

**MINUTES
ENVIRONMENTAL QUALITY BOARD
SEPTEMBER 15, 2015
DEPARTMENT OF ENVIRONMENTAL QUALITY
ROMAN NOSE STATE PARK LODGE
WATONGA, OKLAHOMA**

Official EQB Approved
On November 10, 2015

Notice of Public Meeting – The Environmental Quality Board (Board) convened for a Regular Meeting at 9:30 a.m., at the Roman Nose State Park Lodge, 3236 S. Highway 8A, Watonga, 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 17, 2014. The agenda was mailed to interested parties on September 4, 2015, and was posted at the DEQ and the facility on September 14, 2015. Ms. Kunze, Chair, called the meeting to order. Ms. Fields called roll and a quorum was confirmed. Mr. Ferrell talked on safety precautions in case of an emergency.

MEMBERS PRESENT

Daniel Blankenship
Shannon Ferrell
David Griesel
Tracy Hammon
Jan Kunze
Steve Mason
Homer Nicholson
Loretta Turner
John Wendling

DEQ STAFF PRESENT

Scott Thompson, Executive Director
Jimmy Givens, Deputy Executive Director
Martha Penisten, General Counsel
Michelle Wynn, Legislative Liaison
Eddie Terrill, Air Quality Division
Lloyd Kirk, Office of External Affairs
Catherine Sharp, Administrative Services Division
Shellie Chard-McClary, Water Quality Division
Chris Armstrong, State Environmental Laboratory Services
Gary Collins, Environmental Complaints & Local Services
Bill Kropf, Environmental Complaints & Local Services
Richard McDaniel, Environmental Complaints & Local Services
Kelly Dixon, Land Protection Division
Saba Tahmassebi, Chief Engineer
Jon Roberts, Land Protection Division
Mike Broderick, Land Protection Division
Skylar McElhaneay, Public Information Officer
Erin Hatfield, Public Information Officer
Cindy Przekurat, Executive Director's Office
Kathy Aebischer, Administrative Services Division
Quiana Fields, Board & Council Secretary

MEMBERS ABSENT

Jimmy Kinder
Tim Munson
Billy Sims
Cheryl Vaught

OTHERS PRESENT

Senator Ron Justice
Tyler Powell, Office of the Secretary of Energy & Environment
Clayton Eubanks, Office of the Attorney General
George MacDurmon, Radiation Management Advisory Council
Kerry Huff, Court Reporter

Approval of Minutes – Mr. Griesel moved to approve the Minutes from the June 16, 2015 Regular Meeting. Mr. Blankenship made the second.

transcript pages 6 - 7

Daniel Blankenship	Yes	Homer Nicholson	Yes
Shannon Ferrell	Yes	Loretta Turner	Yes
David Griesel	Yes	John Wendling	Yes
Tracy Hammon	Yes	Jan Kunze	Yes
Steve Mason	Yes		

Rulemaking – OAC 252:410 Radiation Management – Ms. Kunze called upon Mr. George MacDurmon, Chair of the Radiation Management Advisory Council (RMAC), to present the rule. Mr. MacDurmon stated the DEQ is proposing to amend OAC 252:410, Subchapters 1 and 10.

This proposed rulemaking consists of three main elements: (1) to amend Subchapter 1, General Provisions, to change the date for incorporation of federal regulations by reference from January 1, 2013 to January 1, 2015; (2) to make a correction in Subchapter 10, Radioactive Materials Program, to exclude the definitions of “construction” and “commencement of construction” which are reserved to the Nuclear Regulatory Commission (NRC). Additionally, a new exclusion has been added in this section relating to general security program requirements found in 10 CFR Part 37; and (3) to amend Subchapter 10 to add a new Part 37, Physical Protection of Category 1 and Category 2 Quantities of Radioactive Material, and to amend Part 40, Domestic Licensing of Source Material. Following no questions or comments by the Board and none by the public. Ms. Kunze called for a motion. Mr. Mason moved to approve and Mr. Wendling made the second.

transcript pages 7 - 11

Daniel Blankenship	Yes	Homer Nicholson	Yes
Shannon Ferrell	Yes	Loretta Turner	Yes
David Griesel	Yes	John Wendling	Yes
Tracy Hammon	Yes	Jan Kunze	Yes
Steve Mason	Yes		

Executive Director’s Report – Mr. Scott Thompson, Executive Director of the DEQ, discussed economic development success stories and other agency activities underway. Mr. Thompson called upon Ms. Kathy Aebischer, Chief Financial Officer of the DEQ. Ms. Aebischer gave a FY 2016 budget update.

transcript pages 11 - 17

DEQ Operational Budget Request for Next Fiscal Year (FY 2017) – Ms. Aebischer gave a presentation on the DEQ budget requests. The operational budget request for SFY 2017 must be submitted to OMES by October 1, 2015. Following questions and comments by the Board and none by the public, Ms. Kunze called for a motion. Mr. Ferrell moved to approve and Mr. Nicholson made the second.

transcript pages 17 - 23

Daniel Blankenship	Yes	Homer Nicholson	Yes
Shannon Ferrell	Yes	Loretta Turner	Yes
David Griesel	No	John Wendling	Yes
Tracy Hammon	Yes	Jan Kunze	Yes
Steve Mason	Yes		

Ms. Kunze welcomed Senator Ron Justice to the meeting.

transcript pages 23 - 24

Annual Performance Review of Executive Director – Among the statutory duties of the Board are responsibilities to appoint and set the compensation of the Executive Director and to assist the DEQ in conducting periodic reviews and planning activities related to the goals, objectives, priorities, and policies of the DEQ. Ms. Kunze called for a motion to enter into executive session. Mr. Wendling made a motion and Mr. Blankenship made the second. Mr. Ferrell was designated as the scribe for executive session.

