE: Dr. Hammon. 11 DR. HAMMON: Yes. 12 MS. NANCE: Mr. Kinder. 13 MR. KINDER: Yes. 14 MS. NANCE: Ms. Kunze. 15 MS. KUNZE: Yes. 16 MS. NANCE: Mr. Mason. 17 MR. MASON: Yes. 18 MS. NANCE: Mr. Sims. 19 MR. SIMS: Yes. 20 MS. NANCE: Mr. Johnston. 21 MR. JOHNSTON: Yes. 22 MS. NANCE: Motion passed. 23 MR. JOHNSTON: New business. 24 Any matter not known about which 25 could not have been reasonably</p>

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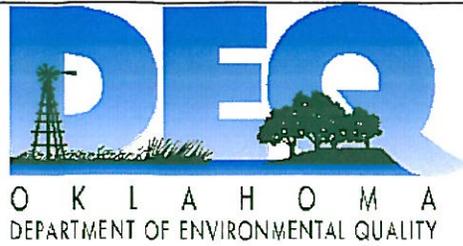
1 foreseen prior to the time of posting
2 the Agenda?
3 Any new business? Moving right
4 along. Our next meeting is going to
5 be November 7th in Lawton, Oklahoma.
6 I will entertain a motion for
7 adjournment of this meeting.
8 MR. DARK: So moved.
9 MR. GRIESEL: Second.
10 MR. JOHNSTON: Made by
11 David. Don't anybody go anywhere
12 because we're going to go into our
13 forum.
14 MS. NANCE: Mr. Dark.
15 MR. DARK: Yes.
16 MS. NANCE: Mr. Griesel.
17 MR. GRIESEL: Yes.
18 MS. NANCE: Dr. Hammon.
19 DR. HAMMON: Yes.
20 MS. NANCE: Mr. Kinder.
21 MR. KINDER: Yes.
22 MS. NANCE: Ms. Kunze.
23 MS. KUNZE: Yes.
24 MS. NANCE: Mr. Mason.
25 MR. MASON: Yes.

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1 MS. NANCE: Mr. Sims.
2 MR. SIMS: Yes.
3 MS. NANCE: Mr. Johnston.
4 MR. JOHNSTON: Yes.
5 MS. NANCE: Motion passed.
6 (Meeting adjourned)

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1 C E R T I F I C A T E
2 STATE OF OKLAHOMA)
3) ss:
4 COUNTY OF OKLAHOMA)
5 I, CHRISTY A. MYERS, Certified
6 Shorthand Reporter in and for the
7 State of Oklahoma, do hereby certify
8 that the above proceeding is the
9 truth, the whole truth, and nothing
10 but the truth; that the foregoing
11 proceeding was taken down in
12 shorthand and thereafter transcribed
13 by me; that said proceeding was taken
14 on the 21st day of August in Enid,
15 Oklahoma; and that I am neither
16 attorney for, nor relative of any of
17 said parties, nor otherwise
18 interested in said action.
19 IN WITNESS WHEREOF, I have
20 hereunto set my hand and official
21 seal on this, the 10th day of
22 September, 2012.
23
24 CHRISTY A. MYERS, CSS
25 Certificate No. 00310



ENVIRONMENTAL QUALITY BOARD

Attendance Record

AUGUST 21, 2012

Enid, Oklahoma

<u>NAME</u> and/or <u>AFFILIATION</u>	<u>Address</u> and/or <u>Phone</u> and/or <u>E-Mail</u>
Quana Fields	ODEQ
Jeanette Nance	ODEQ
Jimmy Kinder	ODEQ
Jennifer Wright	DEQ
Roy Walker	DEQ
Jeremy Johnson	DEQ
Steve Thompson	DEQ
Martha Hunter	DEQ
Chad	DEQ
Jimmy Arvey	"
Sheldon Chad McCloy	DEQ
Mark & Jennifer Galvin	Former Board Member
Giesel Davis K.	
Ray Calk	DEQ
Bud Ground	PSO
Dale A. Gard	—
Billy Sims	DEQ
Ray Harmon	board
Catherine Sharp	DEQ
Bill Kopf	DEQ
Chris Armstrong	
Jan L. Kunze	EQ Board
ERIC BENSON	CITY OF ENID
Sam Thompson	DEQ
Jack Hordelt	CITY OF ENID (WATER)
CLAYTON EUBANKS	OAG



ENVIRONMENTAL QUALITY
BOARD

Attendance Record

AUGUST 21, 2012

Enid, Oklahoma

NAME and/or AFFILIATION

Address and/or Phone and/or E-Mail

Steve Mason	DEQ / Board member
Gabriel Kent	COE
Burton Bruner	City of Enid
Curt Roggow	Roggow CONSULTING
Skylar McElhenny	ODEQ