

Appendices



Air Quality

Ambient Monitoring - FY2004

Air Quality	QTR 1	QTR 2	QTR 3	QTR 4	TOTAL
Ambient Monitoring					
Continuous Monitoring Systems	24	24	24	24	
Non-continuous Stations	14	14	14	14	
Number of Air Samples Collected (continuous/hourly)					
Ozone (in thousands)	32.5	27.5	23.1	30.2	113.3
Sulfur Oxides (in thousands)	10.7	11.1	12.9	12.8	47.5
Total Oxides of Nitrogen	6.1	8.6	8.6	6.4	29.7
Nitrogen Dioxide-NO2 (in thousands)	6.1	8.6	8.6	6.4	29.7
Nitrogen Oxides-NO (in thousands)	6.1	8.6	8.6	6.4	29.7
Carbon Monoxide (in thousands)	6.6	6.5	6.2	6.5	25.8
Special Purpose (in thousands)	23.8	13.1	12.8	13	62.7
PM-10 (in thousands)	2.2	2.2	2.2	2.2	8.8
PM-2.5 (in thousands)	6.5	7	8.5	8.4	30.4
Number of Air Samples Collected (non-continuous/daily)					
PM-10	144	131	134	133	542
PM-2.5	656	634	622	671	2583
Precision Tests	358	338	342	361	1399

Excess Emissions Monitoring - FY2004

Air Quality	QTR 1	QTR 2	QTR 3	QTR 4	TOTAL
Excess Emissions Report	621	498	483	544	2146

Emissions Inventory - FY2004

Air Quality	QTR 1	QTR 2	QTR 3	QTR 4	TOTAL
Emissions Inventory					
Billings					
Major Sources	11	5	1	163	180
Minor Sources	0	0	0	282	282
Inventories Processed	271	28	360	680	1339

Environmental Impact Assessments - FY2004

Air Quality	QTR 1	QTR 2	QTR 3	QTR 4	TOTAL
Environmental Impact Assessments	25	46	30	40	141

Enforcement Administration - FY2004

Air Quality	QTR 1	QTR 2	QTR 3	QTR 4	TOTAL
Air Enforcement					
Notices of Violation	22	13	35	20	90
Formal Actions	6	10	15	9	40
Level III Violation Letters	9	27	40	16	92
Asbestos Actions	1	0	0	2	3
Fines Paid (in thousands of dollars)	60.9	98.93	105.40	109.09	374.32
SEP Dollars (in thousands)	451.9	20.75	111.7	0	584.35
Total Number of SEPs	1	2	5	0	8

Inspection - FY2004

Air Quality	QTR 1	QTR 2	QTR 3	QTR 4	TOTAL
Air Inspections					
Compliance Evaluation Inspections	137	174	168	213	692
Follow-up Enforcement Inspections	11	16	11	11	49
Asbestos Inspections	68	46	74	70	258
Complaint Inspections	35	39	33	24	131

Lead Based Paint - FY2004

Air Quality	QTR 1	QTR 2	QTR 3	QTR 4	TOTAL
Lead Based Paint Certification					
Inspector	0	0	0	4	4
Risk Assessor	4	7	1	81	93
Abatement Worker	2	10	0	56	68
Supervisor	3	0	2	53	58
Project Designer	0	0	0	1	1
Firm	1	1	2	69	73
Lead Based Paint Compliance Inspections	8	4	22	38	72

Public Information and Education - FY2004

Air Quality	QTR 1	QTR 2	QTR 3	QTR 4	TOTAL
Clean Air Alerts					
Oklahoma City	7	0	0	0	7
Tulsa	8	0	0	0	8
Lawton	4	0	0	0	4
Environmental Education Events					
Conference Presentations	1	2	0	6	9
Conference Displays	0	2	2	1	5
Community Wide Events	1	0	0	1	2
Education Presentations					
K-12	1	1	1	5	8
University	6	0	0	0	6
Community/Adult	4	1	1	2	8
Teacher Packets Distributed	5	152	15	7	179
Contacts	1278	2526	565	5290	9659

Permit Administration - FY2004

Air Quality	QTR 1	QTR 2	QTR 3	QTR 4	TOTAL
Air Quality Permitting					
Construction Applications/Permits Issued					
Minor Received	34	31	19	22	106
Minor Issued	24	20	24	24	92
Major Received	9	4	3	5	21
Major Issued	14	14	6	3	37
PSD Received	1	3	5	4	13
PSD Issued	2	1	3	5	11
Operating Applications/Permits Issued					
Minor Received	49	67	76	67	259
Minor Issued	66	70	45	78	259
Major Received	4	6	2	3	15
Major Issued	2	0	1	3	6
PSD Received	0	0	0	0	0
PSD Issued	1	0	0	0	1
Title V Received	36	29	23	31	119
Title V Issued	15	18	17	22	72
Acid Rain Received	1	0	1	0	2
Acid Rain Issued	0	0	2	0	2
Relocation Received	8	8	12	11	39
Relocation Issued	6	10	9	10	35
Applications Withdrawn	13	12	13	14	52
Applicability Determination Received	14	32	24	31	101
Applicability Determination Issued	18	23	19	23	83
Permits Denied	0	0	0	0	0
Total Applications Received	156	180	165	174	675
Total Permits Issued	148	156	126	168	598
Permits Issuance > Timelines	7	18	13	11	49
Tests Observed	14	5	4	1	24
Performance Inspections	64	55	42	54	215
Permit Protest Hearings	0	0	0	0	0
Number of PSD Modeling Analysis Conducted	3	6	8	5	22

Quality Assurance - FY2004

Air Quality	QTR 1	QTR 2	QTR 3	QTR 4	TOTAL
Quality Assurance					
Audits					
Continuous	22	19	19	42	102
Non-Continuous	19	20	27	24	90
Interlab	2	0	0	0	2
Data Validation	941	916	880	776	3513
Standards Certified	85	73	79	51	288
Filter Checks	367	269	272	346	1254

Land Protection

Enforcement Administration - FY2004

Land Protection	QTR 1	QTR 2	QTR 3	QTR 4	TOTAL
Solid Waste					
Notices of Violation	2	1	3	4	10
Formal Actions	2	4	7	5	18
Facilities in significant noncompliance	N/A	N/A	N/A	N/A	0
Fines Paid (in thousands)	0	0	1	1	2
Supplemental Environmental Projects(in thousands)					
Total Number of Supplemental Env. Projects	0	0	0	0	0
Hazardous Waste					
Notices of Violation	17	21	16	8	62
Formal Actions	1	4	0	2	7
Facilities in significant noncompliance	1	0	2	2	5
Fines Paid (in thousands)	1.9	27.9	1.3	2.5	33.6
Supplemental Environmental Projects(in thousands)					
	0	19.6	0	0	19.6
Total Number of Supplemental Env. Projects	0	7	0	0	7
Radiation					
Notices of Violation	8	12	5	4	29
Formal Actions	0	0	0	0	0
Facilities in significant noncompliance	0	0	0	0	0
Fines Paid (in thousands)	0	0	0	0	0
Supplemental Environmental Projects(in thousands)					
	0	0	0	0	0
Total Number of Supplemental Env. Projects	0	0	0	0	0

Customer Assistance General Outreach - FY2004

Land Protection	QTR 1	QTR 2	QTR 3	QTR 4	TOTAL
Radiation Surveys	68	69	116	56	309

Historic Site Cleanup - FY2004

Land Protection	QTR 1	QTR 2	QTR 3	QTR 4	TOTAL
Private Party Oversight					
Ongoing	118	116	116	115	
Completed	4	5	6	5	20

