

MINUTES
ENVIRONMENTAL QUALITY BOARD
AUGUST 19, 2014
QUARTZ MOUNTAIN CONFERENCE CENTER
LONE WOLF, OKLAHOMA

Official EQB Approved
 On November 13, 2014

Notice of Public Meeting – The Environmental Quality Board (Board) convened for a Regular Meeting at 9:30 a.m., at the Quartz Mountain Conference Center, 22469 Lodge Road, Lone Wolf, 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 18, 2013. The agenda was mailed to interested parties on August 6, 2014, and was posted at the DEQ and the facility on August 18, 2014. Mr. John Wendling, Chair, called the meeting to order. Ms. Quiana Fields called roll and a quorum was confirmed. Ms. Martha Penisten, General Counsel of the DEQ, talked on safety precautions in case of an emergency. Mr. Wendling welcomed Cheryl Vaught to her first Board meeting with DEQ. Also, Mr. Wendling welcomed Senator Mike Schulz.

MEMBERS PRESENT

Daniel Blankenship
 Shannon Ferrell
 David Griesel
 Tracy Hammon
 Jerry Johnston
 James Kinder
 Jan Kunze
 Steve Mason
 Tim Munson
 Billy Sims
 Loretta Turner
 Cheryl Vaught
 John Wendling

DEQ STAFF PRESENT

Scott Thompson, Executive Director
 Jimmy Givens, Deputy Executive Director
 Martha Penisten, General Counsel
 Michelle Wynn, Legislative Liaison
 Catherine Sharp, Administrative Services Division
 Roy Walker, Administrative Services Division
 Monte Boyce, Administrative Services Division
 Amber Miller, Administrative Services Division
 Eddie Terrill, Air Quality Division
 Lloyd Kirk, Office of External Affairs
 Shellie Chard-McClary, Water Quality Division
 Bill Kropf, Environmental Complaints & Local Services
 Kelly Dixon, Land Protection Division
 Fenton Rood, Land Protection Division
 Chris Armstrong, State Environmental Laboratory Services
 Skylar McElhaney, Public Information Officer
 Cindy Przekurat, Executive Director's Office
 Quiana Fields, Board & Council Secretary

MEMBERS ABSENT

None

OTHERS PRESENT

Senator Mike Schulz
 Tyler Powell, Office of the Secretary of Energy & Environment
 Clayton Eubanks, Office of the Attorney General
 Mark Woods, Court Reporter

Approval of Minutes – Mr. Johnston moved to approve the Minutes from the June 17, 2014 Regular Meeting. Mr. Blankenship made the second.

transcript pages 8 - 9

Daniel Blankenship	Yes	Steve Mason	Abstain
Shannon Ferrell	Yes	Tim Munson	Yes
Tracy Hammon	Yes	Billy Sims	Yes
Jerry Johnston	Yes	Loretta Turner	Yes
James Kinder	Yes	Cheryl Vaught	Yes
Jan Kunze	Yes	John Wendling	Yes

DEQ Operational Budget Request – Mr. Wendling called upon Mr. Scott Thompson, Executive Director of the DEQ, to give a presentation of the State Fiscal Year 2016 budget request. Following questions and comments from the Board and none by the public, Mr. Wendling called

for a motion. Mr. Blankenship moved to approve for Mr. Thompson to submit a general revenue request to the Governor in the amount up to \$16,788, 575. Mr. Johnston made the second.

For the record Mr. Griesel entered the meeting.

transcript pages 9 - 39

Daniel Blankenship	Yes	Steve Mason	Yes
Shannon Ferrell	Yes	Tim Munson	Yes
David Griesel	Yes	Billy Sims	Yes
Tracy Hammon	Yes	Loretta Turner	Yes
Jerry Johnston	Yes	Cheryl Vaught	Yes
James Kinder	Yes	John Wendling	Yes
Jan Kunze	Yes		

Executive Director's Report – Mr. Wendling called upon Scott Thompson to give his Executive Director's Report. Mr. Thompson discussed accomplishments and other agency activities underway.

transcript pages 39 - 55

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. Mr. Wendling called for a motion to enter into executive session. Mr. Griesel made a motion to go into executive session. Dr. Hammon made the second.

transcript pages 55 - 57

Daniel Blankenship	Yes	Steve Mason	Yes
Shannon Ferrell	Yes	Tim Munson	Yes
David Griesel	Yes	Billy Sims	Yes
Tracy Hammon	Yes	Loretta Turner	Yes
Jerry Johnston	Yes	Cheryl Vaught	Yes
James Kinder	Yes	John Wendling	Yes
Jan Kunze	Yes		

The Board reconvened. Mr. Wendling called for a motion to come out of Executive Session and resume the Board meeting. Mr. Johnston moved to approve and Mr. Kinder made the second.

For the record Mr. Ferrell left the meeting.

transcript pages 57 - 58

Daniel Blankenship	Yes	Steve Mason	Yes
David Griesel	Yes	Tim Munson	Yes
Tracy Hammon	Yes	Billy Sims	Yes
Jerry Johnston	Yes	Loretta Turner	Yes
James Kinder	Yes	Cheryl Vaught	Yes
Jan Kunze	Yes	John Wendling	Yes

Mr. Wendling read a statement from the Board stating that the Board is pleased and supports the leadership philosophy and vision of the DEQ that was communicated by Mr. Thompson early this year. The Board continues to be concerned about the compensation for employees which is an issue that needs to be tackled head on as we move into the future. Also, the Board would like Mr. Thompson to provide it with his detailed plan as we move into 2015 to continue to achieve his vision at the agency. The Board would like to have some record of this action plan at the next Board meeting, November 13. Mr. Wendling thanked Mr. Thompson for his work.

transcript pages 58 - 59

Calendar Year 2015 Board Meeting Dates and Locations – Following discussion, Ms. Kunze made a motion to approve calendar year 2015 with a change of the August meeting, which is presented in Stillwater to be scheduled sometime in September at Roman Nose. Mr. Mason made the second.

	<i>transcript pages 59 – 63</i>			
Daniel Blankenship	Yes	Steve Mason	Yes	
David Griesel	Yes	Tim Munson	Yes	
Tracy Hammon	Yes	Billy Sims	Yes	
Jerry Johnston	Yes	Loretta Turner	Yes	
James Kinder	Yes	Cheryl Vaught	Yes	
Jan Kunze	Yes	John Wendling	Yes	

New Business – None

Next Meeting – The next scheduled meeting will be November 13, 2014 in Broken Arrow.

Adjournment – Mr. Wendling called for a motion to adjourn. Mr. Kinder moved to adjourn and Dr. Hammon made the second. Meeting adjourned at 12:45 p.m.

	<i>transcript pages 64 - 65</i>			
Daniel Blankenship	Yes	Steve Mason	Yes	
David Griesel	Yes	Tim Munson	Yes	
Tracy Hammon	Yes	Billy Sims	Yes	
Jerry Johnston	Yes	Loretta Turner	Yes	
James Kinder	Yes	Cheryl Vaught	Yes	
Jan Kunze	Yes	John Wendling	Yes	

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

CERTIFIED COPY

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TRANSCRIPT OF PROCEEDINGS
OF THE OKLAHOMA ENVIRONMENTAL QUALITY
BOARD MEETING
ON AUGUST 19, 2014 AT 9:30 A.M.
AT QUARTZ MOUNTAIN RESORT, OKLAHOMA

* * * * *

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REPORTED BY: MARK P. WOODS, CSR

Page 2

1 MEMBERS OF THE BOARD

2

3 DANIEL BLANKENSHIP, MEMBER

4 SHANNON FERRELL, MEMBER

5 DAVID GRIESEL, MEMBER

6 DR. TRACY HAMMON, MEMBER

7 JERRY JOHNSTON, MEMBER

8 JAMES KINDER, MEMBER

9 JAN KUNZE, VICE CHAIR

10 STEVE MASON, MEMBER

11 TIM MUNSON, MEMBER

12 BILLY SIMS, MEMBER

13 LORETTA TURNER, MEMBER

14 CHERYL VAUGHT, MEMBER

15 JOHN WENDLING, CHAIR

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Page 4

1 MR. KINDER: Here.

2 MS. FIELDS: Ms. Kunze?

3 MS. KUNZE: Here.

4 MS. FIELDS: Mr. Mason?

5 MR. MASON: Here.

6 MS. FIELDS: Mr. Munson?

7 MR. MUNSON: Here.

8 MS. FIELDS: Mr. Sims.

9 MR. SIMS: Here.

10 MS. FIELDS: Ms. Turner?

11 MS. TURNER: Here.

12 MS. FIELDS: Ms. Vaught?

13 MS. VAUGHT: Here.

14 MS. FIELDS: Mr. Wendling?

15 MR. WENDLING: Here.

16 MS. FIELDS: We have a quorum.

17 MR. WENDLING: I want to welcome everyone for being

18 here today in what I consider a very unique location in the

19 state, at least from my standpoint in my travels yesterday.

20 I haven't been here before. The only way I can describe it,

21 I felt like I was in Colorado, because I was coming from

22 Oklahoma City down I-40, went south.

23 Everything was fairly flat, and all of a sudden

24 I saw the mountains. From my standpoint, it kind of

25 reminded me of driving from the eastern part of Colorado

Page 3

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2 MR. WENDLING: If everyone could make their way to the

3 table, we'll get started today, please. All right. The

4 August 19, 2014, regular meeting of the Environmental Quality

5 Board has been called according to the Oklahoma Open Meeting

6 Act, Section 311 of Title 25 of the Oklahoma statutes.

7 Notice was filed with the Secretary of State on

8 November 18, 2013. Agendas were mailed to interested

9 parties on August 6, 2014, and were posted at the DEQ and

10 the facility on August 18, 2014. Only matters appearing

11 on the posted agenda may be considered.

12 If this meeting is continued or reconvened, we

13 must announce today the date, time and place of the

14 continued meeting, and the agenda for such continuation

15 will remain the same as today's agenda.

16 Roll call, please.

17 MS. FIELDS: Mr. Blankenship?

18 MR. BLANKENSHIP: Present.

19 MS. FIELDS: Mr. Ferrell?

20 MR. FERRELL: Present.

21 MS. FIELDS: Mr. Griesel is absent. Dr. Hammon?

22 DR. HAMMON: Here.

23 MS. FIELDS: Mr. Johnston?

24 MR. JOHNSTON: Yes.

25 MS. FIELDS: Mr. Kinder?

Page 5

1 toward the mountains. I may have to name this place

2 Little Colorado. It was definitely very – I really

3 enjoyed the trip here.

4 Before we get started, I usually like to begin

5 with a safety reminder. I've asked Martha Penisten to

6 please give us a little bit of a safety briefing on what

7 we do in case we have an emergency.

8 MS. PENISTEN: Well, first things first are the

9 restrooms. They're out the door we came in. Women's is to

10 the left and men's is to the right. You have to go a ways,

11 but they're down there.

12 If we hear a fire alarm, we immediately go

13 outside, and there's an exit to go outdoors just out these

14 doors and across the hall. We go into the parking lot and

15 stay at the flag pole. That's the safety zone. Stay

16 there until someone from the facility notifies that it's

17 safe to go elsewhere.