transcript pages 24 - 26

Daniel Blankenship	Yes	Homer Nicholson	Yes
Shannon Ferrell	Yes	Loretta Turner	Yes
David Griesel	No	John Wendling	Yes
Tracy Hammon	Yes	Jan Kunze	Yes
Steve Mason	Yes		

The Board reconvened. Ms. Kunze called for a roll call vote to come out of executive session and resume the Board meeting.

transcript pages 26 - 27

Daniel Blankenship	Yes	Homer Nicholson	Yes
Shannon Ferrell	Yes	Loretta Turner	Yes

David Griesel	Yes	John Wendling	Yes
Tracy Hammon	Yes	Jan Kunze	Yes
Steve Mason	Yes		

Calendar Year 2016 Board meeting dates and locations – Mr. Griesel made a motion to approve the 2016 Board meeting dates and locations with the November 9 meeting being in Durant and Mr. Ferrell made the second. Following discussion, Mr. Griesel withdrew his motion. Mr. Mason made a motion to approve the 2016 Board meeting dates and locations with the November 9 meeting being in Ponca City: February 19 in Oklahoma City, June 14 in Oklahoma City, September 13 in Stillwater and November 9 in Ponca City. Mr. Griesel made the second.

transcript pages 28 - 31

Daniel Blankenship	Yes	Homer Nicholson	Yes
Shannon Ferrell	Yes	Loretta Turner	Yes
David Griesel	No	John Wendling	Yes
Tracy Hammon	Yes	Jan Kunze	Yes
Steve Mason	Yes		

New Business – None

Next Meeting – The next scheduled meeting will be November 10, 2015 in Chickasha.

Adjournment – Ms. Kunze called for a motion to adjourn. Mr. Blankenship moved to adjourn and Dr. Hammon made the second. Meeting adjourned at 11:45 a.m.

transcript pages 31 - 32

Daniel Blankenship	Yes	Homer Nicholson	Yes
Shannon Ferrell	Yes	Loretta Turner	Yes
David Griesel	Yes	John Wendling	Yes
Tracy Hammon	Yes	Jan Kunze	Yes
Steve Mason	Yes		

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

Environmental Quality Board Meeting 9/15/2015

<p>1 2 3 4 * * * * * 5 TRANSCRIPT OF PROCEEDINGS 6 7 OF THE OKLAHOMA ENVIRONMENTAL 8 9 QUALITY BOARD MEETING 10 11 TAKEN SEPTEMBER 15, 2015, 12 13 AT 9 30 A.M. IN WATONGA, OKLAHOMA 14 * * * * * 15 16 17 18 19 20 21 22 23 REPORTED BY KERRY L. HUFF, CSR# 1725, 24 25</p>	<p>1 3</p> <p>1 MS. KUNZE: Call to order. The September 15, 2 2015, regular meeting of the Environmental Quality 3 Board has been called according to the Oklahoma Open 4 Meeting Act, Section 311 of Title 25 of the Oklahoma 5 statutes. 6 Notice was filed with the secretary of state on 7 November 17, 2014. Agendas were mailed to interested 8 parties on September 4, 2015, and were posted at the 9 DEQ and at this facility on September 14, 2015. Only 10 matters appearing on the posted agenda may be 11 considered. 12 If this meeting is continued or reconvened, we 13 must announce the date – the date, time and place of 14 the continued meeting, and the agenda for such 15 continuation will remain the same as today's agenda. 16 With that I'd like to say welcome to our 17 environmental quality board meeting. We're tickled 18 that we were able to meet here at Roman Nose and show 19 off one of our state parks and lodges. And I have 20 asked Shannon Ferrell to maybe make a few opening 21 remarks and provide us with some of the housekeeping 22 matters. 23 MR. FERRELL: All right. Thank you. First 24 thing is first. For our safety moment of the day, in 25 case there is any sort of emergency we've got two</p>
<p>2</p> <p>1 MEMBERS OF THE BOARD 2 3 Daniel Blankenship 4 Shannon Ferrell 5 David Griesel 6 Tracy Hammon 7 Jimmy Kinder 8 Steve Mason 9 Tim Munson 10 Homer Nicholson 11 Billy Sims 12 Loretta Turner 13 Cheryl Vaught 14 John Wendling 15 Jan Kunze 16 17 18 19 20 21 22 23 24 25</p>	<p>4</p> <p>1 primary exits. One is probably the one that you 2 actually came in right there and then back in that 3 other corner over there, there is a exit that will 4 take you to a terrace. The terrace will take you to 5 a pathway that can lead around the outside of the 6 building to be an alternative exit. 7 Looking at the weather, there is really no 8 chance of severe weather today except for high winds. 9 So if you're out on the course, that may be severe 10 circumstance for you. A little bit of a fire danger 11 today, so let's be mindful of that. 12 Our thought for today – we were talking 13 earlier a little bit before the meeting about this 14 time of year has two things going for it. Number 15 one, it's the start of school so all those kids are 16 back and trying to learn new things. 17 And number two, it's the start of football 18 season for those of you guys that are into that sort 19 of thing. For me I just notice it's about to start 20 the baseball postseason, but either way we're talking 21 about the sports. 22 You know, they're fantastic spectator sports. 23 Not many of them are blessed to be played 24 professionally by ourselves. but we love to watch 25 them. And the thing that I try to teach my students</p>