Inspection - FY 2004

Land Protection	QTR 1	QTR 2	QTR 3	QTR 4	TOTAL
Solid Waste Inspections					
Compliance Evaluation Inspections					
Tire Dealer Inspections	32	21	32	55	140
Tire Dump Surveys	2	11	7	16	36
Hazardous Waste Inspections					
Compliance Evaluation Inspections	31	43	41	21	136
Screening Inspections	0	0	0	0	0
UIC Compliance Inspections	12	0	0	11	23
Radiation					
Compliance Evaluation Inspections	18	17	18	13	66

Non-Hazardous Waste Management - FY2004

Land Protection	QTR 1	QTR 2	QTR 3	QTR 4	TOTAL
Solid Waste					
NHIW Certifications Received	141	121	160	201	623

Operator Certification - FY2004

Land Protection	QTR 1	QTR 2	QTR 3	QTR 4	TOTAL
Radiography Certification Exams	8	19	105	46	178

Permit Administration - FY2004

Land Protection	QTR 1	QTR 2	QTR 3	QTR 4	TOTAL
Waste Management Permitting					
Solid Waste					
Applications Received	87	147	95	105	434
Permits Issued/Plans Approved	89	96	97	111	393
Permit Protest					0
Hazardous Waste					
Applications Received	83	48	83	53	267
Permits Issued/Plans Approved	79	55	74	52	260
Permit Protest Hearing					0
					0
Underground Injection Control					
Applications Received	6	3	6	8	23
Permits Issued/Plans Approved	7	10	7	6	30
Radiation					
Applications Received	79	94	52	49	274
Permits Issued	98	59	47	29	233
Total Permits Issuance > Timelines					0

Public Information and Education - FY2004

Land Protection	QTR 1	QTR 2	QTR 3	QTR 4	TOTAL
Environmental Education Planning/Promotion					
EE Organizational/Committee					
Meetings & Projects	26	23	62	53	164
EE Exhibits Prepared	6	6	3	8	23
Total EE Public Presentations (e.g. conferences, schools, festivals, etc.)	8	1	0	6	15
EE Public Presentations (Adult)	1	1	0	2	4
EE Public Presentations (K-12)	3	0	0	4	7
EE Publications (Total)		9	7	4	20
New DEQ Publications Developed	3	2	1	0	6
Updated DEQ EE Publications	3	3	2	2	10
Other EE Publications	4	4	4	2	14
EE Award Nominations Prepared	5	5	3	0	13
EE News Releases Prepared	2	2	4	3	11
EE Electronic Information Distribution	60	70	45	55	230
EE Grant Applications Received	3	27	0	0	30
EE Grant Applications Approved	0	25	0	0	25
EE Grants Given (\$)					\$14,000.00
Recycling Information					
Recycling Exhibits Prepared	1	1	0	3	5
Recycling Conference Presentations	2	1	0	0	3
Total Recycling Public Presentations (e.g. schools, festivals, etc.)	45	35	31	53	164
Recycling Public Presentations (Adult)	14	7	17	17	55
Recycling Public Presentations (K-12)	30	24	14	36	104
DEQ Recycling Publications Distributed	12	43	23	12	90
Recycling Training Given	11	10	11	19	51
Recycling Markets Identified in Oklahoma	7	11	5	12	35
Recycling Markets Identified in Oklahoma (New)	2	1	1	1	5
Waste Audits Performed	3	2	3	2	10
Rulemaking Meetings					
Council meetings/rulemaking hearings held	2	1	1	2	5

Waste to Resources Programs - FY2004

Land Protection	QTR 1	QTR 2	QTR 3	QTR 4	TOTAL
Superfund					
Preliminary Assessments	2	0	0	0	2
Site Inspections	1	0	0	1	2
Management Assistance*	11	11	11	11	11
Remedial Design*	0	0	0	0	0
Federal Facilities*	8	8	8	8	8
Remedial Action*	4	4	4	4	4
Removal Actions**	2	4	4	5	7
CERCLA Universe Investigations	0	0	0	0	0
New Listing on NPL	0	0	0	0	0
Sites Deleted	0	0	0	0	0
Remedial Investigation/Feasibility Study**					
	4	4	4	4	4
Brownfield Targeted Site Assessments Completed					
	2	2	1	1	6
Brownfield Targeted Site Assessments					
	6	5	6	5	
Operation and Maintenance*	1	1	1	1	1
*Ongoing					
**New or in-progress and ongoing					

Water Quality

TMDL DEVELOPMENT - FY2004

Water Quality	QTR 1	QTR 2	QTR 3	QTR 4	TOTAL
TMDLS					
TMDLs Started	3	4	3	7	17
TMDLs Completed	1	3	2	1	7

Data Management - FY2004

Water Quality	QTR 1	QTR 2	QTR 3	QTR 4	TOTAL
Groundwater					
Sites With GPS Correction	32	77	74	132	315

Enforcement Administration - FY2004

Water Quality	QTR 1	QTR 2	QTR 3	QTR 4	TOTAL
Public Water Supply					
Boil Advisories	3	3	1	2	9
Notices of Violation	67	29	77	77	250
Consent / Final Orders	22	21	77	15	135
Fines Paid (in thousands)	0	0	0	0	0
Supplemental Environmental Projects(in thousands)					
	1	1	1	3.5	6.5
TOTAL number of SEPs	2	2	1	7	12
Municipal Wastewater					
Notices of Violation	53	18	13	19	103
Consent / Final Orders	22	28	27	37	114
Fines Paid (in thousands)	1	1	24	29	55
Supplemental Environmental Projects(in thousands)					
	0	0	0	0	0
TOTAL number of SEPs	0	0	0	0	0
Industrial Wastewater					
Notices of Violation	6	8	11	11	36
Consent / Final Orders	3	0	1	4	8
Fines Paid (in thousands)	0	0	0	25	25
Supplemental Environmental Projects(in thousands)					
	12.7	0	41	0	53.7
TOTAL number of SEPs	1	0	1	0	2
Storm Water					
Notices of Violation	9	16	12	6	43
Consent / Final Orders	3	1	0	4	8
Fines Paid (in thousands)	0	0	0	0	0
Supplemental Environmental Projects(in thousands)					
	0	0	0	0	0
TOTAL number of SEPs	0	0	0	0	0

Operator Certification - FY2004

Water Quality	QTR 1	QTR 2	QTR 3	QTR 4	TOTAL
Operator Training and Certification					
Approved Training Hours Provided	143	276	652	731	1,802
New Certified Examinations					
Water Operator	247	151	225	155	778
Wastewater Operator	181	126	142	121	570
Water Laboratory Operator	28	52	31	24	135
Wastewater Laboratory Operator	35	19	24	18	96

Inspection - FY2004

Water Quality	QTR 1	QTR 2	QTR 3	QTR 4	TOTAL
Public Water Supply					
Monitoring Inspections	491	634	571	865	2,561
Municipal Wastewater					
Monitoring Inspections	337	367	339	374	1,417
Pretreatment Compliance	1	1	8	13	23
Pretreatment Audits	1	1	1	2	5
Compliance Sampling Inspections	0	0	0	1	1
Compliance Evaluation Inspections	12	17	21	12	62
Industrial Wastewater					
Monitoring Inspections	23	95	75	132	325
Compliance Evaluation Inspections	3	12	10	4	29
Compliance Sampling Inspections	0	0	0	1	1
Stormwater					
Compliance/TA Inspections	14	15	54	34	117