18 Then in face of health emergencies, we have

19 dispatch numbers for the Greer County health officials,

20 EMSA, whatever they have here. Then the other thing on

21 the list provided to us was tornado safety. I don't think

22 we're going to have one of those today, so I'll skip that

23 part, but that's it. Thank you.

24 MR. WENDLING: Thank you very much. A few logistics to

25 go through on the way. We have some guests with us today.

Page 6

1 I guess from the board perspective for the first meeting
 2 officially today is Cheryl Vaught. Welcome. Thank you for
 3 being with us today. You've been a board member for a while,
 4 but this is your first meeting with us.
 5 MS. VAUGHT: That's correct. Thank you. Pleased to be
 6 here.
 7 MR. WENDLING: We also have with us today Senator Mike
 8 Schulz. Senator, is there any comment or any words you
 9 would like to make to the group before we get started?
 10 SENATOR SCHULZ: I guess first of all, welcome to
 11 southwest Oklahoma. It's no great secret that we're still
 12 in the middle of a drought regardless of the rainfall. We've
 13 had a good summer. We're still very, very dry in this part
 14 of the world and in desperate need of rain. Glad you're
 15 here at Quartz Mountain. It is a very special place.
 16 MR. WENDLING: Thank you very much. Welcome to all of
 17 our visitors and guests. From my standpoint, I did a little
 18 research, and I try to do that every time we attend this
 19 part of the state. It's amazing to me how diverse a state
 20 we really do have, whether it's from the northeast part of
 21 the state, the southeast part and now the southwest.
 22 I commented earlier about this being kind of a
 23 little Colorado. What's interesting is it's called Quartz
 24 Mountain and Lodge that we're at. When I thought of
 25 Quartz Mountain, I thought from a geological standpoint

Page 7

1 that when I did some reading, I find out that there's a
 2 lot of quartz in the area, but it's primarily granite.
 3 So I don't know the history of how they arrived
 4 with Quartz. I found that intriguing. The other thing
 5 that's interesting, it's the western-most peak of the
 6 Wichita Mountains. I've been through the Arbuckles in the
 7 Wichita Mountains if you go through I-35. I haven't been
 8 here before.
 9 From a recreation standpoint, I guess its
 10 primary attraction -- it has a lot of history, for the past
 11 30 years or more -- I can tell you is climbing. It is a
 12 big area for hiking and climbing. Of course, there's
 13 other recreation. I guess I understand why rock climbing
 14 would be a big attraction in this area.
 15 Then I did a little history, looking up around
 16 historical activities. If you get a chance to look at
 17 some information about this area, you'll find it has a
 18 long history. One point I thought I would mention is the
 19 region has a distinction of being under five flags of
 20 different entities historically.
 21 Let's see if I have this. From the late 1500s,
 22 it was under the Spanish flag. Then it was under the
 23 French flag until the Louisiana Purchase. Then the United
 24 States of America. Then Mexico claimed it. And then the
 25 Republic of Texas.

Page 8

1 So at least that's a little snippet I got from
 2 some of the web sites. Definitely a lot of history in
 3 this area. Very diverse. I think that speaks of the fact
 4 that we, as a group and as citizens of the state, from
 5 an environmental standpoint, we need to do all we can to
 6 preserve all aspects of our resources that we have.
 7 Anyway, with that, I would like to go ahead and
 8 begin with approval of the minutes. Hope everyone had a
 9 chance to review those. Do I have a motion from the
 10 board?
 11 MR. JOHNSTON: Move it approved.
 12 MR. BLANKENSHIP: Second.
 13 MR. WENDLING: Roll call, please.
 14 MS. FIELDS: Mr. Blankenship?
 15 MR. BLANKENSHIP: Yes.
 16 MS. FIELDS: Mr. Ferrell?
 17 MR. FERRELL: Yes.
 18 MS. FIELDS: Dr. Hammon?
 19 DR. HAMMON: Yes.
 20 MS. FIELDS: Mr. Johnston?
 21 MR. JOHNSTON: Yes.
 22 MS. FIELDS: Mr. Kinder?
 23 MR. KINDER: Yes.
 24 MS. FIELDS: Ms. Kunze?
 25 MS. KUNZE: Yes.

Page 9

1 MS. FIELDS: Mr. Mason?
 2 MR. MASON: Abstain.
 3 MS. FIELDS: Mr. Munson?
 4 MR. MUNSON: Yes.
 5 MS. FIELDS: Mr. Sims?
 6 MR. SIMS: Yes.
 7 MS. FIELDS: Ms. Turner?
 8 MS. TURNER: Yes.
 9 MS. FIELDS: Ms. Vaught?
 10 MS. VAUGHT: Yes.
 11 MS. FIELDS: Mr. Wendling?
 12 MR. WENDLING: Yes.
 13 MS. FIELDS: Motion passed.
 14 MR. WENDLING: As you can tell from our agenda, we
 15 really do have a short agenda today, but we do have some
 16 important items we have to go through. Each year at this
 17 time, we focus on our budget for the 2015 year.
 18 I know we've been having budget discussions
 19 quite a bit over the last several months because of
 20 changes we've had to make in our budget related to
 21 shortfalls at the state level. That was for 2014 fiscal
 22 year.
 23 Now what I'm going to do is turn this over to
 24 Scott, who's going to spend some time with us giving us a
 25 presentation for the 2015 budget.

<p style="text-align: right;">Page 10</p> <p>1 MR. THOMPSON: All right. Well, I'm glad to be here, 2 too. I like this part of the state. I need to spend some 3 time down this way. 4 What we're doing today is looking at our budget 5 request for next session for next year's budget. You 6 should have a sheet, a one pager. Some on the back too. 7 This details what we've got in 2015 and what we're 8 requesting for 2016. 9 Some of the items, the last two items in 10 particular on the back page, are still kind of in flux. 11 They're drafts. I would say this is a preliminary 12 document. We have until October 1 to turn it in. We'll 13 do a little more work on those items and probably ask for 14 a meeting of the subcommittee of the board to discuss 15 those with changes to those items. 16 We'll walk through this. In overall and 17 currently, we're looking at 9.6 million in additional 18 requests. Like I said, some of that is going to have to be 19 modified. 20 The first item here is for laboratory. It's 21 \$615,000 to update some equipment. These would be 22 continuing costs. Somewhere in the neighborhood of 23 70 percent of laboratory equipment is essentially beyond 24 its normal, useful life. Some of those items are not 25 supported anymore once they get past a certain point by</p>	<p style="text-align: right;">Page 12</p> <p>1 We've shut down a couple of offices, as we had 2 people leave those offices. We had no staff to fill them. 3 We're going to have to look at whether or not we restaff 4 some of the offices that are currently vacant or we shut 5 them down. We really can't save too much by shutting too 6 many offices down, because you have to have people travel 7 further. 8 When people need inspections to finish building 9 out their house to do the septic systems or when we have 10 to inspect water utilities, etcetera, we've really got to 11 get that done so the people can keep on doing business and 12 stay in compliance. That's critical. 13 We're just trying to bring ourselves up to 14 adequate coverage across the state so that it's not -- 15 we're not really having part-time delivering services in 16 certain areas. 17 The other area we're asking for is 860,000 in 18 Water Quality Division. Again, we have not filled a 19 number of staff that's there. As well as we've lost two 20 engineers in the last month. Some of our problem is, it's 21 very difficult for us to compete in the job market right 22 now. It's even difficult for us to compete against other 23 state agencies based on salaries when we hire people. 24 We're going to have to address that somehow. We're 25 nearing critical shortages on engineers and environmental</p>
<p style="text-align: right;">Page 11</p> <p>1 the manufacturer. 2 We have to do repairs and things ourselves. 3 We're managing to do that, but because a lot of the 4 equipment wasn't on a regular replacement schedule, it's 5 at risk. If you lose some of those pieces of equipment, 6 we could have some serious problems delivering services to 7 communities. There is that item. 8 Then the next item is an additional 230,000 for 9 our local offices. Some of the cuts we absorbed last year 10 we were able to do by not filling positions and not making 11 lab equipment purchases. We lost quite a few folks in our 12 regional offices. 13 We're trying to cover the entire state. Last 14 time you saw how we track the workload across counties and 15 how we service each county from the offices that are near 16 it. We are having to really cover some places in sort of 17 awkward ways. Especially Ottawa County has a lot. We've 18 also had problems filling positions in west central 19 Oklahoma. 20 We have a big gap in Woodward and Enid. The 21 nearest places to that part of the state are Burns Flat, 22 Guymon and Stillwater that we have people. We lost 23 another person in Burns Flat recently. That's causing us 24 quite a bit of problems in terms of servicing that part of 25 the state as well.</p>	<p style="text-align: right;">Page 13</p> <p>1 specialists. 2 The next item on the top of the back page is 3 also money that would be used in those three we just 4 discussed, labs, county offices for ECLS and in the water 5 program. This is 1.4 million dollars, which would be used 6 in similar ways. The reason we identified this separately 7 is, we applied for 31 percent of the drinking water state 8 revolving fund that communities can use access to get 9 money to do on construction projects and build systems and 10 keep in compliance with their constituents as well. 11 We had to tap into that money last year. 12 31 percent of that fund can't be used for salaries. 13 Historically, we're in the teens in terms of the 14 percentage of that fund to be used, which meant that extra 15 money from the 31 percent went into the loan program. It 16 gets leveraged at the water board ten to one or nine to 17 one. 18 It's available for loans. Much of that money is 19 paid back, so it recirculates over and over and over. 20 Some of that money is (inaudible) out of those situations. 21 That money is leveraged to quite a big amount. We have 22 crept up, with the cuts we've had the last few years, into 23 28, 29 percent of that. 24 We're trying to get back down around 21. If we 25 were able to get this money, that would leverage about 14</p>

Page 14

1 million dollars in loan money for Oklahoma communities.
 2 We think that's important, especially with all the rule
 3 changes that are coming on and all the things that are
 4 happening.
 5 It's critical that that will be available. Then
 6 the next item is a one-time request for some additional
 7 lab equipment. The previous item for the lab covered a
 8 couple of people we would like to staff up a little bit
 9 and some routine equipment costs if it's requiring money
 10 so we could have a maintenance program that's ongoing.
 11 I'm on the back page for a one-time million
 12 dollar request for us to catch up on that 70 percent of
 13 equipment that is out of date essentially. That would
 14 only replace a quarter of what we need to replace. But we
 15 think if we can get some significant amount of money to
 16 get a head start on that, to catch up a little bit and have
 17 adequate funds to set up our regular program to replace
 18 equipment as it's wearing out, that's important.
 19 The last two items, again, these are kind of
 20 place orders really. They're similar projects that were
 21 cut as a result of having to pay out so much cash last
 22 year. There's several armories. We have one in Lawton.
 23 That needs to be cleaned up so that the state's liability
 24 is handled as those are handed over to cities and used for
 25 other purposes.