Environmental Quality Board Meeting 9/15/2015

<p style="text-align: right;">5</p> <p>1 in contrast to that is that democracy is not a 2 spectator sport. It was designed to be engaged. 3 And I'm really proud to be part of the 4 Environmental Quality Board at DEQ where we have got, 5 like -- depending on who we count -- about seven 6 board and counsels, ways that citizens that are a 7 part of the regulated community can actually actively 8 be involved in creating the rules that affect them. 9 And also we have got lots of ways that we can 10 comment on rules. We can talk one on one with our 11 council members and really be actively involved. So 12 my thought for the day and my charge for all of us 13 that are here today is to maintain that concept that 14 democracy is not a spectator sport, that we as a 15 board constantly need to strive to keep a listening 16 ear to the public that we regulate and serve and that 17 for all of us as citizens we have a responsibility to 18 exercise the freedom of that citizenship to be an 19 active part of our governance as well. 20 MS. KUNZE: Thank you very much, Shannon. With 21 that I'll ask Quiana for the roll call. 22 MS. FIELDS: Mr. Blankenship? 23 MR. BLANKENSHIP: Here. 24 MS. FIELDS: Mr. Ferrell? 25 MR. FERRELL: Here.</p>	<p style="text-align: right;">7</p> <p>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. Mason? 10 MR. MASON: Yes. 11 MS. FIELDS: Mr. Nicholson? 12 MR. NICHOLSON: Yes. 13 MS. FIELDS: Ms. Turner? 14 MS. TURNER: Yes. 15 MS. FIELDS: Mr. Wendling? 16 MR. WENDLING: Yes. 17 MS. FIELDS: Ms. Kunze? 18 MS. KUNZE: Yes. 19 MS. FIELDS: Motion passed. 20 MS. KUNZE: Thank you. Agenda Item No. 5 is a 21 rulemaking on the radiation management, and I was 22 going to ask Mr. George MacDurmon who chairs the 23 Radiation Management Advisory Council to make a 24 presentation. 25 MR. MACDURMON: Good morning. My name is</p>
<p style="text-align: right;">6</p> <p>1 MS. FIELDS: Mr. Griesel? 2 MR. GRIESEL: Here. 3 MS. FIELDS: Dr. Hammon? 4 DR. HAMMON: Here. 5 MS. FIELDS: Mr. Kinder is absent. Mr. Mason? 6 MR. MASON: Present. 7 MS. FIELDS: Mr. Munson is absent. 8 Mr. Nicholson? 9 MR. NICHOLSON: Here. 10 MS. FIELDS: Mr. Sims is absent. Ms. Turner? 11 MS. TURNER: Here. 12 MS. FIELDS: Ms. Vaught is absent. 13 Mr. Wendling? 14 MR. WENDLING: Here. 15 MS. FIELDS: Ms. Kunze? 16 MS. KUNZE: Here. 17 MS. FIELDS: We have a quorum. 18 MS. Kunze: Thank you. We held our last 19 meeting on June 16, 2015, and the minutes are in the 20 packet. I'm going to ask for any discussion on those 21 or approval of those minutes. 22 MR. GRIESEL: So moved. 23 MR. BLANKENSHIP: Second. 24 MS. KUNZE: I have a motion and second for -- 25 to approve those minutes. Roll call?</p>	<p style="text-align: right;">8</p> <p>1 George MacDurmon. I'm the chair of the Radiation 2 Management Advisory Council. We have a rulemaking 3 today that we submitted to you to update the adoption 4 by reference date for the nuclear regulatory 5 commission rules to January 1, 2015. 6 This will keep our rules adequate and 7 compatible with the NRC rules which is required by 8 the agreement between Oklahoma and the Nuclear 9 Regulatory Commission. The most important change to 10 our rules from this update replaces several 11 requirements currently in effect by order of the NRC 12 and imposed by license conditions on the NRC -- or 13 excuse me -- DEQ's licensees. 14 The NRC orders are referred to as increased 15 control orders and were imposed by the NRC following 16 the 911 attacks. The increased control orders are 17 being replaced by regulations in 10 CFR 37, which is 18 designed to address the same problems as the orders. 19 Both the increased control orders in Part 37 20 require holders of large quantities of certain types 21 of radioactive materials to undertake measures to 22 improve security. Examples include installing 23 monitored alarmed on storage areas for radioactive 24 materials and to perform an evaluation to determine 25 that individuals who are granted access to these</p>

Environmental Quality Board Meeting 9/15/2015

<p style="text-align: right;">9</p> <p>1 radioactive sources that they are trustworthy and 2 reliable. 3 Because these were originally adopted through a 4 series of orders rather than the normal rulemaking 5 process, there was little opportunity for input to 6 those orders by the states or the regulated 7 community. 8 The NRC's adoption of 10 CFR 37 followed the 9 regulatory process during which the states and 10 regulated community were afforded the opportunity to 11 comment on items that affected them. 12 The implementation of these new regulations 13 will result in several significant changes relative 14 to the original orders such as the determination of 15 trustworthy and reliability of persons who are 16 granted access will need to be repeated every ten 17 years. 18 And increased requirement for written plans and 19 periodic reviews for different components of the 20 security plan and that the licensee's official who 21 does the determination of trustworthy and reliability 22 will now have to be -- will now have to go through 23 the same background check requirement of the people 24 that are granted access. 25 In addition to the implementation of 10 CFR 37,</p>	<p style="text-align: right;">11</p> <p>1 MR. WENDLING: Second. 2 MS. KUNZE: Thank you, Steve. Thank you. I 3 have a motion and a second to approve the radiation 4 management changes. Roll call? 5 MS. FIELDS: Mr. Blankenship? 6 MR. BLANKENSHIP: Yes. 7 MS. FIELDS: Mr. Ferrell? 8 MR. FERRELL: Yes. 9 MS. FIELDS: Mr. Griesel? 10 MR. GRIESEL: Yes. 11 MS. FIELDS: Dr. Hammon? 12 DR. HAMMON: Yes. 13 MS. FIELDS: Mr. Mason? 14 MR. MASON: Yes. 15 MS. FIELDS: Mr. Nicholson? 16 MR. NICHOLSON: Yes. 17 MS. FIELDS: Ms. Turner? 18 MS. TURNER: Yes. 19 MS. FIELDS: Mr. Wendling? 20 MR. WENDLING: Yes. 21 MS. FIELDS: Ms. Kunze? 22 MS. KUNZE: Yes. 23 MS. FIELDS: Motion passed. 24 MS. KUNZE: Thank you. With that I will turn 25 it over to Scott Thompson, our executive director,</p>
<p style="text-align: right;">10</p> <p>1 this update also adopts new NRC rules governing 2 possession of source material. Source material means 3 enriched uranium and thorium. The main effect is to 4 increase reporting requirements for people possessing 5 these radionuclides. 6 There are no known DEQ licensees who will be 7 affected by this rule. Another change removes two 8 definitions regarding construction which were 9 incorporated into the DEQ rules by mistake. 10 They were actually to be reserved for NRC use 11 only. The radiation staff requested that I also 12 advise the board today that they will be conducting 13 workshops on these changes to help the affected 14 licensees comply with the changes, and they expect to 15 have one workshop in Tulsa and one in Oklahoma City 16 in October. On behalf of the council I request that 17 the board approve this rulemaking. 18 MS. Kunze: Thank you, George. I'll ask if 19 there are any questions or discussion by the board 20 members? 21 Do we have any questions, comments or 22 discussion by the public? 23 With that, I'll ask if I can have any motions 24 concerning these changes. 25 MR. MASON: I will move approval.</p>	<p style="text-align: right;">12</p> <p>1 for his report. 2 MR. THOMPSON: Thank you. Well, among the 3 things we've done in the last several months, we 4 began a program to start working with schools to 5 dispose of chemicals. Usually -- and we have done 6 this several times over the decades. 7 You'd be amazed what school chemistry labs have 8 sitting in the back room even in high schools or 9 junior high sometimes, and at least I think we don't 10 have materials like picric acid which crystallizes 11 and are very explosive like we found the first couple 12 of times we did this. 13 But we're offering through the site cleanup and 14 assistance program the same program used to clean up 15 armories and such. It's to go through the schools 16 and help them coordinate and figure out how to 17 properly dispose of things and cover some of those 18 costs to the degree that we can. 19 And we've received 30 applications so far, and 20 we're starting with a school in Tulsa -- or a school 21 district in Tulsa to work through. So I expect that 22 to be -- gain popularity as people find out and 23 understand what is going on and start looking around, 24 discovering if they have any unknowns sitting in 25 their closet.</p>