Permit Administration - FY2004

Water Quality	QTR 1	QTR 2	QTR 3	QTR 4	TOTAL
Water Quality Permitting					
Construction Applications/Permits Issued					
Public Water Supply Received	173	175	165	190	703
Public Water Supply Issued	181	155	182	168	686
Water Well Received	5	4	5	3	17
Water Well Issued	8	4	5	3	20
Municipal Wastewater Received	165	135	178	115	593
Municipal Wastewater Issued	163	116	201	115	595
Municipal Wastewater Applications/Permits Issued					
Discharge Applications Received	17	14	24	81	136
Discharge Permits Issued	8	16	18	56	98
Industrial Wastewater Applications/ Individual Permits Issued					
Applications Received	9	5	6	29	49
Permits Issued	11	15	11	43	80
Stormwater					
Construction Authorization Processed					
	190	198	170	154	712
Multi-Sector Industrial Authorization Processed					
	51	35	45	41	172
Other Industrial General Permits					
Applications Received	100	27	21	165	313
Authorization Issued	53	102	36	212	403
Other Municipal General Permits					
Applications Received	2	3	5	15	25
Authorization Issued	2	5	0	12	19
Sludge Management Applications/Plans Approved					
Applications Received	5	2	2	1	10
Plans Approved	4	2	2	0	8
Total Permits Issuance > Timelines	0	3	0	8	11
Total Permit Protest Hearings	0	0	1	0	1

Customer Services

Ambient Monitoring - FY2004

Customer Service	QTR 1	QTR 2	QTR 3	QTR 4	TOTAL
Biotrend Monitoring	32	0	0	0	32

Compliance Monitoring - FY2004

Customer Service	QTR 1	QTR 2	QTR 3	QTR 4	TOTAL
Compliance Monitoring					
Industrial/Municipal Wastewater	40	4	1	5	50

Customer Assistance General Outreach - FY2004

Customer Services	QTR 1	QTR 2	QTR 3	QTR 4	TOTAL
Customer Assistance					
Services Provided to:					
Corporations	60	80	48	60	248
Cities/Towns	8	6	10	8	32
Other Government	10	10	12	10	42
Individuals	120	100	120	120	460
Permit Assistance to New Business & Industry					
	3	4	4	6	17

Laboratory Operations - FY2004

Customer Service	QTR 1	QTR 2	QTR 3	QTR 4	TOTAL
Laboratory Services					
Local DEQ	44	35	27	50	156
Private Citizens	183	99	126	152	560
Contractual	265	72	131	599	1,067
QA Check Samples	262	290	254	261	1,067
Public Water Supplies	3,614	2,118	2,689	2,794	11,215
Bacteriological	8,277	6,406	5,629	6,720	27,032
Superfund	180	270	69	174	693
Hazardous Waste	70	52	47	115	284
Water Quality	105	34	53	65	257
Oklahoma Water Resources Board	1,852	1,259	1,218	1,065	5,394
Conservation Commission	0	0	0	0	0
Laboratory Methodology/Instrumentation					
# New Instruments to Support New Methods	2	0	0	0	2
# Replacement Instruments	0	1	0	0	1
# New Methods Implemented	0	1	0	0	1
Laboratory Certification					
Applications Received	3	3	1	1	8
Certificates Issued	4	3	0	3	10
Certificates Renewals	170	0	0	0	170
Performance Evaluations	0	0	0	0	0
Issuance > Timelines	20	25	27	27	99

Permit Administration - FY2004

Customer Services	QTR 1	QTR 2	QTR 3	QTR 4	TOTAL
Public Meetings for Permitting	1	5	0	1	7

Customer Assistance Pollution Prevention - FY2004

Customer Services	QTR 1	QTR 2	QTR 3	QTR 4	TOTAL
Pollution Prevention Activities					
Technical Assistance					
Telephone contacts	50	45	75	80	250
Site Assistance Visits	2	2	3	4	11
Publish P2 Literature	0	0	3	4	7
Disseminate P2 Information	120	150	200	300	770
Seminars, Workshops, & Presentations	0	2	2	5	9

Media Handling - FY2004

Customer Services	QTR 1	QTR 2	QTR 3	QTR 4	TOTAL
Media Relations					
Press Releases	19	10	15	22	66
Responses to Media Inquiries	133	85	108	141	467
Interviews Initiated	23	19	34	66	142
Number of Presentations	39	58	62	46	205
Number of Citizens at Presentations	2,359	3,971	3,372	3,852	13,554

Public Information - FY2004

Customer Service	QTR 1	QTR 2	QTR 3	QTR 4	TOTAL
Public Information & Publications					
Designs/Illustrations/Graphics Produced	142	97	108	106	453
Brochures/Flyers Produced	6	4	8	10	28
Fact Sheets Produced	13	7	9	9	38
Publications/Reports Produced	3	1	1	1	6
Newsletters Produced	2	1	1	1	5
Web Applications/Pages Developed	13	49	21	48	131

Sara Title III - FY2004

Customer Services	QTR 1	QTR 2	QTR 3	QTR 4	TOTAL
Community Right to Know (EPCRA)					
Tier 2 Reports Filed	39	152	20,238	3547	23,976
Tier 2 Forms Filed Electronically	4	15	9,586	15	9,620
Toxic Release Reports Filed	5	5	0	1,200	1,210
Industry Request for Guidance	28	241	452	309	1,030
CAMEO/Submit Instruction/Presentations	6	8	17	4	35
LEPC Meetings Attended	7	8	9	4	28

Local Services

Complaint Statistics - FY2004

ECLS	QTR 1	QTR 2	QTR 3	QTR 4	TOTAL
Total Spills/Complaints Received	1,416	1,032	1,443	1,579	5,470
Spills/Complaints Referred to Other Agencies	118	89	111	108	426
EPA	14	5	5	5	29
Corp of Engineers	1	1	0	0	2
Used Motor Vehicle Commission	0	1	0	0	1
Dept. of Agriculture, Food, & Forestry	23	13	20	17	73
County Sheriff's Office	12	9	10	1	32
City/Town	7	3	9	7	26
Dept. of Mines	0	0	2	0	2
Corporation Commission	44	47	39	58	188
Native American	1	2	6	5	14
Dept. of Wildlife Conservation	0	1	1	1	3
Dept. of Health	11	5	5	9	30
Dept. of Transportation	1	0	0	0	1
Dept. of Labor	3	1	0	3	7
Liquefied Petroleum & Gas Board	0	0	0	0	0
Dept. of Public Safety	0	0	13	1	14
Conservation Commission	0	0	0	0	0
Oklahoma Water Resources Board	1	1	1	1	4
Total DEQ Spills/Complaints Received	1,298	943	1,332	1,471	5,044
Spills Received	104	96	91	102	393
Water Quality Division	3	4	0	1	8
Air Quality Division	26	38	31	38	133
Land Protection Division - Solid Waste	71	54	57	59	241
Land Protection Division - Hazardous Waste	4	0	3	4	11
Complaints Received	1,194	847	1,241	1,369	4,651
Publicly-Owned Wastewater Facility & Lines	59	44	82	91	276
Private Wastewater Service Lines	116	89	171	169	545
Public Water Supply	101	71	87	86	345
Fish Kills	18	3	3	12	36
Unpermitted Discharge - Unknown Source	9	8	6	16	39
Industrial Stormwater	10	5	17	3	35
Industrial Wastewater Treatment	4	5	19	11	39
Fugitive Dust	97	76	52	100	325
Air Facilities Emissions	29	20	35	29	113
Odors	23	28	18	39	108
NESHAP Violations	5	2	4	9	20
Lead Based Paint	0	2	0	3	5
Solid Waste Landfill Operation	15	11	11	11	48
Tires	13	10	14	13	50
Hazardous Waste Facility Operation	27	21	14	25	87
Radiation	6	1	0	1	8