Page 15

1 So we're still evaluating how to deal with that
 2 as well as we do have some match (inaudible) for the Tar
 3 Creek super fund site, which we're going to have to figure
 4 out at some point. There is a line item for that. We're
 5 going to need to reevaluate as we did the budget
 6 discussion last time and we talked about where the 12
 7 million dollars was going to come from.
 8 I'm not an accountant. I look at money like it
 9 was in my checking account. If it's earmarked for certain
 10 payments or things, and the way we look at that money in
 11 our agency is that some of our money is earmarked for
 12 certain programs. Certain fee money. There is statutory
 13 restraints that tell us to spend air money in the air
 14 program.
 15 Some of that money doesn't have as clear-cut
 16 definition that is more flexible using other parts of the
 17 agency. Such as solid waste money. Statutorily doesn't
 18 have that sort of a string attached to it. We're able to
 19 use it a little more broadly.
 20 But as we were estimating how much income we
 21 would have left at the end of June and we were preparing
 22 that document for the last meeting and assessing how we
 23 were going to make that \$12 million payment in cash, we were
 24 looking at what money was sitting there in the bank and
 25 what strings were attached to it.

Page 16

1 I guess technically we could write a check until
 2 July 1. We can look at -- the accountants can straighten
 3 me out on this. We can look at the whole year's budget,
 4 how much money we actually carried over at the end of June
 5 versus what was estimated that we were going to carry
 6 over.
 7 We can possibly reallocate some of that
 8 12 million against some of the carry-over funds and a
 9 little bit of the 2015 money. We might be able to free up
 10 some of that to do a couple of these projects. We have to
 11 go through that. The accountants are still working on my
 12 understanding of all of this. We're going to have to sit
 13 down and go through that item by item to make sure it's
 14 very clear which projects we think we can afford to do
 15 with that money. That would reduce this.
 16 As well as to make sure whether or not we might
 17 have to push some of these to 2016, 2017. I think that
 18 figure will come down quite a bit. We have about a month
 19 to finalize this. I would like to set up a meeting to
 20 explain how we make those changes.
 21 Tar Creek match, that's something we're going to
 22 have to pay off by 2017. We'll have to do a little more
 23 evaluation of that in terms of whether we continue to ask
 24 for that in next year's program or not. That will be a
 25 one-time request.

Page 17

1 With that, our purpose for meeting today, or the
 2 primary purpose, is for you guys to look at our budget
 3 request and decide whether you like it or not. But I
 4 would ask for a conditional approval of this to give us
 5 some flexibility to modify it over the next month and he
 6 subcommittee to get some sort of a final blessing from
 7 them and go forward with it.
 8 If you have any questions about this, I would be
 9 happy to entertain those.
 10 MR. WENDLING: Before I put this up to questions of the
 11 board, I just want to clean something up. This budget was
 12 for fiscal year 2015. It's really for fiscal year 2016,
 13 which begins June 2015. Just wanted to correct that. With
 14 that, any questions regarding the budget?
 15 MR. MASON: Looking it this budget like the first item,
 16 the lab, we would like the appropriation. If we don't get
 17 it, the lab will be no longer functional. If you go to the
 18 two items at the very end, the site remediation and Tar
 19 Creek, I think those were funds that were stolen from our
 20 set-aside fund. Would our position not be you-all took our
 21 money, all those are just dead in the water, we're not going
 22 to do anything until you restore that funding?
 23 MR. THOMPSON: Well, I don't know I would put it that
 24 way. The agency did have some cash, and it's a little bit
 25 of a confusing story when we start talking about the budget.

<p style="text-align: right;">Page 18</p> <p>1 Part of that is because we were able to avoid some of those 2 cuts to the GR by tapping into the DWSRF funds even after 3 salaries. 4 I think we had some money that we could have 5 given up. I think there was more money that was taken in 6 terms of the cash out of the bank account that was 7 dedicated to certain projects that makes it difficult to 8 absorb that. It sort of depends on how critical the need 9 is. 10 There was at least (inaudible) to the armory. I 11 hadn't gotten any indication from them what they were 12 going to use it for. It didn't seem to be a high 13 priority. Once we told them that the money is gone and 14 we're not going to be able to do it for a while, we got a 15 letter from them saying you really need to get this done 16 now and they have a definite use for it. 17 I think there is possibly some motivation to get 18 that money restored this year and go forward with that 19 project, so at least we can. We would like to see those 20 go back into reuse to benefit the communities, the ones 21 that have been a good benefit. The Catoosa project 22 is one of the bigger items. 23 Part of the problems is that we've had some 24 accounting issues with people. Part of the reason we've 25 had some cash build-up a couple of years ago, it was</p>	<p style="text-align: right;">Page 20</p> <p>1 absorbed quite a few programs over the years. Where we were 2 at in the 2015 TR is really equivalent to about where we 3 were in '94 as an agency. We've had a great number of tasks 4 added to what we do since then. 5 We've also shrunk. From when we were created in 6 '93, we had 600-some-odd FTE's, and we've shrunk down to 7 about 572. We only have filled about 460 or 70, somewhere 8 in there. We probably need to be in the 480, 490 range, 9 something like that. We don't have intentions of filling 10 all the slots or adding a lot of staff. 11 We're doing more with less general revenue and 12 less staff, really, these days. We are being a lot more 13 efficient in terms of services. When we started out, we 14 tried to have an office in every county. Now we're down 15 to in the mid-50s for county personnel. We need to be up 16 around 59, 60 to really have a (inaudible). 17 Some of these big projects, like KUSA, that money 18 was settlement money. Since we received that settlement 19 money, the bankruptcy settlement money, we had an 20 obligation to take care of that problem if there's a 21 serious impact. 22 MR. MASON: I think that should be your and Michelle's 23 message to the legislature. We've received those monies. 24 We set them aside. They're now gone. Our hands are tied, 25 guys. You said you looked at your checking account. Your</p>
<p style="text-align: right;">Page 19</p> <p>1 decided not by me, but the administrative services would 2 take from the divisions and turn on phase two, whatever 3 it's called, and start using that. 4 They didn't run a background to make sure it was 5 really going work to out well. That didn't work out well 6 at all. That caused some additions to be (inaudible) in 7 terms of knowing who was being invoiced, who wasn't 8 invoiced, who paid, who hadn't paid. 9 That's part of the reason you don't have good 10 information throughout the year where you stand 11 financially. Some of the money did not get spent that 12 could have been spent like on that equipment. 13 MR. MASON: I guess my suggestion is as to whether our 14 priorities could be the priorities and be restored funding 15 to ECLS for those. I think priorities would be to have a 16 functioning lab. 17 MR. THOMPSON: Yes. I would think so. 18 MR. MASON: I think those would be the priorities. I 19 think the article about a month ago talked about the 20 disasters, that we can't go fund these cleanups. That came 21 from them attacking our set-aside funds. I think if you 22 have extra money, ECLS and the labs should be the priority. 23 MR. THOMPSON: Yeah. I think getting some increase to 24 GR is important, especially requesting the DWS route of 25 money. We could really use the other one as well. We've</p>	<p style="text-align: right;">Page 21</p> <p>1 checking account is empty there for those funds that were 2 set aside. I think you and Michelle's priority needs to be 3 these missing ECLS positions. We've talked about the lab 4 for years being equipment old. 5 MR. THOMPSON: They're doing a pretty good job of 6 bringing it together. There's several pieces of equipment 7 that are at significant risk. I don't know what we'll do 8 when some of them break down. 9 MR. MASON: I appreciate your PeopleSoft and 10 resources within the agency. If there's excess resources, 11 money, that people source and whatever, it's better than 12 that. 13 MR. THOMPSON: Yeah. A project like KUSA is a large, 14 large construction project. We typically don't start those 15 until late winter, early spring. They want to be able to 16 vegetate during growing season in the project. If it's a 17 short enough term project, we try it get it done in that one 18 year. Get it revegetated and all that when we still have a 19 chance. 20 Unfortunately, that kind of falls in the time of 21 year those are set and taking place and may not pay it 22 out. At that point, we may pay it out at the end of the 23 fiscal year or the beginning of the next fiscal year when 24 the bill comes due. You're carrying that three million 25 bucks in your account at that time. That makes it a</p>

Page 22

1 little bit hard if you have several of those kind of
 2 things sitting here or you've got a long-term construction
 3 project.
 4 One of the things we may ask for at the next
 5 meeting and may talk about, is we would like to introduce
 6 some sort of bill to give us the authority to have a
 7 construction account so you don't have all your money
 8 sitting in one account and accruing, having to hold it for
 9 these major projects and having the timing throughout the
 10 year to be dependent up construction season.
 11 For example, at KUSA, we really didn't get quite
 12 enough money from the bankruptcy settlement to do it.
 13 Frankly, I didn't expect that amount of money at all
 14 together, but we got most of the money we needed. We had
 15 to scrounge for more money. We had to do an engineering
 16 design for the site.
 17 We discovered additional waste and had to adapt
 18 to that. We were really ready to go, and the landowners
 19 balked a little bit on the access, or we would have been
 20 in the middle of the clean-up last session. But to accrue
 21 that three million dollars, if we tried to do that in out
 22 years with some of our fee money, like for example the
 23 money used for armory clean-ups and orphan sites, it would
 24 take a year and a half worth of that money.
 25 So we would have to approve a whole year's worth

Page 23

1 of money or have to accrue that over at least two years
 2 and hold it long enough to be able to start the project we
 3 have to have that money in hand before you let the bid and
 4 sign the contract. We have to hold that money in place
 5 while we're doing that, because there's a definite
 6 obligation to spend that money.
 7 It's a little bit challenging to explain some of
 8 that stuff and make it clear. I understand what you're
 9 saying.
 10 MR. BLANKENSHIP: Mr. Chairman, I have a couple
 11 questions. Scott, you indicated that the appropriation was
 12 shown on here at FY 2015 a little over 7.1 million dollars.
 13 Is that the complete or is that the full general
 14 appropriation from the legislature?
 15 MR. THOMPSON: That's the general revenue.
 16 MR. BLANKENSHIP: That's the full amount?
 17 MR. THOMPSON: Yes.
 18 MR. BLANKENSHIP: If I remember correctly, all that
 19 supports the lab, ECLS, Water Quality Divisions, and if I
 20 recall correctly, that all of the other divisions are fully
 21 funded by other sources other than the general
 22 appropriation.
 23 MR. THOMPSON: A piece of that may go to administrative
 24 services division. I would have to check on that. None of
 25 that does. My accountant is shaking her head.