Environmental Quality Board Meeting 9/15/2015

<p style="text-align: right;">13</p> <p>1 We're also providing some technical assistance 2 to water systems. A number of systems are 3 experiencing a lot of challenges with iron manganese. 4 That's become a big issue not only in local media in 5 the town but also somewhat nationally. 6 Some people are playing that up to be a huge 7 deal. It's not an uncommon event in Oklahoma at this 8 time of year, although I think we have a little bit 9 higher-than-average problem this year due to all the 10 heavy rains and the silt finds in the reservoirs. 11 So, you know, it's mostly a secondary standards 12 issue. It's not really a primary drinking water 13 standards issue. It's mostly esthetic but, you know, 14 Atoka, Hugo, Wewoka have all had some significant 15 issues, and there may be a couple of other towns. 16 And we're also offering water loss audits to 17 municipalities, which I know I think in Perkins was 18 one of the first ones we did, and it made a big 19 difference to their bottom line to identify how much 20 water was really going out to the system that they 21 weren't counting on or weren't counting for. 22 And that's going to be helpful to these towns 23 as we try to fix, you know, leaks and just help them 24 understand how much water they're actually using in 25 their system and trying to make sure it's all going</p>	<p style="text-align: right;">15</p> <p>1 world has changed quite a bit. 2 And then recently in Okmulgee, Oklahoma, our 3 project there to clean up the old refinery and to put 4 the property back into reuse under the Brownfields 5 Program – the Okmulgee Area Development Corporation 6 and Philips 66 and -- really the partners in this 7 were the local economic development folks, DEQ, 8 Philips 66, The City of Okmulgee, and the Muskogee 9 Nation, Creek Nation, whose headquarters are right 10 across the road from this facility. 11 And we took an ancient refinery down, and now 12 there is a Holiday Inn Express. There is a tractor 13 supply. There is a car dealer going in. Much of the 14 property is available for light industrial or 15 manufacturing use. There is rail service to it. 16 It's right on Highway 75. So that is a great 17 project, and that won the National Phoenix Award for 18 the Brownfields Program. So that's great. And we 19 arranged to have Devon there to present the award 20 because Devon had won this previously for their 21 building being LEED certified and all that. 22 And so the unique part of this is that we had 23 two Oklahoma companies win a national award for 24 environmental stewardship basically who didn't use 25 any federal funds in the projects. So that's kind of</p>
<p style="text-align: right;">14</p> <p>1 through a proper use and not just being wasted. 2 We've offered a free private well sampling 3 throughout most of the state or all the state due to 4 the flooding we have had earlier this year, and 5 during that time period about 1,200 sampling kits 6 were mailed out, and we only got 254 back, but we 7 have 1,200 request, I guess. 8 So that's just to try to make sure that 9 peoples' water is safe and if their well has been 10 inundated. Air quality division put some solar 11 panels at one of their monitoring stations in 12 Oklahoma City -- or part of Edmond possibly -- the 13 Oklahoma Christian campus. 14 And, you know, it looks like we will have -- we 15 had backup power to that of course, but we expect to 16 see a decent return on our investment in the near 17 future for that. So in the long run it should save 18 us money. 19 The -- we're posting to social media despite my 20 not participating in social media so -- and earlier 21 this year we posted some pictures of kids holding up 22 signs about clean air, land and water. And Clean Air 23 London picked it up and re-Tweeted it, I guess. And 24 they have, like, 24,000 followers. So they're now 25 following us so that's kind of interesting. The</p>	<p style="text-align: right;">16</p> <p>1 interesting. 2 That is really quite different for winners of 3 those types of awards. And we worked with Covanta, 4 and we and Covanta received the Towering Spirit Award 5 at Keep Oklahoma Beautiful's banquet in November. 6 We partnered with Covanta, which is a municipal 7 waste center here in Tulsa if you don't know, to 8 recycle mercury thermostats and keep them out of the 9 waste stream and make them properly handled. 10 And the Towering Spirit Award recognized 11 outstanding achievements in leadership, environmental 12 stewardship, and efforts now produced obvious 13 improvements to the environment. Additionally DEQ 14 received an award for GIS work at an international 15 conference in San Diego. 16 The award acknowledges vision, leadership, hard 17 work and innovation. We have some folks who can do 18 some really good things with GIS, and I expect to -- 19 you know, we have made quite a bit of progress in the 20 last few years, and I expect to make quite a bit 21 more. And we're offering services to help other 22 folks as well. So those are the highlights of what 23 we have gotten done. 24 And, Kathy, are we going to go through the 25 budget stuff now?</p>