Complaint Statistics - FY2004 CONTINUED

ECLS	QTR 1	QTR 2	QTR 3	QTR 4	TOTAL
Underground Injection Control	0	0	0	0	0
On-site Sewage	256	170	294	338	1,058
Private Water Supply	14	10	3	6	33
Open Burning	107	92	111	105	415
Unpermitted Disposal of Solid Waste	131	101	171	161	564
Unpermitted Disposal of Liquid Waste	106	54	82	93	335
Septage Pumpers & Haulers	5	7	4	3	19
Construction Stormwater	43	17	43	45	148
Chronic Complaints	0	0	0	0	0
High Profile Complaints	1	0	0	1	2
Target Complaints	13	7	6	7	33
Complaints Closed	1,403	988	1,108	1,282	4,781
Emergency Response	2	0	0	0	2
Water Quality Division	0	0	0	0	0
Air Quality Division	1	0	0	0	1
Land Protection Division - Solid Waste	0	0	0	0	0
Land Protection Division - Hazardous Waste					
Complaint Responsiveness					
Complaints Requiring Response	680	475	630	769	2,554
Met 2 Working Day Response	89%	87%	87%	84%	87%

Emergency Response - FY2004

ECLS	QTR 1	QTR 2	QTR 3	QTR 4	TOTAL
Number of Emergency Response Incidents	2	0	0	0	2

Inspection - FY2004

ECLS	QTR 1	QTR 2	QTR 3	QTR 4	TOTAL
Air Inspections					
Monitoring Inspections	8	3	20	58	89
Waste Management					
Solid Waste Inspections					
Monitoring Inspections	36	34	37	35	142
Water Quality					
Public Water Supply					
Monitoring Inspections	491	634	571	865	2561
Municipal Wastewater					
Monitoring Inspections	337	367	339	374	1417
Industrial Wastewater					
Monitoring Inspections	23	95	75	132	325
Stormwater					
NOT Inspections	64	76	69	59	268
Active Permit Inspections	0	0	59	308	367
No Exposure Inspections	17	16	17	5	55
Septage Pumpers					
Inspections	7	29	153	21	210

Enforcement Administration - FY2004

ECLS	QTR 1	QTR 2	QTR 3	QTR 4	TOTAL
Enforcement Actions - Unpermitted Activities					
Notices of Violation					
Open Burning	3	0	3	2	8
Open Dumping	1	2	2	0	5
Fugitive Dust	0	0	1	0	1
Surfacing Sewage	7	4	10	10	31
Certified Installers	3	5	7	5	20
Non-Certified Installers	3	4	8	2	17
Septage Pumpers/Haulers	0	0	0	0	0
Certified Soil Profilers	0	0	0	0	0
Formal Actions					
Open Burning	2	0	0	0	2
Open Dumping	7	10	6	8	31
Fugitive Dust	0	0	1		1
Surfacing Sewage	49	27	21	49	146
Certified Installers	0	1	0	3	4
Non-Certified Installers	4	1	0	2	7
Septage Pumpers/Haulers	0	0	0	0	0
Certified Soil Profilers	1	0	0	0	1
Fines Paid					
Open Burning	\$0	\$0	\$0.00	\$0.00	\$0
Open Dumping	\$6,275	\$1,488	\$3,167.00	\$4,542.00	\$15,472
Surfacing Sewage	\$500	\$300	\$1,175.00	\$700.00	\$2,675
Certified Installers	\$0	\$0	\$0.00	\$0.00	\$0
Non-Certified Installers	\$0	\$0	\$0.00	\$0.00	\$0
Septage Pumpers/Haulers	\$0	\$0	\$0.00	\$0.00	\$0
Certified Soil Profilers	\$0	\$0	\$0.00	\$300.00	\$300
Total	\$6,775	\$1,788	\$4,342.00	\$5,542.00	\$18,447

Permit Administration - FY2004

ECLS	QTR 1	QTR 2	QTR 3	QTR 4	TOTAL
Requested Services					
Private Sewage					
Soil Tests	580	467	466	515	2,028
Existing System Inspections	145	82	85	194	506
Authorizations Issued	2,868	2,362	2,285	2,775	10,290
Alternative System Permits Issued	56	37	46	66	205
Septage Pumpers and Haulers					
Septage Pumper Licenses Issued	4	29	121	21	175
Water Quality					
Storm Water-Construction					
Authorizations Issued	190	198	170	154	712
Authorizations Terminated	55	60	36	53	204
Storm Water-Industrial					
Authorizations Issued	51	35	45	41	172
Authorizations Terminated	9	14	11	6	40

Technical Assistance - FY2004

ECLS	QTR 1	QTR 2	QTR 3	QTR 4	TOTAL
On-Site Sewage	53	44	72	40	209
Public Water Supply	9	7	19	19	54
Public Sewage	10	6	9	2	27
Solid Waste	12	1	9	0	22
Private Water	32	10	8	8	58
Air Quality	3	5	15	6	29
Industrial Wastewater	3	2	7	7	19
Storm Water	9	3	15	15	42
Other	4	8	12	3	27
TOTAL	135	86	166	100	487

Customer Assistance Private Water Supply - FY2004

ECLS	QTR 1	QTR 2	QTR 3	QTR 4	TOTAL
Requested Services					
Private Water					
Water Well Inspections	36	34	29	32	131

Operator Certification - FY2004

ECLS	QTR 1	QTR 2	QTR 3	QTR 4	TOTAL
On-site System Installer Certification					
Renewal Training Attendees	13	85	119	54	271
New Certification Examinations					
Class C Examinations	32	11	5	14	62
Class B Examinations	6	6	13	8	33
Class A Examinations	7	6	13	5	31
Soil Profiler Certification					
Renewal Training Attendees	0	10	5	1	16
New Certifications	0	8	5	4	17

ENVIRONMENTAL QUALITY REPORT

JANUARY 1, 2004

FOREWORD

The Department of Environmental Quality is required by statute to report to the Governor, the President Pro Tempore of the Senate and the Speaker of the House of Representatives the Department's annual needs for providing the environmental services within its jurisdictional area, any new federal mandates, and the state statutory or constitutional changes recommended by the Department.

ANNUAL NEEDS

I. PUBLIC WATER SUPPLY

Under the federal Safe Drinking Water Act the DEQ is addressing many new and expanded requirements. Examples of these requirements include the addition of the Interim Enhanced Surface Treatment Rule, the Disinfection By-Products Rule and the Arsenic Rule. The additional federal requirements add responsibilities to both regulated communities and state agencies charged with implementing the programs.

The federal regulation changes are like many in the past; they come with no additional federal money. The lack of federal funds leaves states in a position of seeking additional state appropriations in a difficult budget time and/or raising fees to the regulated community. In many cases, municipalities, who are also struggling with budget reductions, are the most severely impacted. Unfortunately, the consequences of failure to implement the required analysis at the time prescribed by the federal law is that public water supply systems will be at risk for violation of the minimum monitoring requirements and be subject to fines and penalties.

The Association of State Drinking Water Administrators (ASDWA), in its most recent report on environmental budget needs, documents a significant shortfall for states. According to the ASDWA report, there is currently a funding gap of \$229 million in funding spent on drinking water program implementation and the amount of money needed to fully and properly implement safe drinking water programs. That gap is expected to increase to \$369 million by 2006. The study also identifies a personnel shortage in administering drinking water programs of

29%, which is expected to increase to 36% by 2006. The increase in funding gap can be attributed in part to the ever-increasing number of regulated contaminants. The number of regulated contaminants has increased from 35 in 1990 to more than 80 at the present time.