Page 24

1 MR. BLANKENSHIP: On the request to maximize the DWSRF,
 2 what's our expected DWSRF allocation from the feds for
 3 fiscal year '16? Do we know that?
 4 MR. THOMPSON: Do we know what that number is, Shelly?
 5 MS. CHARD-MCCLARY: We know what they're telling us.
 6 MR. BLANKENSHIP: That's fair enough.
 7 MS. CHARD-MCCLARY: We're looking at maybe as low as
 8 nine, ten million, maybe as high as 13 million, but there is
 9 a bill that has passed the house in congress that creates a
 10 new funding program for very large projects, twenty to one
 11 hundred million dollar projects.
 12 The source of money that they're looking to fund
 13 that if the senate passes it as well, they will pull from
 14 the DWSRF and clean water SRF and put that money into this
 15 new pilot project that's pretty much earmarked for the
 16 costs. If they do that, then we will have a
 17 significantly smaller piece.
 18 We're hoping to stay reasonably close to what we
 19 had before, which is about ten million.
 20 MR. BLANKENSHIP: Ten million, is that what we have in
 21 this fiscal year?
 22 MS. CHARD-MCCLARY: It's pretty close to that. It's
 23 real close.
 24 MR. BLANKENSHIP: The 31 percent is what the program
 25 enables the agency to use to cover administrative costs?

Page 25

1 MS. CHARD-MCCLARY: It's several different things.
 2 It's divided into four equal pieces. There's one piece
 3 that's strictly administrative DWSRF, and DEQ splits that
 4 money with the Water Resources Board for them to do the
 5 financial piece and to do the technical piece. Then there's
 6 a set amount for small systems.
 7 There's a piece for capacity development.
 8 There's one piece that is the public lines supply program
 9 implementation where we use that. That is what EPA –
 10 every time there's a new rule, EPA says, oh, just use your
 11 DWSRS set-aside money to implement that. We're not going
 12 to request any additional funding to implement that
 13 program.
 14 That is what we're trying to get down to where
 15 our capacity development, our well head protection, all of
 16 those things that are funded by the DWSRF. But they're
 17 all program implementation that is just – the new lead
 18 copper rule, the soon-to-be effective chloroform rule,
 19 that those get funded through the state appropriated
 20 dollars and the fees as opposed to dipping into that loan
 21 fund.
 22 We know the communities need the loans and
 23 grants in order to comply with the new rules.
 24 MR. BLANKENSHIP: So then the 1.4 million dollars would
 25 be used to offset a portion of those administrative costs or

<p style="text-align: right;">Page 26</p> <p>1 those costs so that then the DWSRF -- in an equivalent 2 amount, the DWSRF funds would then be able to be put into 3 the loan program. Okay.</p> <p>4 And then you've made a statement about authority 5 to establish, or the way I guess I interpret it as, at this 6 point in time, does the agency not have the authority to 7 establish a construction or capital account?</p> <p>8 MR. THOMPSON: To have a separate account essentially, 9 you would have to have statutory approval to do that.</p> <p>10 MR. BLANKENSHIP: Okay. Is that something that you 11 anticipate that we would pursue in the next legislative 12 session?</p> <p>13 MR. THOMPSON: Yes. That's for the November meeting. 14 Probably bring that to you. There's several other agencies 15 that have such accounts. ODOT comes to mind. They're on a 16 much more massive scale than we are.</p> <p>17 MR. BLANKENSHIP: It would basically be a construction 18 or capital account that would contain funds that would be 19 designated for specific purposes and would basically be 20 carried forward from one fiscal year to the next fiscal year 21 so we don't end up having that money just pulled out of a 22 general account, even though it's designated.</p> <p>23 MR. THOMPSON: Yes. Especially if you have a contract 24 on something. I'd like to have that money on account to 25 protect a little bit. We would like an emergency clause to</p>	<p style="text-align: right;">Page 28</p> <p>1 Are they all equally as important in your mind, or is there 2 a priority list?</p> <p>3 MR. THOMPSON: I think back to Steve's question a 4 little bit, slightly different angle on that. The 5 continuing funds are important to fund people on. We don't 6 want to hire people on one-time money and then not have it 7 the very next year and have to let them go. That's not good 8 for us.</p> <p>9 We're working quite a bit on trying to look at 10 training and some successional planning. A lot of our 11 work force are older managers that could retire. We're 12 losing a lot of the people that would probably be the best 13 replacement for those folks, people who've hung on. Some 14 of the lower paid staff haven't had a raise since 2005. A 15 lot of our technical staff haven't had any compensation 16 changes since 2008.</p> <p>17 If you're a younger person who has a lot on the 18 ball and is a hard worker and sharp and got a family to 19 feed, it's hard to stick around too long. Even if you 20 like working for us and the kind of work we do, it's hard 21 to retain those folks.</p> <p>22 I think it's important that we maintain -- that 23 we are able to hire and keep quality people and really 24 pick out the best folks that are practical. I think we've 25 all had experiences where either this agency or some other</p>
<p style="text-align: right;">Page 27</p> <p>1 be able to tap it if we had to for certain situations. For 2 the most part, it would be moving money over there for those 3 sorts of projects.</p> <p>4 We look at our building, which we own, and the 5 parking garage, which we own. We need to do really a 6 design for a new parking garage and see what the current 7 cost is. The latest estimate we have is about six million 8 bucks to replace that.</p> <p>9 The current one is falling apart. It's kind of 10 built into an adjacent garage next door, which is privately 11 owned, as well as the Tyson Short building. The labor 12 costs, if we were going to try tear that thing out, which 13 was built in the '40s or '50s, I'm guessing, would be 14 extensive.</p> <p>15 It's kind of like the condition the state 16 Capitol is in. Pieces are falling out of the ceiling on 17 people's cars and stuff. We've been told it would simply 18 be more efficient to build a new garage in our current 19 physical parking lot than to try to totally rehabilitate 20 that one. That's something we would like to figure out 21 some way to fund over several years to build up enough 22 cash to actually do that.</p> <p>23 MR. BLANKENSHIP: One final question. Have you 24 established a priority on -- we've got three items on the 25 ongoing request and three items on the one-time request.</p>	<p style="text-align: right;">Page 29</p> <p>1 government agency does some things that don't always make 2 a lot of sense, and some of that is just getting the folks 3 trained up right and picking the best people for the jobs.</p> <p>4 MR. BLANKENSHIP: I agree with you 100 percent.</p> <p>5 MR. THOMPSON: I really think it's critical for the 6 continuing money, because that will continue to keep those 7 programs viable. One-time money would be nice to get. I 8 think getting some sort of a head start on the laboratory 9 equipment replacement is very important.</p> <p>10 The other categories, it would be ideal to get 11 money for those projects, but if we have to, we can push 12 some of those in doubt here. Fee money fluctuates. We 13 operate on estimates. That's one of the things that 14 drives me crazy on our financial situation. Everything 15 is estimated out, and it's hard to reconcile until way 16 after the fact.</p> <p>17 You're always looking at what you expect to come 18 in on an operating basis of that. Some years we get less 19 in than we anticipate. Last year was a good year. We had 20 more. We had some one-time money coming out of some 21 disposal at our waste facility, which is money we had an 22 account on.</p> <p>23 That source is ending. I think that continuing 24 fund is important to keep these programs going.</p> <p>25 MR. BLANKENSHIP: The ongoing request collectively</p>

Page 30

1 would be number one. The lab equipment would be number two,
 2 and the other two fall in. Is that generally what I'm
 3 hearing?
 4 MR. THOMPSON: Yes.
 5 MR. BLANKENSHIP: That's all I have. Thank you very
 6 much.
 7 MR. KINDER: I've got a question for Scott for a
 8 second. Without additional funding, a lot of our revenue
 9 sources come from other sources, outside sources.
 10 Do you have an idea, without additional funding,
 11 what amount is going to be in jeopardy of not coming into
 12 the department?
 13 This may be unfair. I know it's a ballpark,
 14 because there's a lot of things that are unknown from
 15 other agencies. Do you have any idea of maybe what
 16 would be in jeopardy if we would not get additional
 17 appropriation?
 18 MR. THOMPSON: I think you're looking at essentially
 19 counting the leverage money, 14 million less in the drinking
 20 water revolving fund. That's the first item. Did that one
 21 for 1.4 million -- as long as we have adequate funds for
 22 further things, not having to dip into it for other reasons,
 23 we can replace that. That helps all across the state.
 24 And then for the other programs, I don't know
 25 how close we would be honestly to not giving our matched

Page 31

1 obligations in terms of in-kind services, but we do have
 2 to match most of our federal grants. Validating against
 3 those, we're doing our share. I can't say I'm intimately
 4 familiar with all of those at this point, but super fund
 5 projects, we put up ten percent state match. We get
 6 90 percent federal dollars to do that.
 7 If we don't do that, there's a lot of those
 8 sites we can't afford to clean up. That's important. We
 9 were able to keep the Tulsa Fuels match in the budget this
 10 year. We're going to get that smelter site cleaned up in
 11 Collinsville.
 12 We're looking at Tar Creek as an ongoing thing.
 13 We've not been real happy with the way the federal
 14 contractor has operated up there with their cost control
 15 or lack thereof. We've kind of stuck a wrench in the
 16 bicycle wheel there. We're going to try to -- we've made
 17 some progress with the EPA in terms of trying to stop that
 18 and bring it back to a more practical thing.
 19 I think essentially what's going to happen is,
 20 we're going to become the lead agency and do a lot of the
 21 work and work with the Quapaw Tribe that has a
 22 construction firm. They're doing really good work for a
 23 lot less money than what the federal contractor was doing.
 24 That's the first project in the nation. I heard this from
 25 a report, that that's the first time a tribe has been

Page 32

1 allowed into a super fund program to clean up some of
 2 their own property.
 3 We're working with them even off some of their
 4 property. They have the ability to do the work. They're
 5 demonstrating that. We can get it done a lot cheaper. A
 6 lot more for the same amount of money.
 7 MR. FERRELL: One quick question on the lab. The ECLS.
 8 We talked about the fact that this was going to help us
 9 restore the positions that we lost in attrition this past
 10 year. Where would that put us historically in terms of
 11 trying to fill some of those geographic gaps that we've got
 12 in the state?
 13 MR. THOMPSON: If we get this, then we believe that we
 14 would cover the state adequately. There wouldn't be an
 15 office in every county. We're kind of consolidating a
 16 little bit into sort of mini regions. In terms of looking
 17 at the work load that you typically have, these guys track
 18 their work loads better than anything else I've seen.
 19 In terms of the typical number of inspections or
 20 complaints and things that occur in the area and how they
 21 have to service that, hours it takes, travel time and all
 22 that. Historically -- I'm trying to remember how many
 23 people we had total in ECLS.
 24 I want to say it was up around 80 at one time.
 25 I can't remember that number off the top of my head.