Environmental Quality Board Meeting 9/15/2015

<p style="text-align: right;">17</p> <p>1 MS. AEBISCHER: Uh-huh. 2 MR. THOMPSON: Okay. And then you'll talk 3 about the other one. Kathy, why don't you come on up 4 and present that to us. 5 MS. KUNZE: Kathy, before you start I was just 6 going to remind her that one of the board duties is 7 to vote on the budget submittal for the fiscal year, 8 2017. And I believe, Kathy, it's correct that it's 9 due October 1st. 10 And so I know I have been very appreciative and 11 other board members have expressed to me how nice it 12 is that we have Kathy as our CFO, and I'll turn it 13 over to you, but just a reminder that we will vote on 14 this submittal. 15 MS. AEBISCHER: I have Power Point so -- 16 MS. KUNZE: We're in the way? 17 MS. AEBISCHER: Well, unless you want to have 18 your head -- 19 UNIDENTIFIED SPEAKER: Well, yeah. We'll 20 probably have to move this way so you don't get 21 blinded. 22 MS. KUNZE: I always wanted to be in the 23 spotlight. 24 MS. AEBISCHER: Okay. Well good morning. At 25 the time of the board mail-out, we had July 31st</p>	<p style="text-align: right;">19</p> <p>1 MS. AEBISCHER: We meet monthly and we are 2 looking -- since so much of our revenue has been 3 taken we meet monthly with the divisions, and if we 4 see revenue kind of falling, we have to make 5 decisions at that point. Right now I don't see any 6 concerns. We seem to be going along pretty good, but 7 still it is just two months so after the first 8 quarter we should have a better idea. 9 On the expenditures, these are all funding 10 sources. Our budget is 85 million. We have expended 11 7.4. We -- the first quarter, a lot of our projects 12 are ramping up so this is what I'm expecting. Second 13 quarter and third quarter we should see expenditures 14 when the projects are at that point to be -- have 15 some pay-outs. 16 The maintenance repair expenses is at 17 23 percent. That's to be expected. The majority of 18 that is our annual maintenance contracts mainly for 19 the lab equipment so we paid up front. So the 20 budget's really looking good at this point. 21 MR. WENDLING: Kathy, I had a question. I 22 think in the last meeting we had some items that came 23 to us related to capital expenditures, and this is 24 kind of tied to that. I'm looking at your line item, 25 fourth from the bottom, where it says, Lab and</p>
<p style="text-align: right;">18</p> <p>1 numbers, and I've updated my slides to include 2 August 31st, so the first two months of the fiscal 3 year. 4 UNIDENTIFIED SPEAKER: Can you wait a second? 5 I think we're going to fix the focus. 6 MS. AEBISCHER: The top portion of the slide is 7 the revenue received for the first two months of 8 fiscal year, and the bottom is comparison to last 9 fiscal year. We don't receive our money equally 10 throughout the year so for comparison we've had to 11 compare to activity of last year. 12 We are a little bit down at this point. We're 13 not too concerned. We believe that the revenues will 14 come in in the next month, and we'll look at the 15 first quarter and reevaluate. So we budgeted 16 40 million in revenue for the year, and we're about a 17 million off. 18 I think invoices went out just a little bit 19 later. So we're expecting them to come in this 20 month. Any questions on the revenue? We'll go on to 21 expenditure? 22 MR. WENDLING: I guess most of the revenue 23 comes in the first quarter? 24 MS. AEBISCHER: Yes. About 65 percent. 25 MS. KUNZE: Okay.</p>	<p style="text-align: right;">20</p> <p>1 monitoring equipment and furniture. 2 And this is maybe for an education for me. 3 Some companies might capitalize equipment depending 4 on the equipment because it may have a ten-year life 5 or something so they may have something as a 6 requirement. 7 I don't know if it's IRS or what have you, but 8 they may have a limit, and anything at that limit 9 becomes a capital expenditure. So I was curious on 10 here this looks like an expense budget. So I was 11 wondering if those are -- seems like \$2.3 million for 12 equipment for just expensing -- is that small 13 equipment? 14 Is that equipment that would be capitalized, or 15 do you have a different rule from the state that you 16 follow that's based on what's capital -- what's 17 considered capital investment and what's not? 18 MS. AEBISCHER: The capital outlay request that 19 we went over last meeting was for FY17 and that's -- 20 we have to submit that for the state to approve us to 21 undertake a capital outlay project. So that's 22 separate -- 23 MR. WENDLING: Okay. 24 MS. AEBISCHER: -- and those expenditures won't 25 even show up until next year if approved. The</p>