Currently, EPA provides less than 40% of the funding that states use to implement drinking water programs. The remainder is funded through fees and state appropriations. As the DEQ struggles with the ever-increasing requirements, it becomes more apparent that at least one of three things must happen. The first is an increase in federal money available to states. Such an increase seems unlikely. The second option is an increase in state appropriated dollars. Just as in the case of the federal government, there is less money available for programs at the state level. State appropriated funding for environmental programs is likely to continue to decrease based on other budget priorities. The remaining alternative for funding environmental programs is increased fees.

The Disinfection By-Product (DBP) rule became effective on January 1, 2002. This new rule regulated for the first time the by-products produced during the disinfection process. The by-products are created by the reaction between the chemicals used for disinfection and organic substances present in the source water. The initial rule only affected surface water systems or groundwater under the influence of surface water with a population of over 10,000. There were 41 Oklahoma water systems in this category. Almost half were out of compliance with the new requirements during 2002 despite concerted efforts by DEQ and public water supplies to address the new regulations. As reflected in the discussion of monitoring costs above, all other systems that disinfect will be affected by the rule beginning on January 1, 2004. This includes an additional 172 surface water systems under 10,000 population and 518 groundwater systems that have no experience in addressing disinfection by-products in their water systems. Results of implementation of the rules with the larger systems indicate that implementation with the other systems will be the greatest compliance challenge ever faced by the systems and the PWS program. In early 2005, the Stage 2 DBP Rule will become effective, further tightening DBP limits.

The Disinfection By-Product (DBP) rule for public water supply systems requires that Trihalomethane (THM) monitoring, which currently applies only to systems serving 100,000 residents, be expanded to cover all systems beginning in January 2004. In addition, Haloacetic Acid (HAA5) and Total Organic Carbon (TOC) monitoring will be expanded to all systems at that same time. Numbers of samples for both THM and HAA5 will increase from 724 in FY03 to 988 in FY04

and 1,535 in FY05 and subsequent years. Numbers of samples for TOC will increase from 1,000 in FY03 to 3,144 in FY04 and 5,280 in FY05 and subsequent years.

Another new federal Safe Drinking Water Act rule, the Radionuclide Rule, contains changes in monitoring requirements for Gross Alpha, Radium (combined 226 and 228) and Uranium that go into effect in January 2004. Past monitoring for these contaminants called for collection of a single sample from the drinking water system and provided that Radium and Uranium monitoring could be waived if Gross Alpha levels were low enough. The new rule requires sampling at each point-of-entry to the water system. This change will significantly impact groundwater systems that have multiple wells pumping directly into the distribution system. Furthermore, Gross Alpha, Radium-226, Radium-228 and Uranium must be sampled in each system. While Uranium and Radium monitoring frequencies may still be reduced based upon Gross Alpha results, all systems must be tested for Radium-228 and the frequency of testing for Radium-226 and Uranium will be increased for parts of the state where these elements occur naturally in groundwater (including the Garber-Wellington aquifer in central Oklahoma, the Roubidoux aquifer in northeast Oklahoma and small aquifers in southeast Oklahoma).

In order to assist public water supplies (in particular small communities) with meeting these new federally mandated monitoring requirements, the DEQ must receive funding from general revenue or increase the cost to public water supplies under the current analytical fee system. Funding for analysis costs will support 5.0 new FTEs and fund supplies and equipment maintenance. The following chart shows the split of the total request for analysis between increased costs for FY 04 and the increased costs for FY 05 to Public Water Supplies.

Analysis	FY-04 Increased Costs to Public Water Supplies	FY-05 Increased Costs to Public Water Supplies	Total Budget Request for Analysis
THM & HAA5	\$198,000	\$307,000	\$505,000
Total Organic Carbon	\$78,600	\$132,000	\$210,600
Radiochemicals	\$49,000	\$74,000	\$123,000
Total	\$325,600	\$513,000	\$838,600

Please refer to Table 1 for a detailed summary of the costs/request amount for the analysis portion of the Public Water Supply Funding Request.

These costs do not include acquisition of equipment that DEQ must have in order to handle the increased sample load for these rules. Equipment needs include three (3) gas chromatographs for THM analysis, three (3) gas chromatographs for HAA5 analysis and two (2) TOC analyzers. A multiplace proportional counter and a fume hood will be needed for Gross Alpha and Radium testing and an inductively coupled plasma-mass spectrometer (ICP-MS) will be needed for Uranium analysis. In FY-04, DEQ may be able to fund at least part of the equipment costs by deferring replacement of aging equipment. However, this is not a desirable alternative as existing public water supply funds are not sufficient for this purpose, using funds from other programs to meet public water supply needs is not appropriate and deferring needed equipment replacement makes the laboratory vulnerable to equipment breakdowns that prevent us from meeting sample analysis needs agency-wide as well as in the public water supply program. **Please see Table 1 for a detailed summary of the costs/request amount for the equipment portion of the Public Water Supply Funding Request.**

DEQ will be unable to provide increased analytical service to the state's public water supplies without first purchasing the equipment outlined above. No federal funds are available for this purpose. Passing equipment costs on through increased analytical fees would require a rule change that would more than double the cost increase to public water supplies.

These fees would impact all public water supplies but the greatest impact would be on small systems that have not previously been required to monitor for disinfection by-products and groundwater systems of all sizes that have many points of entry into their distribution systems. These costs would only add to the expenses that small systems would also likely be facing with the need to modify treatment practices to comply with the Disinfection By-Product, Interim Enhanced Surface Water Treatment Rule, Groundwater and Arsenic Rules.

The bottom line for funding increased monitoring requirements is that DEQ needs increased general revenue or we must use fees to pass costs on to public water supply systems.

Running concurrent with DBP rules is the Long-Term 1 Enhanced Surface Water Treatment Rule (LT1ESWTR), which lowers acceptable levels of turbidity in drinking water to 0.3 NTU effective January 1, 2002, for a population over 10,000

and January 1, 2005, for fewer than 10,000. Additionally, this rule requires systems to develop information regarding the disinfection profile for their system, a fairly complex, three step process. Systems must collect a year's worth of data beginning in July 2003 and complete profiles by July 1, 2004. Also, EPA has proposed the Long-Term 2 Enhanced Surface Water Treatment Rule (LT2ESWTR) that will mandate additional microbiological parameters (bacteria, virus, etc.) for compliance monitoring for all drinking water systems. The rule is currently in the public comment phase and could be effective within this fiscal year.

Adjusting treatment to meet these lower standards is beyond the current capability of many small systems without significant help. With the larger systems having so much difficulty in complying with the regulations, the DEQ estimates that 50-75% of the smaller systems are out of compliance. This will result in a significant increase in workload for the public water supply engineering staff. Efforts will be allocated to compliance assistance, technical assistance and enforcement activities.

There is a tremendous need for on-site technical assistance and training to the small Oklahoma water systems. They have never been required to address disinfection by-products or extremely low turbidity levels in the past. An additional three FTEs are necessary to provide educational and on-site technical assistance or, in the absence of that, to do enforcement of the rules. Also, an additional FTE is needed to address requirements under the Arsenic and Groundwater Implementation rules and to manage the issues of Fluoride in public water systems. The work will involve the review of vulnerability assessments of groundwater sources to determine potential for fecal/viral contamination and the need for disinfection of groundwater sources.

Existing and projected fee revenues from the PWS Fee for Regulatory Services and federal grants only fund current activities and will not cover the additional work. Failure to carry out the work will jeopardize the health of Oklahoma citizens, place many public water systems on a pathway toward non-compliance and resulting fines and leave an open door for direct EPA involvement with Oklahoma systems. The risk of federal intervention is even more real since the FY-04 federal EPA budget specifies 100 new enforcement positions targeted at an increased EPA enforcement presence in states.