Page 33

1 We're down in the 50s. We need to get up close to around
 2 60.
 3 MR. WENDLING: Any other questions?
 4 MS. TURNER: I have one to the point of Shannon. Will
 5 that also -- we talked about, in our last meeting, about
 6 being able to not only have those salaries, but have them at
 7 a level where people will want to work in those regions and
 8 those locations. Is this going to allow you for that, allow
 9 you to get the quality people you need?
 10 MR. THOMPSON: No. We would have to take some
 11 additional actions. We would have to raise our (inaudible)
 12 rights. The big hole we have in west central Oklahoma is
 13 really due to the oilfield competition right now. We did
 14 hire someone in Woodward that couldn't find a place to live
 15 or a place at all.
 16 There are some additional challenges other than
 17 just this request. We're going to work on that and talk
 18 to you guys some more about those ways we can do that.
 19 OMES has raised the mid points, which gives the agencies
 20 the authority to raise their hiring rates. So we're going
 21 to look hard at that as a mechanism to try to solve that
 22 and try to be able to hire some engineers and hire some
 23 specialists. Get quality folks. I would rather not hire
 24 than hire bad.
 25 MR. WENDLING: Do any of these budget numbers,

Page 34

1 requested numbers, have any salary increases you're talking
 2 about at all, or is this just a straight increase just to
 3 cover?
 4 MR. THOMPSON: It's not for that. We would have to
 5 find the money within our current budget and/or whatever we
 6 get in 2016 to make those moves. Then if we fell short, we
 7 would not fill positions.
 8 MR. WENDLING: Okay. Any other questions? I have a
 9 couple just for clarification. It seems to me the problem I
 10 typically have when I look at a budget, I like to look at
 11 the current state so I have a gauge to determine how we're
 12 moving to compared where we are today.
 13 It's not totally obvious to me just looking
 14 here. What I'm hearing is based on appropriations that
 15 you're aware of as a minimum. You're asking for an
 16 increase of 3.1 million dollars to fund what you consider
 17 top priority ongoing type activities. You're also asking
 18 us to approve approximately 6.5 million dollars of
 19 one-time requests to fund some of these projects
 20 identified here.
 21 MR. THOMPSON: Right. I phrase those one-time requests
 22 as up to. Again, we may tweak that number. Yeah. That's
 23 how we put it.
 24 MR. WENDLING: From my perspective, when we approve the
 25 budget, are we approving two pieces of the budget, or are we

Page 35

1 approving what I would call a cap?
 2 MR. THOMPSON: Do we have an opinion on that?
 3 MR. SIMS: As you've indicated when we started, we
 4 probably need to approve this today as a tentative budget,
 5 with the understanding that we will make some additional
 6 modifications as to other information at that time. Is that
 7 my understanding?
 8 MR. THOMPSON: Right. Jimmy drafted a way to kind of
 9 describe this a little better, which is that you guys could
 10 make a motion to recognize that we may need to use
 11 discretion to adjust some of these numbers. I don't see an
 12 adjustment other than the one-time numbers.
 13 And that you authorize us to do so and that we
 14 update you guys at the November board meeting and meet
 15 with the subcommittee to discuss the specific changes that
 16 we make before we submit it in October, so we would have
 17 to have a subcommittee meeting in September sometime. We
 18 don't have to put that in the motion. We could set that
 19 up after this meeting.
 20 MS. VAUGHT: One thought, if I may. I would think you
 21 definitely would want to have a cap in the motion.
 22 MR. THOMPSON: Clayton told me not to say a cap.
 23 MR. EUBANKS: I don't like the word "cap."
 24 MS. VAUGHT: You can't just say at the discretion of
 25 the committee. However the deal is passed is fine with me.

Page 36

1 Needs discretionary.
 2 MR. EUBANKS: Up to is fine. Up to and not to exceed.
 3 MS. VAUGHT: Great.
 4 MR. WENDLING: Just for clarification, you keep
 5 mentioning the subcommittee. I don't think the subcommittee
 6 could get board approval. We need a quorum board to get
 7 approval. It sounds like we're tentatively approving
 8 something until there's a meeting with this subcommittee.
 9 It would seem to me we would have to have a special board
 10 meeting to approve this. Is that correct?
 11 MR. KINDER: Has the subcommittee seen this, been
 12 through this budget yet? Thank you.
 13 MR. MASON: I would prefer not to have a special
 14 meeting. My suggestion would be that we approve this budget
 15 as presented and whatever lines we put into that motion and
 16 get Scott to go in and tweak it.
 17 MR. WENDLING: I guess that's where the approval up to
 18 this amount comes in. We give Scott discretion to operate
 19 the agency in that respect.
 20 MR. BLANKENSHIP: I have a question or point of
 21 clarification. The way I understand this, we're not
 22 approving the full DEQ budget. We're basically being asked
 23 to consider and possibly approve the request to the governor
 24 for general appropriation for the agency. Is that more
 25 correct?

Page 37

1 MS. PENISTEN: That is correct.
 2 MR. BLANKENSHIP: I just wanted to clarify that. At
 3 the last meeting, we had a fantastic presentation of the
 4 overall budget. That's not what we're approving or
 5 considering. We're just considering what the submittal to
 6 the governor will be for general appropriation for the state
 7 legislature.
 8 I would be happy to make that motion up to the
 9 amount of \$9,655,000.
 10 MR. JOHNSTON: I would second that motion.
 11 MR. WENDLING: We need to back up just for a second
 12 before the motion. I want to double check to make sure
 13 there's no more questions from the board.
 14 MR. MASON: My question would be, is the 9.6 additional
 15 monies and there would be a motion for 16.7 million? Is that
 16 the request of the legislature?
 17 MR. WENDLING: Are there any questions from the public?
 18 All right. Motion, please.
 19 MR. BLANKENSHIP: I move to authorize the executive
 20 director to submit a general revenue request to the governor
 21 in the amount up to \$16,788,575. \$16,788,575. You all know
 22 what I mean. \$16,780,575.
 23 MR. JOHNSTON: I would second that. I can't repeat it.
 24 I will second it.
 25 MR. WENDLING: Roll call.

Page 38

1 MS. FIELDS: Mr. Blankenship?
 2 MR. BLANKENSHIP: Yes.
 3 MS. FIELDS: Mr. Ferrell?
 4 MR. FERRELL: Yes.
 5 MS. FIELDS: Mr. Griesel is in attendance.
 6 MR. GRIESEL: Yes.
 7 MS. FIELDS: Dr. Hammon?
 8 DR. HAMMON: Yes.
 9 MS. FIELDS: Mr. Johnston?
 10 MR. JOHNSTON: Yes.
 11 MS. FIELDS: Mr. Kinder?
 12 MR. KINDER: Yes.
 13 MS. FIELDS: Ms. Kunze?
 14 MS. KUNZE: Yes.
 15 MS. FIELDS: Mr. Mason?
 16 MR. MASON: Yes.
 17 MS. FIELDS: Mr. Munson?
 18 MR. MUNSON: Yes.
 19 MS. FIELDS: Mr. Sims?
 20 MR. SIMS: Yes.
 21 MS. FIELDS: Ms. Turner?
 22 MS. TURNER: Yes.
 23 MS. FIELDS: Ms. Vaught?
 24 MS. VAUGHT: Yes.
 25 MS. FIELDS: Mr. Wendling?

Page 39

1 MR. WENDLING: Yes.
 2 MS. FIELDS: Motion passed.
 3 MR. WENDLING: Thank you, Scott. I know this is a
 4 complicated issue, trying to discuss all the different
 5 moving parts that are available when you do try to provide a
 6 potential budget. I appreciate what your group has to do.
 7 I noticed earlier that I skipped an item on the
 8 agenda. We originally went from Item 3 to Item 5. At
 9 this time, I would like to back up to Item 4, which is
 10 the Executive Director's report. Turn this back to Scott
 11 to see what additional information he would like to share
 12 with the board.
 13 MR. THOMPSON: Okay. I'll just give you guys an update
 14 on things we have gotten done way back in, I think it was
 15 February. I shared with you a document, kind of a
 16 philosophy for the future, to walk through some of the
 17 accomplishments we've made. Some of the lines we got down
 18 there for targets.
 19 There's a heavy focus not just from the DEQ, but
 20 the governor's office, for Water Resources Board and other
 21 folks that are involved in water in the State of Oklahoma,
 22 to push for water to use where it's possible, and water
 23 issues are paramount. Not only with the drought we have.
 24 Don't see it ending anytime soon. We all hope it does.
 25 We still need to work on these issues, because

Page 40

1 even if it does end sometime soon, we'll have this problem
 2 again, especially with the increase in population that we
 3 see. The external affairs division and Water Quality
 4 Division held some outreach events in five cities
 5 throughout the state to discuss water reuse and
 6 conservation, as well as to update people on new rules that
 7 have come down from the federal government and how to
 8 comply with those and offered some training and guidance.
 9 That's the kind of stuff we want to do more of.
 10 Unfortunately, with our budget cuts, we're not doing as
 11 much. We're trying to go around the state and announce
 12 we're going to find some other ways to get that
 13 information to folks.
 14 Overall, we're trying to work on customer
 15 service attitude of the agency. It's working, but to take
 16 permanent effect across all the agency is going to take a
 17 little while. The Water Quality Division and a few other
 18 folks are participating in some meetings of some task
 19 force groups, three of them, to look at water use
 20 technologies and water quality standards.
 21 As well as external affairs are looking at water
 22 use in the oil field. Why not use wastewater instead of
 23 potable water or other fresh water sources for those kinds
 24 of activities wherever possible. They prepared a fleet of
 25 maps showing what's available across the state,

Page 41

1 distances, everything. Of course, it depends on what part
 2 of the state you're in, how far you're willing to go to
 3 get that water.
 4 We're trying to identify those possible options
 5 to save several million gallons of water. We're still
 6 working on a project up in Enid that is almost finalized,
 7 I think, which will reach about five million gallons of
 8 wastewater a day.
 9 Some of that has been ongoing, but it increased
 10 the amount up to five million for that. That was a
 11 million and a half gallons a day that was being used out
 12 of potable water that's going to be replaced with waste
 13 water. So that's good.
 14 Again, we want to create a new culture within
 15 the agency. One of the better communication across
 16 divisions in the agency. How we interact internally and
 17 how we interact externally in terms of the way we interact
 18 and treat people that we regulate and/or help do things.
 19 There's no reason we can't be helpful. I think that's
 20 going pretty well.
 21 And then recently Jimmy and I and division
 22 directors and assistant directors started changing the way
 23 we work inside the agency at that level, and we're going
 24 to broaden how we set policy. We've been working with
 25 someone from the outside to facilitate us trying to look