Environmental Quality Board Meeting 9/15/2015

<p style="text-align: right;">21</p> <p>1 expenses on here for equipment, the majority of that 2 is our lab updating outdated equipment and also any 3 equipment for the building. For the state it's just 4 included in expenditures. It's not any capital 5 outlay, as you referred to. 6 MR. WENDLING: Okay. Thank you. 7 MS. AEBISCHER: Uh-huh. Are there any other 8 questions on expenditures? This slide is the sources 9 of revenue. So you'll see the revolving fund. We 10 have expended 11 percent which is good, what's 11 expected. Federal funds are low just because that's 12 a lot of our projects, and they're just now getting 13 started, and payments haven't been made yet. 14 The last line, Special cash 15 appropriations, last year that's where we received 16 our money. It's still state appropriations. It's 17 just a different fund. So that's a little bit 18 different than what you've seen before. 19 Any questions on this slide? Agenda Item 7 20 needs action from the board, and this is our annual 21 budget request. This is for 2017 for the period of 22 July 1 through 2016, through June 30, 2017. We have 23 to submit this to OMES by October 1st. 24 What we would like to request is that our state 25 appropriations be restored to 2015 levels. This year</p>	<p style="text-align: right;">23</p> <p>1 MS. FIELDS: Mr. Griesel? 2 MR. GRIESEL: No. 3 MS. FIELDS: Dr. Hammon? 4 DR. HAMMON: Yes. 5 MS. FIELDS: Mr. Mason? 6 MR. MASON: Yes. 7 MS. FIELDS: Mr. Nicholson? 8 MR. NICHOLSON: Yes. 9 MS. FIELDS: Ms. Turner? 10 MS. TURNER: Yes. 11 MS. FIELDS: Mr. Wendling? 12 MR. WENDLING: Yes. 13 MS. FIELDS: Ms. Kunze? 14 MS. KUNZE: Yes. 15 MS. FIELDS: Motion passed. 16 MS. KUNZE: Thank you. With that I want to 17 make an introduction. Senator Ron Justice has been 18 able to join our meeting. I want to welcome you, 19 Senator. 20 SENATOR JUSTICE: Thank you. I appreciate it. 21 MS. KUNZE: Bless your heart. You run into me 22 most everywhere. Don't you? Years ago I met him 23 when we were working on an energy project through 24 some of his constituent's area. So he may or may not 25 be glad to see me.</p>
<p style="text-align: right;">22</p> <p>1 we received with the 5-percent reduction, 6.7 2 million. We would like restored back to 7.1. State 3 appropriations supports the ECLS, our lab and water. 4 So we'll be requesting additional 356 000. Questions 5 on that? This is my last slide. 6 MS. KUNZE: Thank you, Kathy. With that, 7 again, I'm going to ask if there is -- do any of the 8 board members have any questions or discussions 9 concerning our budget requests for fiscal year 2017? 10 Questions or discussion? 11 Does anyone in the public have any questions or 12 discussion concerning the budget? 13 With that, we'll look at possible action. Do I 14 have a motion? 15 MR. FERRELL: I move for approval the request 16 as stated. 17 MS. KUNZE: I have a motion to approve the 18 request. Do I have a second? 19 MR. NICHOLSON: Second. 20 MS. KUNZE: Motion and second. Can I have a 21 roll call, Quiana? 22 MS. FIELDS: Mr. Blankenship? 23 MR. BLANKENSHIP: Yes. 24 MS. FIELDS: Mr. Ferrell? 25 MR. FERRELL: Yes.</p>	<p style="text-align: right;">24</p> <p>1 SENATOR JUSTICE: I am. 2 MS. KUNZE: Senator, if you have any comments 3 or anything you'd like to make? We appreciate you 4 taking time to attend our meeting. 5 SENATOR JUSTICE: I really don't. Thank you 6 for that opportunity, but I just came to listen and 7 have a chance to visit with some of you here so thank 8 you so much for allowing me to be here. 9 MS. KUNZE: Well, we're tickled to be out in 10 this area today. With that, we're going to move to 11 Agenda Item No. 8, and one of our responsibilities as 12 a board is to name and review the periodic reviews on 13 the activities and the goals of the Department of 14 Environmental Quality. 15 We also have the right, in conjunction with 16 that, to go into executive session to discuss 17 personnel matters. And I would like to ask that we 18 consider doing that and do an annual review on our 19 executive director, Scott Thomson. 20 Again, under Title 25 we're allowed to go into 21 executive session to discuss personnel matters, but 22 I'll ask if there is any discussion or approval to do 23 that by the board. 24 MR. WENDLING: I'll motion that we take a -- I 25 propose that we go into executive session for an</p>

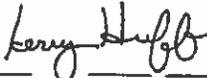
Environmental Quality Board Meeting 9/15/2015