Although fee increases are a viable option in funding the drinking water programs in Oklahoma, they come with problems. In drinking water, there is a current state

statute that limits the fee increase per year for the PWS Fee for Regulatory Services. This limits the amount of additional fee revenue that can be generated for program supervision to approximately \$50,000/year. That is not enough to offset the increased costs of program supervision, let alone to cover the costs of increased monitoring requirements.

We estimate that a minimum of \$240,000 per year increase in revenues will be needed to fund the work created by the new PWS rules. **Please see Table 1 for detailed information on the PWS Supervision/Management portion of the Public Water Supply Funding Request.**

Again the bottom line for the public water supply supervision program is that DEQ needs increased general revenue or it will be necessary to pursue a statutory change removing the cap on the PWS Fee for Regulatory Services or, in the alternative, to find a way to raise analytical fees to cover management costs. These last two options will have significant impact on public water supply systems both large and small.

Table 1: Summary of Funding Request for Public Water Supplies

PWS Analysis Cost Category	FY 05	FY 06	FY 07	FY 08	FY 09
Analysis					
THM &HAA5	\$505,000	\$505,000	\$505,000	\$505,000	\$505,000
Total Organic Carbon	\$210,600	\$210,600	\$210,600	\$210,600	\$210,600
Radiochemicals	\$123,000	\$123,000	\$123,000	\$123,000	\$123,000
Subtotal for Analysis	\$838,600	\$838,600	\$838,600	\$838,600	\$838,600
Equipment					
Gas Chromatographs (6)	\$360,000	\$0	\$0	\$0	\$0
TOC Analysers (2)	\$60,000	\$0	\$0	\$0	\$0
Radiation Counter	\$100,000	\$0	\$0	\$0	\$0
ICP-MS (Uranium)	\$150,000	\$0	\$0	\$0	\$0
Subtotal for Equipment	\$670,000	\$0	\$0	\$0	\$0
PWS Supervision/ Management	\$240,000	\$240,000	\$240,000	\$240,000	\$240,000
Total for PWS Analysis	\$1,748,600	\$1,078,600	\$1,078,600	\$1,078,600	\$1,078,600

II. TOTAL MAXIMUM DAILY LOAD (TMDL)

Under the federal Clean Water Act the DEQ is addressing new and expanded requirements for the TMDL/Watershed Rule. The additional federal requirements add responsibilities to both regulated communities and state agencies charged with implementing the programs.

The federal regulations come with no additional federal money. The lack of federal funds leaves states in a position of seeking additional state appropriations in a difficult budget time and/or raising fees to the regulated community. Again, in many cases municipalities who are also struggling with budget reductions are the most severely impacted.

In this environment of increased requirements and costs, there is a significant, real cost for not meeting the demands. EPA, in its oversight role, has the authority and responsibility to enforce the regulations, levy fines, issue permits and to make other environmental decisions for Oklahoma industries and municipalities. EPA is currently being required by legal action by citizen groups in 15 states to exercise its oversight responsibilities and to consider withdrawing delegated programs. Examples of states facing withdrawal petitions are Louisiana and Texas, which are located in the same EPA Region as Oklahoma.

The budget shortfalls of municipalities are documented in multiple studies conducted by Association of Metropolitan Sewerage Agencies (AMSA). AMSA quotes a US Congressional Budget Office report stating that wastewater needs, including storm water, for municipalities will exceed \$340 billion in the next 20 years. The current cost borne by regulated communities is approximately \$194 billion leaving a funding gap of \$146 billion. Groups, including AMSA, have argued that municipalities should not shoulder the entire cost burden of treating wastewater alone, but rather should share that burden with all who benefit (e.g. a municipality located upstream of a recreational lake). The proper treatment of the wastewater by the municipality, paid for by residents of the municipality, helps to maintain the quality of the lake, benefiting not only the residents, but also all the visitors to the area who enjoy quality recreation and wildlife populations.

Currently, EPA provides less than 40% of the funding that states use to implement wastewater programs. The remainder is funded through fees and state appropriations. As is the case with the Public Water Supply program, there are only three alternatives to address the costs for implementing these programs: increased federal funding, increased state appropriated dollars or increased fees. There is little likelihood that federal funding or state appropriated dollars will be

increased. Although fee increases are a viable option for funding the wastewater programs in Oklahoma, they come with potential problems. For general wastewater programs both industries and municipalities must pay the increase in cost.

The most difficult Water Quality Division program to fund is the TMDL program. A TMDL is a calculation of the quantity of a particular contaminant that a specific water body can receive and the Oklahoma Water Quality Standards (WQS) for that water body still be met. The water bodies listed on the 303(d) list often identify multiple contaminants as the cause for failure to meet the WQS. Accordingly, more than one TMDL may be required for a single water body.

These intensive studies must be performed on impaired water bodies prior to the issuance of new or renewal permits. Without a TMDL both industries and municipalities that must discharge into an impaired stream may find it impossible to expand. Where the TMDL addresses only one discharger or a few individual dischargers, DEQ has required industries and larger cities to hire a private consultant to perform the TMDL and provide the reports for DEQ and EPA review. This option is not feasible for small communities since the TMDL studies can easily exceed \$50,000 and in some cases cost over \$100,000. Additionally, through the delegated federal program and state statute, the DEQ is required to coordinate the completion of TMDLs on all impaired water bodies. Many of these water bodies do not receive discharges from point sources (industries and municipalities).

Under the proposed work schedule based on the water bodies on the current 303(d) list, DEQ projects that 847 TMDLs must be conducted during the next 5 years. The preparation of this schedule was required by EPA and is included in the 2002 Integrated Water Quality Assessment Report. The Report and schedule are currently under review by EPA and approval is anticipated. Based on the Oklahoma schedule for completion of all TMDLs in 15 years, TMDL work from FY 2005 through 2009 is estimated to cost \$12.2 million.

Federal grant funds provide only a small portion of the amount of funding necessary to meet the requirements. It is extremely difficult to collect fees to administer this program. However, since many entities are impacted, there are some possibilities. The DEQ could establish a fee to be paid by the point sources that discharge into the affected water body. This mechanism is not fair and equitable in a watershed where there are other contributors such as non-point source. Other options include the establishment of statutory authority for all

property owners in an impaired watershed to be assessed a fee based on parcel size to be forwarded to the DEQ to fund the TMDLs. As another alternative, all state agencies could be required to collect fees from their regulated facilities that have the potential to impact an impaired water body. The money would be forwarded to the DEQ to partially fund the TMDL for that impaired stream or lake. All of these alternative funding options are problematic.

Historically, the states and EPA used the 303(d) list as a mechanism for securing funding. This led to many water bodies being placed on the list without supportive documentation and without following any standard protocol. For the new 2002 Report, DEQ, in cooperation with other state environmental agencies, developed rigorous protocols for determining whether streams or lakes are actually impaired. These protocols were applied systematically to actual monitoring data. Consequently, the level of confidence in designations included in the 2002 Report is much higher than previous versions. Over the next 5 years, DEQ expects to receive, at best, minimal funding from EPA in grant increases. The federal wastewater grant money appropriated to Oklahoma is dedicated to permitting, compliance, enforcement and other activities required by the program delegation agreement. Currently, only \$500,000 or less is available for TMDL work each year. Therefore, we estimate an additional \$9.7 million will be required to complete the upcoming 5 years of TMDL workload, with \$856,000 required for FY-05.