<p style="text-align: right;">Page 42</p> <p>1 at new ways to evaluate policy and put it in place a 2 little better.</p> <p>3 So we're going to form several internal 4 committees looking at customer service, at training and 5 succession plan and improving public relations and 6 outreach. Also how we do finances, because the financial 7 crisis has not been totally open within the agency.</p> <p>8 We've not always maximized use of finding ways 9 we can do that. We're trying to identify that and just 10 have more information available for us to make decisions 11 on. I think that's going to be very helpful. That's 12 mostly going to be comprised of directors and assistants. 13 We're going to include other staff.</p> <p>14 That's probably a really good opportunity to 15 allow some people to develop who could be our replacements 16 some day. The other area, the external affairs group has 17 done a really good job working with folks and trying to 18 work on projects across the state, and that's taking hold 19 in some other places as well.</p> <p>20 We established a chief engineer position, and 21 he's essentially working ombudsing for people that have 22 regulatory concerns, and he's gotten involved in some 23 things. One of them he described to me, he had an 24 enforcement case going on, basically two guys with a 25 bucket and shovel. He solved it in short order. He</p>	<p style="text-align: right;">Page 44</p> <p>1 we've done training historically and things we've left 2 out. Make sure we have a really solid program for all 3 parts of the agency.</p> <p>4 We may look at trying to set up a rotation to 5 allow people to move from one part of the agency to the 6 other so that we have a broader understanding of programs. 7 That should help people collaborate more. I think if 8 you're a new person coming in, you would be pretty 9 attracted to be able to go learn several different 10 programs.</p> <p>11 To some extent, we're not going to hang onto 12 everybody. We're kind of a vo-tech. People come in, 13 learn how to do things and jump to the private sector. 14 Really, I don't have a problem with that to an extent. 15 Most of the time, those folks will do a better job and 16 work for us and then go into the private sector and 17 working with folks than not.</p> <p>18 We can't have that happening constantly all the 19 time with our best people. We have to retain some of 20 them. I think that's critical. We're going to work on 21 items like that. We're really going to focus on core 22 functions.</p> <p>23 Water quality is the area that affects most of 24 the state. Definitely all communities in the state. Most 25 of the industry has to use water. Anytime you want to</p>
<p style="text-align: right;">Page 43</p> <p>1 resolved that one quickly.</p> <p>2 So he's done quite a bit of work. He's really 3 putting in the time and effort to make a difference and to 4 work with staff across the agency to do a better job and 5 be more practical on how we look at things. He's focused 6 on the angle that we need to get to as, opposed to just 7 being nitpicking about every other rule. Input is what 8 matters.</p> <p>9 I'll hand you guys out a summary document of 10 this that details a few more things. We worked across the 11 state with utilities. We've had a lot of issues with 12 rates in the last couple of years, with blue-green algae, 13 et cetera and working on those things.</p> <p>14 The other area we're still continuing to 15 develop, that voluntary program for small quantity 16 generators of hazardous waste to voluntarily self-certify, 17 to go through an online training program, that's 18 progressing.</p> <p>19 We have identified a number of challenges in 20 trying to get the word out on changes in the water rules. 21 We've developed a public water supply handbook for small 22 systems. We're also looking hard at trying to improve 23 employee pay retention and advancement options in the 24 agency for the reasons we've already discussed. We really 25 need to develop the right skills and staff and look at how</p>	<p style="text-align: right;">Page 45</p> <p>1 get a new industry to the state, one of the first things 2 they're going to look at is availability of water. It's 3 critical for us to have a good program to be the risk 4 manager for the state.</p> <p>5 Some of that is to keep the federal government 6 in Dallas as much as possible. Although I will have to 7 mention that we did have the administrator of the EPA come 8 and visit us last week. That was really good. I'm pretty 9 impressed with Gina McCarthy. She's an ex-state person. 10 She said it wasn't only her goal to work for EPA; it's how 11 she wound up doing it. That's always a plus.</p> <p>12 I think she's very sincere and she's more down 13 to earth than most of her predecessors have been. There 14 was some frank discussions. Some of them were behind 15 closed doors stuff about the new waters of U.S. rule and a 16 little bit on 11-D, the air issues for existing coal 17 plants.</p> <p>18 I think she recognizes the problems they have 19 with the way some of it -- especially the water rules and 20 the problems it could cause. I don't know that she and I 21 agree on everything. I do think there's a lot more hope 22 with her to get more practical regulations in place than 23 we would have otherwise if we had somebody in that spot.</p> <p>24 I think the dialogue is good. She was very 25 impressed with Oklahoma City. We had a session where we</p>

<p style="text-align: right;">Page 46</p> <p>1 had several local emergency planning committee members 2 come in and explain how things really work in the real 3 world of first response and how the EPA could be more 4 helpful in that. (Inaudible) contributed some information 5 on how to revise some of those problems, because they had 6 kind of faded away a little bit in terms of EPA intentions 7 in supporting those functions. 8 Those are important. That was a really good 9 discussion. That went really well. Occasionally we'll 10 get temporary visas to some of the EPA folks to come in 11 and do these things. 12 One of the items that has come up that's come to 13 our attention is where we do on TMDLs. Particularly 14 decisions about what impairment means for stream segments. 15 We weren't really happy with where we were at on that and 16 how those decisions were being made. 17 It's kind of a long story. We could go into 18 that at some other point. We talked with Bill Honker -- 19 he's the newest director for the Water Quality Division 20 out of the Dallas regional office -- and explained to him 21 that we had some serious concerns that some of those 22 decisions were going to lead to permanent limits on 23 existing facilities and pretty much eliminate any potential 24 for future new business to locate on extreme segments. 25 That would just be devastating and was</p>	<p style="text-align: right;">Page 48</p> <p>1 I was hoping we would have an announcement on 2 one of those by now, but I think the sharks are still 3 circling, trying to get the best deal out of each other. 4 That hasn't happened yet. Maybe next time we'll have a 5 good story for you guys on that. 6 Oklahoma people come to Oklahoma City and see 7 all the Bricktown and all the new development and all that 8 stuff. We're getting quite a few folks looking at 9 locating. GE is building a new facility there. I think 10 that's going to help the whole state to have that kind of 11 setting that people want to be here now. I think that's 12 good. 13 We have to make it so it's feasible for them to 14 be here environmentally and economically. Again, I've 15 been meeting with several of the COGs, city officials, 16 county officials. We've met with them several times. 17 We've established a committee to routinely interact and 18 chat, to make sure we don't have concerns that remain 19 unaddressed there. I think that's going very well, that 20 part. 21 Gotten a lot of good feedback on how that 22 process is going forward. Basically we're just laying 23 everything on the table pretty much, just telling them 24 how it is. Even if it's not necessarily what someone 25 wants to hear, being honest, it kind of helps the</p>
<p style="text-align: right;">Page 47</p> <p>1 unnecessary. We didn't believe some of those decisions 2 were made appropriately. We negotiated limits on TMDLs, 3 and he was very open to that, as well as maybe take a 4 second look at some of those. 5 We're going to be able to pull back, take our 6 time and make better decisions on some of those stream 7 segments in terms of what impairment really means, what 8 really ought to be impaired. Not just some artificial 9 number that was chosen that doesn't really represent maybe 10 even something outside the national range for some 11 constituent. 12 I was pretty happy with that. I was very 13 concerned about what that would do to the economy of 14 Oklahoma. Lots of time there. One of the agency goals is 15 to make Oklahoma more prosperous. Looking at how we 16 permit assistance at new facilities and looking at those 17 kind of decisions, that it's easy to not pay attention to 18 TMDL impairment decisions because it's sort of a Trojan 19 horse. 20 It's like it, in and of itself, is not a 21 regulatory decision, but it leads to permanent limits 22 which could be pretty severe and have all kinds of 23 consequences. Our folks worked diligently to help with 24 some cities who are trying to bring in some new 25 businesses.</p>	<p style="text-align: right;">Page 49</p> <p>1 situation in terms of if they perceive you as being 2 honest, then they don't doubt your motivation. 3 So anyway, I think things are going pretty well. 4 We've made a lot of progress in a fairly short time. 5 We're further ahead than I thought we would be on some of 6 these issues. I'm pretty happy with that. That's pretty 7 much what I have. 8 MR. WENDLING: Any other? I did have a question. I 9 know at the beginning you talked about water use and the 10 importance on water use. I think we all understand why the 11 agency spends time and why the state is spending time on 12 that with the drought situation we have. 13 Could you share with the board any perspective 14 you have on the new proposed EPA rules on the waters of 15 the United States and any implications for the state or 16 the agency? 17 MR. THOMPSON: Colonel Teague had arranged for a 18 session with the EPA to discuss the waters of the US. And 19 invited stakeholders showed up to this meeting, which was 20 primarily agriculture folks, some city officials, county 21 officials. Several state agencies were there. 22 The regional administrator and the director of 23 the Water Quality Division from Dallas came up personally, 24 and they couldn't really answer a lot of questions. They 25 listened to comments, and they sat there personally and</p>

Page 50

1 took quite a few notes. The comments that were made at
 2 that meeting were pretty substantial, very direct,
 3 expressed a lot of concerns.

4 I think the rule is just a few pages, and the
 5 printout was 300 pages. That tells me there's something a
 6 little off there. My opinion is, it's like you're trying
 7 to write a rule, which I'm sort of guilty of doing a
 8 little bit too, but trying to write rules that have a lot
 9 of flexibility and say, sort of, trust me, I promise I'll do
 10 the right thing.

11 But when you're dealing with Clean Water Act law
 12 and you get third-party lawsuits, as well as you could have
 13 individuals show up, one person, one staff person from a
 14 federal agency, show up and decide that you haven't
 15 complied with federal law because the law is too nebulous
 16 to understand what's in and what's out in terms of the
 17 waters of US, pretty much anything can be in.

18 This is not well written. It was not vetted
 19 through states or other organizations at all before it was
 20 thrown out on the street. It could be interpreted in ways
 21 that could cause some very serious problems for folks,
 22 especially after the fact.

23 There's not enough federal employees to go out
 24 and help you make that call up front to understand what
 25 you have to do in compliance with federal law. Somebody

Page 51

1 could come in and decide you just didn't do it right
 2 later, and you're dead meat at that point. You're going
 3 to have to spend a fortune trying to defend yourself.
 4 There's no clarity.

5 Supposedly this is with clarity. There's not
 6 really clarity. This keeps citing Justice Kennedy. Some
 7 of the comments that were made were very specific about
 8 that. Justice Kennedy wrote his own opinion on one of
 9 these cases, and they cite that one person's opinion over
 10 and over and over.

11 MR. EUBANKS: Which opinion, by the way?
 12 MR. THOMPSON: It was a plurality. Then he joined
 13 them but wrote a separate interpretation of things in his
 14 opinion. Instead of citing the majority opinion and
 15 following that clearly, they pick his.

16 What they're really doing is, they're setting it
 17 up so that they can assert new federal nexus anytime they
 18 want to later on. They're trying to placate people that
 19 they're in control; the states aren't in control; they
 20 can it step in and take control anytime they needed to.
 21 It's not clear enough.

22 You need to be able to -- I'm crazy enough even
 23 though I've worked in government for long enough to know
 24 better to think that rules ought to be something you can
 25 read and follow and understand what you're supposed to do.

Page 52

1 This rule is not that. You can't really tell. You can
 2 make judgment calls.

3 They're doing similar things with the burying
 4 beetle stuff with the fish and wildlife that you're put
 5 into position where you have to decide how to handle a
 6 situation yourself or pay 14,000 bucks an acre protection
 7 money to the habitat bank so that you don't have to comply
 8 with all of that.

9 You're putting people in situations where they
 10 have to try to figure out whether they're in compliance or
 11 not and document it themselves. And somebody can come in
 12 later with a crazy interpretation and second guess that,
 13 and there's just no way you can defend yourself. It needs
 14 to be clear.

15 The water US rule is very much that way. It's
 16 not workable in its present state. Tyler has worked
 17 inside on it. J.D. Strong has an excellent understanding
 18 of it, and he's representing the western states and
 19 Western Water Council.

20 So everybody is pushing back on this rule,
 21 especially the agricultural folks. The things they've
 22 written to try to clarify absolutely make it more
 23 cumbersome and confusing.