25	<p>1 annual performance review.</p> <p>2 MS. KUNZE: Thank you, John. I have a motion.</p> <p>3 Do I have a second?</p> <p>4 MR. BLANKENSHIP: Second.</p> <p>5 MS. KUNZE: I have a motion and second that we</p> <p>6 break into executive session for a annual performance</p> <p>7 review. Quiana, roll call?</p> <p>8 MS. FIELDS: Mr. Blankenship?</p> <p>9 MR. BLANKENSHIP: Yes.</p> <p>10 MS. FIELDS: Mr. Ferrell?</p> <p>11 MR. FERRELL: Yes.</p> <p>12 MS. FIELDS: Mr. Griesel?</p> <p>13 MR. GRIESEL: No.</p> <p>14 MS. FIELDS: Dr. Hammon?</p> <p>15 DR. HAMMON: Yes.</p> <p>16 MS. FIELDS: Mr. Mason?</p> <p>17 MR. MASON: Yes.</p> <p>18 MS. FIELDS: Mr. Nicholson?</p> <p>19 MR. NICHOLSON: Yes.</p> <p>20 MS. FIELDS: Ms. Turner?</p> <p>21 MS. TURNER: Yes.</p> <p>22 MS. FIELDS: Mr. Wendling?</p> <p>23 MR. WENDLING? Yes.</p> <p>24 MS. FIELDS: Ms. Kunze?</p> <p>25 MS. KUNZE: Yes.</p>
26	<p>1 MS. FIELDS: Motion passed.</p> <p>2 MS. KUNZE: With that we'll need to name</p> <p>3 someone to be -- record the minutes of the executive</p> <p>4 session. Do I have -- does anybody on the board want</p> <p>5 to volunteer before I just pick on somebody?</p> <p>6 MR. GRIESEL: Shannon said he will.</p> <p>7 MS. Kunze: I have already picked on Shannon,</p> <p>8 though, today.</p> <p>9 MR. FERRELL: Might as well keep the streak.</p> <p>10 MS. KUNZE: Do you mind?</p> <p>11 MR. FERRELL: That's fine.</p> <p>12 MS. KUNZE: Okay. Shannon Ferrell will take</p> <p>13 minutes of the executive session, and with that we</p> <p>14 will break.</p> <p>15 (A break was taken at 10:10 a.m.)</p> <p>16 MS. KUNZE: Quiana, I'll ask you to take a roll</p> <p>17 call.</p> <p>18 MS. FIELDS: Mr. Blankenship?</p> <p>19 MR. BLANKENSHIP: Here. Yes. Something.</p> <p>20 What am I supposed to say?</p> <p>21 MS. FIELDS: Mr. Ferrell?</p> <p>22 MR. FERRELL: Here.</p> <p>23 MS. FIELDS: Mr. Griesel?</p> <p>24 MR. GRIESEL: Yes. Here. Something.</p> <p>25 MS. FIELDS: Dr. Hammon?</p>
27	<p>1 DR. HAMMON: Yes.</p> <p>2 MS. FIELDS: Mr. Mason?</p> <p>3 MR. MASON: Present.</p> <p>4 MS. FIELDS: Mr. Mason?</p> <p>5 MR. MASON: Present.</p> <p>6 MS. FIELDS: Mr. Nicholson?</p> <p>7 MR. NICHOLSON: Here.</p> <p>8 MS. FIELDS: Ms. Turner?</p> <p>9 MS. TURNER: Here.</p> <p>10 MS. FIELDS: Mr. Wendling?</p> <p>11 MR. WENDLING: Here.</p> <p>12 MS. FIELDS: Ms. Kunze?</p> <p>13 MS. KUNZE: Here.</p> <p>14 MS. FIELDS: Motion passed. Thank you. We're</p> <p>15 back in open session. First, I would like to thank</p> <p>16 everybody for their patience. I know that takes</p> <p>17 awhile, but it was a very valuable opportunity for us</p> <p>18 to have discussions with Scott, and we appreciate</p> <p>19 everybody waiting for us to do that.</p> <p>20 I'd like to say we did have some valuable</p> <p>21 discussion and exchange of information, and we have</p> <p>22 identified a few additional pieces of facts and</p> <p>23 information that we are going to request of Scott.</p> <p>24 So at this time we have no action that we're</p> <p>25 going to take, but I want to be real clear to Scott</p>
28	<p>1 and everybody in the room that this does not -- I</p> <p>2 don't want this to give the perception that we're not</p> <p>3 satisfied or a lack of confidence in our executive</p> <p>4 director.</p> <p>5 We've just identified some additional facts</p> <p>6 that we'd like information on, and I will discuss</p> <p>7 that with Scott, and we'll get that information out</p> <p>8 to the board members. With that, we are going to</p> <p>9 move to Agenda item No. 9 which is looking at our</p> <p>10 calendar year 2016.</p> <p>11 In your packets you'll have a sheet that shows</p> <p>12 board meeting locations, the ones that -- the past</p> <p>13 meetings, and then it also has recommended meeting</p> <p>14 locations and dates for the upcoming year. I'll ask</p> <p>15 everyone to take a look at that and any discussion</p> <p>16 you have about those.</p> <p>17 DR. HAMMON: So do we need to decide where</p> <p>18 we're holding it in November then? I see three</p> <p>19 locations.</p> <p>20 MS. KUNZE: The November 2015 location is</p> <p>21 determined it's in Chickasha. These are for 2016.</p> <p>22 DR. HAMMON: I see three proposed for</p> <p>23 November 9th?</p> <p>24 MS. KUNZE: Yes. Those were all mentioned as</p> <p>25 possible locations, and we get to make that</p>