DEQ will use the additional funds to access all available resources to accomplish the TMDL work. The required funding includes the addition of 4 FTEs to be dedicated to the TMDL process. In tackling this major effort, the DEQ will use the 4 new FTEs, existing staff and contracts with other state agencies, state universities, private consultants and federal agencies.

DEQ will prioritize these funds toward TMDLs on water bodies that receive discharges from industries and municipalities. Doing so will help address the EPA policy that no new discharges or increased discharges can be made to water bodies on the 303(d) list unless a TMDL has been performed. Without this funding, municipalities and industries that experience growth may be required to fund the TMDL work for the streams into which they intend to discharge.

If Oklahoma fails to complete the TMDLs in a timely fashion, EPA will be forced, because of the fear of lawsuit, to assume control and complete the TMDLs. In order to complete the TMDLs as quickly as possible, EPA will use

conservative computer models without the benefit of field verification to perform the TMDLs. This approach could cost Oklahoma communities and industries unnecessary expense in treatment improvements.

Table 2: Summary of Funding Request for TMDL

Cost Category	FY 05	FY 06	FY 07	FY 08	FY 09
TMDL	\$856,000	\$2,394,000	\$2,312,000	\$786,000	\$3,306,000

***In order to maintain this delegated program, the DEQ must receive this funding from general revenue or recommend an increase in fees.**

III. AIR QUALITY

OZONE NONATTAINMENT

When the 2005 budget year begins, the division will either be in the middle of completing the Early Action Compact work for the Tulsa area or the area will just barely be in compliance due to a good ozone summer in 2003. Regardless, the need for continued work in this area will be very important. The Early Action Compact commitment will require the Division to continue evaluation of the modeling results and begin to finalize local control strategies to be implemented. No later than December 31, 2004, a State Implementation Plan must be submitted to EPA consisting of a local plan, including all adopted control measures, and a demonstration that the area will attain the 8-hour standard by December 31, 2007. Should the area be just within the standard and thus in attainment with the 8-hour standard, concern with ozone is not over. Until we have several years of clean data, we will be one bad ozone year away from nonattainment and the need for additional inventory, modeling and analysis type work.

The budget request contains \$225,000 a year for the next two years to be used for contractor support for nonattainment. This will allow us time to develop needed in-house capabilities. Assuming our plan for attainment is successful, beginning with the FY-2007 budget year, this money will either be moved to support additional funding necessary for our expanding toxics monitoring program, additional modeling requirements that have developed or other non-Title V work to address the inequity in Title V funding. Staff currently working on modeling

issues has identified needed changes in EPA modeling policy that will increase workload. These include extending the ozone episode cycle length from the current 10-day cycle to 21 days, modeling PM2.5 to ensure that ozone controls will not create or exacerbate a fine particulate problem in a downwind area and other technical requirements. This illustrates the need to begin to develop the expertise we need for future work now rather than waiting until we are in a crisis situation.

The Department continues to be concerned about the transport of ozone and ozone precursors from our Texas neighbors, and depending on other meteorological factors, other parts of the country as well. As the 8-hour standard is implemented in the coming year, it is likely that downwind areas such as Wichita, Kansas City, St. Louis and other cities will begin to make their own assessments as to our impact on their air quality. Funding to analyze allegations of upwind created impacts will be critical in efforts to defend our industry or design the most cost effective remedial actions.

NATIONAL/REGIONAL REQUIREMENTS

The Bush Administration is advocating the Clear Skies proposal as the method for reducing power plant emissions in the United States. Clear Skies legislation would require power plants to reduce emissions of sulfur dioxide, nitrogen oxides and mercury. The original proposal divided the country into eastern and western zones setting emission caps that must be met within those zones. Oklahoma was originally placed in the eastern zone (designated Zone 1). EPA projections estimated that Oklahoma power plants would reduce Nox emissions about 63% under this scenario. Modeling associated with this proposal also indicated that all of Oklahoma, including the Tulsa area, would be in compliance with the 8-hour ozone standard by doing nothing other than the implementation of Clear Skies. Unfortunately, no verifiable data has been supplied for us to assess the accuracy of these claims. Since that time, and after a request by utilities in Oklahoma and Kansas, Oklahoma was moved to the western zone referred to as Zone 2. It is unclear exactly what this move will mean for Oklahoma's air quality. However, EPA has recently remodeled the entire United States taking into account problems identified in the first Clear Skies analysis and, hopefully, more accurately reflecting emission inventories across the country. The data should be available for evaluation by the states sometime in the late summer. At that time, it will be necessary for us to evaluate the inventory and modeling work that was done by EPA and insure that the work they have done accurately reflects benefits identified for Oklahoma. This work will require emissions inventory, modeling and statistical analysis expertise not currently available.

If Congress fails to pass the Clear Skies legislation, EPA is preparing to move forward with what they are calling the regional transport rule that would include provisions for reductions from electrical generating units (EGUs). If Congress does pass legislation affecting EGUs, then the transport rule would affect only non-EGU types such as industrial boilers, petroleum refineries, cement kilns, etc. This rule is designed to address the interstate movement of pollutants that affect the ambient levels of NOX, SO2, fine particulates and haze. EPA's conclusions, reflected in this rule, will be based on emission inventories and modeling. Our ability to analyze this rule's effects on Oklahoma's air shed and impact on our industry is critical if we are going to have meaningful input into this rule's implementation.

Congress recognized the value of clear vistas in National Parks and Wilderness areas by providing for visibility protection in the Clean Air Act. They declared, as a national goal, "the prevention of any future and the remedying of any existing visibility impairment in mandatory Class I federal areas which impairment results from manmade air pollution." National Parks exceeding 6000 acres in size, wilderness areas and national memorial parks exceeding 5000 acres and international parks were designated mandatory Class I areas. In 1999, EPA promulgated regulations known as the Regional Haze Rule that laid out a plan for reducing haze at our National Parks and wilderness areas with a goal of natural background visibility conditions (no man-made impairment) by the year 2065. Every state is required to develop a State Implementation Plan (SIP) for managing and reducing their share of air pollution emissions that contribute to haze at their Class I areas. In Oklahoma, this would be the Wichita Mountains Wilderness Area.

Regional Haze is caused by a wide variety of sources and their interaction with each other as contrasted with visible pollution that may come from an individual source. This interaction may occur over a several hundred-mile area as opposed to a local impact. The result is particulates in the atmosphere that limit our ability to see distant features such as mountains but also reduce the clarity of nearby features. Man-made sources of this pollution include transportation such as cars and trucks, industrial facilities (e.g. power plants, refineries, etc.), agricultural practices, construction activities, mining, road dust and variety of other sources. Natural sources of haze include forest fires, volcanoes and wind-blown dust from undisturbed soils.

EPA recognized that pollutants causing haze could travel long distances covering many states. This resulted in their encouragement for neighboring states to work

together to help address the complicated technical and policy issues regarding haze. They also recognized that the amount of work necessary to complete this would prohibit most individual states from completing this work on time even if they could afford the cost. To encourage this cooperative relationship, five regional planning organizations (RPOs) receive substantial funding provided by EPA. The RPOs have no regulatory authority, responsibilities or requirements; they are organizations that have been established to help states meet their regulatory requirements regarding regional haze. Oklahoma belongs to the Central States Air Resources Agencies(CenSARA). Federal funding only provides for a fraction of the effort needed to continue this work. Each state is expected to provide expertise in the form of commitment of staff to various workgroups designed to move this work forward. Oklahoma staff currently occupies the co-chair positions on the Emissions Inventory, Communications and Control Strategies workgroups and additional staff that devote a part of their time on the other workgroups. These workgroups are designed to facilitate the completion of work by contractors and state staff. The products of these groups will provide the information necessary for the member states to submit SIPs in the timeframes specified in the Act. Oklahoma's SIP will be due in December of either 2007 or 2008. It is hoped that the work of the RPOs will be successful and timely. Otherwise, the individual states will be responsible for the completion of the work to ensure a SIP can be submitted within the timeframe designated.