24 MR. WENDLING: Thank you. I wanted to make some
 25 comments to the board. I do note that it seems like that

Page 53

1 particular rule could open up a can of worms and be very
 2 complicated. If something like that did come to pass, seems
 3 to me that it's going to expand the amount of requirements
 4 for all of us, especially landowners and also agencies and
 5 all the permits they have to work off of. I think it would
 6 be a very administrative nightmare.

7 Any other comments, questions to Scott?
 8 MR. MASON: I have a question. Scott, are water
 9 quality and lab functioning to prevent the embarrassment and
 10 disaster of the Toledo water supply?

11 MR. THOMPSON: Yes. Basically the laboratory has
 12 started looking at blue-green algae issues several years
 13 before they cropped up here, because whether this was
 14 coincidence or there is really something to it, it appeared
 15 to be a new -- kind of a new breed of blooming algae bloom.

16 It started happening up north in Canada. It
 17 seemed to come from the north through Nebraska, Kansas,
 18 showed up here. They were having -- when they were
 19 researching the possibilities, they were having a series
 20 of meetings to try to get people's attention to that fact
 21 that this was probably going to hit us, was going to
 22 happen.

23 Whether it's just solely nutrient loading, the
 24 age of the lakes, and how much nutrients they received
 25 that's setting a stage, as well as rainfall patterns and

Page 54

1 temperatures, making perfect conditions for the blue-green
 2 algae just to pop. They were pretty much ready for it in
 3 the lab, but they had to get through people that, when you
 4 have this happen, they were able to do so to prevent us
 5 having a situation like Toledo.
 6 That you have to be careful about how you treat
 7 the water. That you need to filter out the bacteria as
 8 much as you possibly can first and not chlorinate early.
 9 If you don't chlorinate early, you just kill them and
 10 release all the toxins. Then you've got that in your
 11 system.
 12 So the lab was very diligent. They got water
 13 quality educated on it and got the word out pretty fast
 14 that we have to deal with this carefully. Otherwise,
 15 you're going to wind up with all this stuff in your
 16 system, and you're going to have a significant issue.
 17 The primary effect of blue-green is liver
 18 toxicity. There's a lot of people who are -- who may have
 19 actually died from exposures to the toxin, but it's
 20 usually people who have significant health issues already.
 21 They do not always run the test on the liver to figure out
 22 whether or not the toxin is what took them down.
 23 There could be more impact than people realize
 24 from that source. It's really important. You don't want
 25 toxins of any sort in your drinking water system. It

Page 55

1 becomes a very expensive problem to try to clean it out
 2 and make sure it's safe to continue to use the system
 3 itself. They're keeping an eye on that. Fortunately,
 4 it's been a pretty good year. There haven't been too many
 5 blooms in Oklahoma. It was a mild summer and decent
 6 rainfall.
 7 MR. WENDLING: Scott, thank you for your update. If
 8 there are no more questions, I would like to move to agenda
 9 item number six. This is the annual performance review of
 10 the Executive Director.
 11 Among the statutory duties of the board are
 12 responsibilities to appoint and set the compensation of
 13 the Executive Director and to assist the DEQ in conducting
 14 periodic reviews and planning activities related to goals,
 15 objectives, priorities and policies of the DEQ.
 16 I know Scott's touched on some of the things
 17 he's been doing within the agency in his update to us. At
 18 this particular time, I would like to see if there's a
 19 belief of any to do a performance executive session for
 20 performance review.
 21 Would I have a motion at this time?
 22 MR. GRIESEL: I'll make a motion to go into executive
 23 session.
 24 DR. HAMMON: Second.
 25 MR. WENDLING: Roll call, please.

Page 56

1 MS. FIELDS: Mr. Blankenship?
 2 MR. BLANKENSHIP: Yes.
 3 MS. FIELDS: Mr. Ferrell?
 4 MR. FERRELL: Yes.
 5 MS. FIELDS: Mr. Griesel?
 6 MR. GRIESEL: Yes.
 7 MS. FIELDS: Dr. Hammon?
 8 DR. HAMMON: Yes.
 9 MS. FIELDS: Mr. Johnston?
 10 MR. JOHNSTON: Yes.
 11 MS. FIELDS: Mr. Kinder?
 12 MR. KINDER: Yes.
 13 MS. FIELDS: Ms. Kunze?
 14 MS. KUNZE: Yes.
 15 MS. FIELDS: Mr. Mason?
 16 MR. MASON: Yes.
 17 MS. FIELDS: Mr. Munson?
 18 MR. MUNSON: Yes.
 19 MS. FIELDS: Mr. Sims?
 20 MR. SIMS: Yes.
 21 MS. FIELDS: Ms. Turner?
 22 MS. TURNER: Yes.
 23 MS. FIELDS: Ms. Vaught?
 24 MS. VAUGHT: Yes.
 25 MS. FIELDS: Mr. Wendling?

Page 57

1 MR. WENDLING: Yes.
 2 MS. FIELDS: Motion passed.
 3 MR. WENDLING: I think we have a room that's been
 4 established for us. Quiana will take us there.
 5 (Thereupon, the executive session
 6 was had.)
 7 MR. WENDLING: Can we have a motion to come back after
 8 executive session?
 9 MR. JOHNSTON: So move.
 10 MR. KINDER: Second.
 11 MR. WENDLING: Roll call.
 12 MS. FIELDS: Mr. Blankenship?
 13 MR. BLANKENSHIP: Yes.
 14 MS. FIELDS: Mr. Ferrell has left the meeting.
 15 Mr. Griesel?
 16 MR. GRIESEL: Yes.
 17 MS. FIELDS: Dr. Hammon?
 18 DR. HAMMON: Yes.
 19 MS. FIELDS: Mr. Johnston?
 20 MR. JOHNSTON: Yes?
 21 MS. FIELDS: Mr. Kinder.
 22 MR. KINDER: Yes.
 23 MS. FIELDS: Ms. Kunze?
 24 MS. KUNZE: Yes.
 25 MS. FIELDS: Mr. Mason?

Page 58

1 MR. MASON: Yes.

2 MS. FIELDS: Mr. Munson?

3 MR. MUNSON: Yes.

4 MS. FIELDS: Mr. Sims?

5 MR. SIMS: Yes.

6 MS. FIELDS: Ms. Turner?

7 MS. TURNER: Yes.

8 MS. FIELDS: Ms. Vaught?

9 MS. VAUGHT: Yes.

10 MS. FIELDS: Mr. Wendling?

11 MR. WENDLING: Yes.

12 MS. FIELDS: Motion passed.

13 MR. WENDLING: Thank you. I want to thank every one

14 of those that are still here that braved the time that we

15 were out of session. Welcome back. We had a good

16 discussion with Scott. A little further, we deep-dived, if

17 you will, into some of the activities and changes that

18 occurred within the agency.

19 We appreciate that. I have a statement that I

20 would like to read from the board. The board is still

21 pleased with and support the leadership philosophy and

22 vision of the DEQ that was communicated by Mr. Thompson

23 early this year.

24 We want to thank Mr. Thompson for his leadership

25 and directing the needed changes at the agency to achieve

Page 59

1 his vision. Externally the changes to date have been

2 noted and received. We are encouraged about the future

3 and the direction the agency is heading.

4 The board continues to be concerned about the

5 compensation issue that the agency faces with respect to

6 proper compensation for employees. That's still an issue

7 that needs to be tackled head on as we move into the

8 future.

9 Additionally, we would like Scott to provide the

10 board his detailed plan as we move into 2015 to continue

11 to achieve his vision at the agency. We would like to

12 have some record of this action plan at our next November

13 board meeting.

14 With that, Scott, we're very pleased and

15 continue to do great work. Thank you very much.

16 With that, I would like to move to the next

17 agenda item, which is number seven. It's the calendar

18 year board dates proposed for 2015. In your packet, there

19 was a document that lists some proposed locations for

20 2015.

21 If you can pull those out, our first meeting

22 next year is the one we always have to kick off the year.

23 MR. MASON: I don't know how much of your board got

24 that.

25 MS. TURNER: It's at the very back behind the minutes.

Page 60

1 MR. WENDLING: The first one, as scheduled right now, we

2 always seem to have the first one we kick off in Oklahoma

3 City. That's currently posted for February 20 of next year.

4 The next one is – historically in the past we've scheduled

5 four. And because of how things go, we always had to drop

6 one. The one we typically drop is the second one.

7 If you recall, we ended up meeting this year,

8 and it was at a location that it would have been nicer if

9 it was a little closer because we had a reduced agenda.

10 What's proposed at this point in time is the second

11 meeting in June, if we have one, will continue to be in

12 Oklahoma City.

13 We would follow that with our third meeting

14 August 18 in Stillwater. And then the last of the year

15 will be next November in Chickasha. You have a map there

16 that shows where we've had some of our other meetings

17 across the state in the past.

18 There was a question that was brought to me

19 before we reconvened about the August meeting for next

20 year and Scott proposing that would the board consider

21 moving that from August to September. That might give us

22 a little bit more time in preparation for the, I guess

23 it would be 2017 budget. Give us more time to prepare.

24 Right now we've approved the budget up to a

25 level, but we're still trying to finalize it.

Page 61

1 Scott believes if we move this meeting one

2 month, it would give the agency a little bit more time

3 to firm up the budget before it's presented to the board.

4 That's an item that he wanted to kind of throw out there

5 as an option for consideration.

6 MR. MASON: I would move approval of a September date

7 be set.

8 MR. GRIESEL: Second.

9 MR. WENDLING: Roll call, please.

10 MS. KUNZE: Can I make a comment before we vote? I was

11 going to ask about the Stillwater location. I guess I'm

12 sitting by Mr. Stillwater here. I like that location. We

13 did -- evidently the board met there in 2010. We have not

14 been northwest lately, have we?

15 I know we had a meeting scheduled at one time in

16 Woodward and we canceled it since I've been on the board,

17 but I don't see one recently in northwest Oklahoma. I was

18 trying to be fair to all groups. I like Stillwater.

19 MR. WENDLING: Any discussion? Any comments from the

20 rest of the board one way or the other? Are you proposing,

21 instead of Stillwater, we reconsider Woodward?

22 MS. KUNZE: I guess the motion has already been made.

23 If no one else has a concern, I'm not going to argue it, but

24 I know, since I've been on the board, we've not been

25 northwest. I looked back a ways, and it looks like a period

Page 62

1 of time. Just a concern.
 2 MR. WENDLING: It will be up to Steve to remove his
 3 motion.
 4 DR. HAMMON: I think the motion was to move the meeting
 5 to September, not to --
 6 MR. MASON: My motion was as presented with moving the
 7 August meeting to a September date at the discretion of the
 8 A.D.
 9 MR. EUBANKS: How about Roman Nose? Is that far enough
 10 west for you?
 11 MS. KUNZE: Again, I wasn't lobbying for any location,
 12 but I was just concerned about being fair and moving the
 13 meetings to different geographic areas. I don't want to
 14 appear that I don't like Stillwater.
 15 MR. MASON: I will withdraw my motion.
 16 THE COURT: Anyone else? Give us an option of
 17 replacing Stillwater with somewhere in the northwest.
 18 MS. KUNZE: I'll make a motion, then. I make a motion
 19 we approve our calendar for 2015 with a change of the August
 20 meeting which is presented in Stillwater be scheduled
 21 sometime in September with Roman Nose as the location.
 22 MR. MASON: I will second that motion.
 23 MR. WENDLING: Any discussion? Roll call, please.
 24 MS. FIELDS: Mr. Blankenship?
 25 MR. BLANKENSHIP: Yes.