Environmental Quality Board Meeting 9/15/2015

<p style="text-align: right;">29</p> <p>1 determination. Thank you, Tracy. What is proposed 2 is that we would meet on Friday, February 19, 2016, 3 in Oklahoma City, Tuesday, June 14th in Oklahoma 4 City, and both of those would be at the agency and 5 Tuesday, September 13th, it's been proposed that we 6 hold that meeting in Stillwater. 7 And our Wednesday, November 9th, meeting – 8 we've listed several alternatives there, all of which 9 have relevance to and might be a good thing to be in 10 those communities. 11 MR. GRIESEL: I'd make a motion to approve the 12 meeting schedule with the November meeting being in 13 Durant. 14 MS. KUNZE: Okay. I have a motion. Do I have 15 a second? 16 MR. FERRELL: Second. 17 MS. KUNZE: I have a motion and a second. Any 18 discussion? 19 MR. MASON: I'd like to have a discussion. 20 Probably our two folks that live in Ponca City and 21 Bartlesville are too polite to raise their hands. 22 I'm sure they'd like to sleep at home that night so 23 I'll speak on their behalf. 24 MR. NICHOLSON: Thank you. 25 MR. MASON: I was going to propose Ponca City</p>	<p style="text-align: right;">31</p> <p>1 in 2017. 2 MS. FIELDS: Mr. Nicholson? 3 MR. NICHOLSON: Yes. Welcome to Ponca City. 4 MS. FIELDS: Ms. Turner? 5 MS. TURNER: Yes. 6 MS. FIELDS: Mr. Wendling? 7 MR. WENDLING: Yes. 8 MS. FIELDS: Ms. Kunze? 9 MS. KUNZE: Yes. 10 MS. FIELDS: Motion passed. 11 MS. KUNZE: I will ask at this time if anybody 12 has any new business? Any new business? Okay. Our 13 next meeting is going to be November 10, and this one 14 will be in Chickasha. And with that, I'll ask for a 15 motion for adjournment. 16 MR. BLANKENSHIP: So moved. 17 MS. KUNZE: I have a motion and about three 18 seconds that we adjourn. Tracy had the second on 19 that. Roll call? 20 MS. FIELDS: Mr. Blankenship? 21 MR. BLANKENSHIP: Yes? 22 MS. FIELDS: Mr. Ferrell? 23 MR. FERRELL: Yes. 24 MS. FIELDS: Mr. Griesel? 25 MR. GRIESEL: Yes.</p>
<p style="text-align: right;">30</p> <p>1 just so these two people could stay at home that 2 night. That's my discussion. 3 MR. GRIESEL: I'll withdraw my motion. 4 MS. KUNZE: Okay. 5 MR. MASON: Then I'll make a motion as 6 presented with Ponca City on behalf of our 7 Bartlesville and Ponca City friends. 8 MR. GRIESEL: And I'll second. 9 MS. KUNZE: The original motion has been 10 withdrawn. The motion that has been made and 11 seconded is that we approve the meeting scheduled for 12 2016 with Ponca City being the selected location for 13 November 9th. Roll call? 14 MS. FIELDS: Mr. Blankenship? 15 MR. BLANKENSHIP: Yes. 16 MS. FIELDS: Mr. Ferrell? 17 MR. FERRELL: Yes. 18 MS. FIELDS: Mr. Griesel? 19 MR. GRIESEL: No. 20 MS. KUNZE: I think you seconded. 21 MS. FIELDS: Dr. Hammon? 22 DR. HAMMON: Yes. And much appreciated. 23 MS. FIELDS: Mr. Mason? 24 MR. MASON: Yes. And my thanks to Mr. Griesel 25 for withdrawing his motion. We need to go to El Reno</p>	<p style="text-align: right;">32</p> <p>1 MS. FIELDS: Dr. Hammon? 2 DR. HAMMON: Yes. 3 MS. FIELDS: Mr. Mason? 4 MR. MASON: Yes. 5 MS. FIELDS: Mr. Nicholson? 6 MR. NICHOLSON: Yes. 7 MS. FIELDS: Ms. Turner? 8 MS. TURNER: Yes. 9 MS. FIELDS: Mr. Wendling? 10 MR. WENDLING: Yes. 11 MS. FIELDS: Ms. Kunze? 12 MS. KUNZE: Yes. 13 MS. FIELDS: Motion passed. 14 MS. KUNZE: With that, we're at the point to 15 where if anyone has arrived that would like to 16 participate in a public forum – I am not aware of 17 anybody but I will ask. Going, going, gone, any 18 chance for a public forum? 19 MR. GRIESEL: Should we ask our senator to make 20 sure and have some hospitality for us in Chickasha in 21 November? 22 SENATOR JUSTICE: Sure. 23 MS. KUNZE: Probably be covered on that. With 24 that, I'll thank everyone for their attendance and 25 their time and just -- Shannon kind of started us off</p>

1 correctly in being committed to what we're doing.
2 And I want to speak for the board, and I think truly
3 we are committed to doing what we can. I appreciate
4 your opening comments, Shannon. Thank you guys.
5 (Meeting concluded at 11:45 a.m.)
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

1 ** CERTIFICATE **
2
3 STATE OF OKLAHOMA)
4) SS:
5 COUNTY OF MCCLAIN)
6
7 I, Kerry L. Huff, a Certified Shorthand Reporter
8 within and for the State of Oklahoma, do hereby
9 certify that I reported all of the foregoing matter,
10 and that I later reduced it to typewritten form, as
11 the same appears herein.
12 I further certify that I am not a relative of, nor
13 attorney for, nor clerk or stenographer for any party
14 to this matter, and that I am not otherwise
15 interested in the event of the same.
16 I further certify that the above and foregoing
17 typewritten pages contain a full, true and correct
18 transcript of my stenograph notes so taken, during
19 said matter.
20 WITNESS my hand and seal this 23rd day of
21 September, 2015.
22
23 
24 KERRY L. HUFF, C.S.R.
25 Oklahoma Certified Shorthand Reporter
Certificate No. 1725
Expiration Date: December 31, 2015



ENVIRONMENTAL QUALITY BOARD

Attendance Record

September 15, 2015

Roman Nose State Park Lodge
Watonga, Oklahoma

NAME and/or AFFILIATION

Address and/or Phone and/or E-Mail

<u>NAME</u> and/or <u>AFFILIATION</u>	<u>Address</u> and/or <u>Phone</u> and/or <u>E-Mail</u>
Quiana Fields	ODEQ
Marshall Nestor	DEQ
Cindy Perret	DEQ
Jimmy Sivers	DEQ
Joseph Gebischer	DEQ
Jullie Hard Melby	DEQ
C.M. Sharp	DEQ
Tracy Hammon	DEQ
Elli Te-ll	DEQ
Ray Cobb	DEQ
Shirley	DEQ
Tyler Pouch	OSEE
Clayton Eubank	ONG
Chris Armstrong	DEQ
Emily	DEQ
Stacy Major	
Tom Roberts	DEQ
Mike Broderick	DEQ
GEORGE MACDURMON	RMAC
Saba Tahmasebi	DEQ
Jan Kunze	EQ
Homer Nicholson	Ponca City DEQ
John WENDLUP	EQB
Dan Blankenship	Board
Clayton	DEQ
SHANNON L. FERRELL	EQB



ENVIRONMENTAL QUALITY
BOARD

Attendance Record

September 15, 2015

Roman Nose State Park Lodge
Watonga, Oklahoma

NAME and/or AFFILIATION

Address and/or Phone and/or E-Mail

Loretta Turner

DEQ Board.

David Smith

American Airlines/Tulsa, OK

Richard McDaniel

DEQ

Bill Kropf

DEQ

Vicki Eggers

vicki@nodanet.org

Jennifer Fitzgerald

jennifer@nodanet.org

Blair Snodgrass

bsnodgrass@scsenvironment.com

David K. Griesel

griesel@sbeglobal.net

Kelly Dixon

DEQ

Senator Ron Justice

Michelle Wynn