Page 63

1 MS. FIELDS: Mr. Griesel?
 2 MR. GRIESEL: Yes.
 3 MS. FIELDS: Dr. Hammon?
 4 DR. HAMMON: Yes.
 5 MS. FIELDS: Mr. Johnston?
 6 MR. JOHNSTON: Yes.
 7 MS. FIELDS: Mr. Kinder?
 8 MR. KINDER: Yes.
 9 MS. FIELDS: Ms. Kunze?
 10 MS. KUNZE: Yes.
 11 MS. FIELDS: Mr. Mason?
 12 MR. MASON: Yes.
 13 MS. FIELDS: Mr. Munson?
 14 MR. MUNSON: Yes.
 15 MS. FIELDS: Mr. Sims?
 16 MR. SIMS: Yes.
 17 MS. FIELDS: Ms. Turner?
 18 MS. TURNER: Yes.
 19 MS. FIELDS: Ms. Vaught?
 20 MS. VAUGHT: Yes.
 21 MS. FIELDS: Mr. Wendling?
 22 MR. WENDLING: Yes.
 23 MS. FIELDS: Motion passed.
 24 MR. WENDLING: Thank you. Next item on the agenda is
 25 new business. That is any matter not known about which

Page 64

1 could not be reasonably foreseen prior to time of posting
 2 the agenda. Is there any new business? Not seeing any
 3 motion, we'll move forward to agenda Item No. 9.
 4 Your next meeting is November 13, 2014, at
 5 Broke Arrow. We established that last year. Again,
 6 this is just a reminder for all of us to get that on
 7 our calendar.
 8 With that, I think we're to the time of adjournment.
 9 Can I have a motion, please?
 10 MR. KINDER: So move.
 11 DR. HAMMON: I second.
 12 MR. WENDLING: Roll call.
 13 MS. FIELDS: Mr. Blankenship?
 14 MR. BLANKENSHIP: Yes.
 15 MS. FIELDS: Mr. Griesel?
 16 MR. GRIESEL: Yes.
 17 MS. FIELDS: Dr. Hammon?
 18 DR. HAMMON: Yes.
 19 MS. FIELDS: Mr. Johnston?
 20 MR. JOHNSTON: Yes.
 21 MS. FIELDS: Mr. Kinder?
 22 MR. KINDER: Yes.
 23 MS. FIELDS: Ms. Kunze?
 24 MS. KUNZE: Yes.
 25 MS. FIELDS: Mr. Mason?

Page 65

1 MR. MASON: Yes.
 2 MS. FIELDS: Mr. Munson?
 3 MR. MUNSON: Yes.
 4 MS. FIELDS: Mr. Sims?
 5 MR. SIMS: Yes.
 6 MS. FIELDS: Ms. Turner?
 7 MS. TURNER: Yes.
 8 MS. FIELDS: Ms. Vaught?
 9 MS. VAUGHT: Yes.
 10 MS. FIELDS: Mr. Wendling?
 11 MR. WENDLING: Yes.
 12 MS. FIELDS: Motion passed.
 13 MR. WENDLING: Now we're done with the formal part of
 14 our meeting. We're up to the public forum. We do have one
 15 individual that has signed up. Let me read a statement
 16 here.
 17 Welcome to the public forum of the Oklahoma
 18 Environmental Quality Board. Public input is valuable to
 19 the board and the department, and we welcome your
 20 participation. If you desire to make comments at today's
 21 forum but you did not sign the sheet on the information
 22 table when you came in, would you please raise your hand?
 23 We just have one right now.
 24 Please try to limit your comments to five
 25 minutes. I would advise you when five minutes is passed,

Page 66

1 and we'll ask you to complete the presentation. Forums
 2 allow you to make suggestions or express concerns about
 3 environmental laws, rules or policies.
 4 However, concerns with an action or decision in
 5 a specific case or such as a particular permit application
 6 or enforcement case should not be communicated directly --
 7 or should be communicated. The board cannot and does not
 8 intervene in those case-specific decisions.
 9 We also ask that you not use the forum to
 10 advertise or publicize commercial products or services.
 11 Because of the nature of the issues that are appropriate
 12 for the forum, you may not receive an immediate response
 13 to your comments. In other words, we may reply back to
 14 you at some point in the future. Department staff or the
 15 board needs some time to evaluate.
 16 With that, the first person that we have that's
 17 signed up is Lou Sims, with the Hobart Economic Development
 18 Authority. Mr. Sims.
 19 MR. LOU SIMS: Greetings to the board, and thank you
 20 very much for allowing me to say a couple of words. The DEQ
 21 has just been wonderful to Oklahoma. I know you're probably
 22 not expecting to hear that too often. I wanted to make sure
 23 you do hear it.
 24 We had -- because you said right here, let us
 25 know if we are meeting your needs and providing timely

Page 67

1 responses to environmental needs. Let me tell you that in
 2 the last four years, I think you all have allowed us to
 3 take down, like, 115 old, dilapidated houses and dispose of
 4 them.
 5 I can tell you, a couple of your people that
 6 were -- Marvin Boatright was the first one we worked with.
 7 I know Marvin has passed on. A wonderful fellow. Wesley
 8 Squires is the current one. He's just delightful to work
 9 with. We get things done. I would like for you to know
 10 that first and foremost.
 11 Also, I think that it's important to know that
 12 we had an old middle school that -- we built a new one
 13 about three years ago. What do you do with a middle
 14 school that's got pollution in it?
 15 Through some advice by your people, we got DEQ
 16 to come out of Region 6 and do Phase 1, Phase 2. You
 17 folks guided us and helped us to get the pollution out
 18 of it, asbestos, whatever. Just a week before last, we
 19 were able to take it down, and our county commissioners
 20 helped do that.
 21 Now it's a slick place. Now we have a place for
 22 our elementary school. They had to, before, drop the
 23 students off on the highway. A business was the only
 24 entrance. Now we're in the process of making an entry
 25 where that school was, and it's safe for the kids and just

Page 68

1 delightful. I'm telling you, we could not have done it
 2 without -- I'll name a couple -- Rita Copke, Rachel
 3 Franks, Lloyd Kirk. He's now changed positions, but
 4 he was over there. The Brownfiled program.
 5 All the help that has been given is fantastic.
 6 I felt like I couldn't let this go by without telling
 7 you that. Now we're working on a water issue which
 8 everybody out here is working on.
 9 Rocky Lake was our source. It's right there.
 10 It got so filled with silt that all the intakes were
 11 covered with silt. Thank goodness we moved to Foss water
 12 source some years ago. If Foss went tomorrow, Clinton,
 13 Cordell, Hobart and several other towns or small towns are
 14 in bad shape.
 15 So we're trying to get a second source. The
 16 city committed \$50,000 last week to get that pump cleaned
 17 out where we could maybe raise it. There's water in the
 18 lake. It's not very deep because of the silt. We badly
 19 need help in the way of a grant or something, because what
 20 we're going to do first is get that where we can use it if
 21 tomorrow Foss calls and says we're not going to be able to
 22 supply water, we can at least get some water out of the
 23 lake.
 24 If we get our intake undone, which we're going
 25 to, cleared out, raised, and a pipe from about 200-yards

Page 69

1 cleaned out or relay another one, then we're going to have
 2 that in place. Let me tell you, if you guys can help us in
 3 that regard, and I've talked to several people today, I'm
 4 just excited about the fact that we may be able to get
 5 that dredged at some point in time as a very important
 6 issue.
 7 I appreciate very much you all, all you do, and I
 8 can't go without saying it. Thank you very much.
 9 MR. WENDLING: Thank you, Mr. Sims. We appreciate it.
 10 I think not all public forums are created equal. It's nice
 11 to have good positive feedback. I'm sure Scott and his
 12 people will pass it on. Thank you very much.
 13 With that, I think we've had a good day. Anyone
 14 else, any other comments, questions? If not, I don't know
 15 what it will be like leaving today, but I do know
 16 yesterday I had to dodge some deer. I'm assuming that is
 17 a function of the time of day. I don't know. It seemed
 18 to be very friendly around here. They like the road. Be
 19 careful on your way home or wherever your destination is.
 20 Have a good one. Take care.
 21 (Adjourned at 12:45 p.m.)
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C E R T I F I C A T E

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STATE OF OKLAHOMA)
COUNTY OF CADDO)

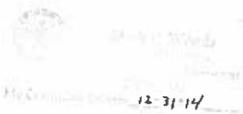
I, MARK P. WOODS, a Certified Shorthand Reporter within and for the State of Oklahoma, do hereby certify that I took down by machine shorthand the above proceedings as described on Page 1 herein, and the foregoing record, consisting of 69 pages, is a true and complete transcript of my shorthand notes so taken as aforesaid of said proceedings.

I further certify that I am not a relative to any of the attorneys or parties involved in this action or otherwise interested in the outcome of same.

IN WITNESS WHEREOF, I hereunto set my hand and seal this 28th day of August, 2014.



MARK P. WOODS, C.S.R.





ENVIRONMENTAL QUALITY BOARD

Attendance Record

August 19, 2014

Quartz Mountain - Lone Wolf, Oklahoma

NAME and/or AFFILIATION

Address and/or Phone and/or E-Mail

Quiana Fields	DEQ
Martha Ernst	DEQ
Amber Miller	DEQ
Shannon L. Ferrell	EQB
Kelly Dixon	DEQ
Bill Kropf	DEQ
Tracy Hammon	EQB
Cindy P. Pickett	DEQ
Ch. Tub	DEQ
Jerry Johnston	CC
Lloyd Kirk	DEQ
Jimmy Swain	DEQ
Chad Amundson	DEQ
Shelley Clark-McClary	DEQ
J. Wendley	DEQ Board
Jan Kunze	EQ Board
Loretta Turner	EQ Board
Stan Furkowsky	King County Dist 2
Jan Blankenship	Board
James Krich	Board
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Skylar McEj	DEQ
Timi Mynsall	DEQ
Tyler Powell	DEQ
JEFF CASIDA	CITY OF HOBERT
Shirley H. Huddle	CITY OF SUDBER



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August 19, 2014

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<u>NAME</u> and/or <u>AFFILIATION</u>	<u>Address</u> and/or <u>Phone</u> and/or <u>E-Mail</u>
Mike Schulz	State Senate 16830 JCR 209 Alt 73521
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Heath Thompson	Roadwell
Clayton Eubank	OAG
Lee Sims	Hobart
Michelle Wynn	DEQ
Brian Sims	