MOBILE/AREA SOURCE AND NON-TITLE V FUNDING

Annual funding is necessary to support other SIP and non-Title V aspects of the Air program. Mobile and some area sources emit criteria pollutants but do not contribute to funding of the work of the Division, unlike the case with point sources who contribute annual emission fees. Currently, the non-Title V (minor or small sources) point sources contribute fees at the same rate per ton as Title V (major or large sources) fee payers, but the cost per ton of performing the work is much greater than the amount collected from these sources. This has been a historical problem.

In 2001, the Air Quality Council and the Board approved a same rate fee increase for the Title V and non-Title V sources that has partially funded the positions needed for core program work. This funding has allowed us to fill 8 of the 18 FTEs originally authorized to be funded in 1999 and reaffirmed in 2001. While the Title V funding appears to be adequate for FY04, the non-Title V portion is seriously underfunded and the mobile source contribution is nonexistent. The Council passed a resolution in 2001 that called on the Agency to seek other funding sources to supplement the Title V fees. The resolution recommended

funding come from general appropriations or other mechanisms such as an additional fee from car tags in polluted urban areas at risk for non-attainment. While progress was made in educating the Legislature to our needs in the last session, we were unable to secure additional funds. The Council has requested that we continue to explore options to fund the non-Title V side of our program. The funding request we have made in this document is fraught with uncertainty as to what the future holds relative to nonattainment and exactly what we will need to fund an adequate toxics program. It represents our best educated guess. If it turns out that we do not need the full amount of funds we have asked for relative to nonattainment and toxics, this new money would be directed to reduce or hold the line relative to future fee increases to our Title V program. It must be kept in mind that federal law requires that the Title V program pay for itself and that we are constantly refocusing our efforts on those facilities that have the greatest impact, most of which are Title V facilities. However, there will always be a need for funds other than Title V fees to pay for activities necessary for an effective program. As we have stated in the past, failure to obtain these additional funding sources will necessitate another look at our current Title V fee levels and possibly asking our fee payers and EPA to use Title V fees for non-Title V fee purposes. The required work will be done and the necessary funding must come from either new funding mechanisms or additional increases in fees or both.

TOXICS MONITORING FUNDING

Two years ago, the EPA released the initial National Air Toxics assessment study in which the 1996 national toxics inventory was modeled to show potential areas of concern in each state. A total of 32 urban hazardous air pollutants along with diesel particulate matter was modeled. A follow-up modeling effort using the 1999 inventory is currently underway. EPA is using this data to pursue a strategy for reducing health risks of air toxic emissions in urban areas. EPA is developing regulatory actions and related projects as a part of implementing the strategy. Identifying air toxics through monitoring is a critical part of implementing a toxics reduction strategy. Toxics monitoring programs have been in place for several years in many states around the country including the states of Louisiana and Minnesota in the CenSARA region. The need to develop state expertise in this area and begin to identify the pollutants is critical as EPA moves forward toward implementing the strategy.

This funding request totaling \$335,000 in FY-2005 is for development and implementation of an air toxics monitoring program. The funds are needed for a design study; site(s) location and development; the purchase of air samplers and canisters; sample analysis and the funding for 2 existing and unfunded FTEs,

training, travel and overhead. As you can see from Table 3, contractor funding for ozone nonattainment work ends after the FY 2006 budget year. We are making the assumption that we will either have the in-house capability to conduct this work by that time or that the need for this work will have passed for the time being. Depending on the need to expand the toxics program, this money will either be transferred to pay for the sample analysis necessary for the new sites that are established or it will go toward lowering Title V fees if financial information indicates this is possible. The budget categories for FY 2007 and forward will be clearer once the toxics program is established and the ozone nonattainment work begins to wind down. This request also includes funds to further develop our in-house analysis capabilities through the DEQ laboratory.

The AQD received a grant from EPA in 2002 designed to begin the process of developing the capacity to assess toxics. The grant was to conduct a community-wide assessment of air emissions in the Ponca City area specifically looking at toxics. The project is designed to assess the accuracy of the National Air Toxics Assessment (NATA) by conducting enhanced emissions inventory gathering, data review, computer modeling, risk assessment and limited ambient sampling to verify the model results. The project is ongoing. The additional funding requested will allow us to take the experience and knowledge we gain from the Ponca City project and conduct the same type of assessments in the Tulsa and Oklahoma City areas where results from the NATA indicated a higher risk.

DEQ and the State Health Department have also jointly applied for a grant from the CDC to fund a study of health indicators such as cancer clusters and their possible relationship to environmental conditions. This would include exposure to criteria pollutants, but more importantly, it would also include possible exposure to toxics. This is another program that EPA has initiated in other local areas that will eventually get to Oklahoma. Developing our resources now will allow us to identify and address exposure problems ourselves rather than waiting until this program reaches Oklahoma.

FUNDING REQUEST

The FY05 budget request is broken into several categories and has a few caveats depending on future events. We are asking for \$225,000 of new money to be used for a contractor if the Early Action Compact is still in need of work that, because of time constraints, only a contractor can accomplish. If money is no longer needed for this purpose in FY-05, it will be used in the Mobile Area & Non-Title V category and will help hold the line on costs to our Title V fee payers.

The National/Regional Requirements category is our estimate of what will be needed to develop the in-house expertise to conduct present and future inventory, modeling and analysis. It represents funding for 5 existing but unfunded FTE's devoted to conducting this work. We are asking for a total of \$260,000 of ongoing money for this category.

The \$750,000 for the Mobile, Area and Non-Title V funding asked for here represents the deficit experienced on the Non-Title V side of our budget. Any moneys that we do not need in any of the categories explained above would fall into this category. If we have overestimated needs in the toxics category or if the need for the contractor goes away, the surplus money would be used to defray possible increases to our Title V fee payers. This is also dependent on what our Title V/Non-Title V validation information shows is the need to conduct the Title V work. We cannot spend non-Title V funding to fund the Title V program. However, we always meet with the financial committee of the Air Quality Council on a regular basis to keep them informed of our financial needs and to inform them of what the Title V fee will be for the upcoming year.

The final category is the Toxics Monitoring funding and comprises a total of \$335,000 of new money that represents our best-educated estimate as to what a toxics program would cost us per year to run. We would anticipate using existing staff to conduct any monitoring which would be accomplished through agreed upon work reallocation in the monitoring area between EPA and the division. This will allow us to use the two unfunded FTEs we requested previously to be primarily responsible for the modeling, inventory and planning portion of the toxics program.

Table 3: Summary of Funding Request for Air Quality

	FY05	FY06	FY07	FY08	FY09
Ozone					
Nonattainment	\$225,000	\$225,000 ¹			
National/Regional Requirements	\$260,000	\$252,000	\$265,000	\$278,000	\$292,000
Mobile, Area & Non-Title V Funding	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000
Toxics Monitoring	\$335,000	\$360,000	\$350,000	\$380,000	\$365,000
Total	\$1,570,000	\$1,587,000	\$1,365,000	\$1,408,000	\$1,407,000

Note: Budget request assumes \$1,000,000 of new non-Title V money. Funding not necessary to support work identified will be used to support other non-Title V activities and/or support Title V funding.

1 Contractor money after FY06 will be used to support toxics monitoring program or fund other non-Title V activity and/or support Title V funding.

IV. SOLID WASTE

City and county governments almost uniformly need to improve their solid waste infrastructure. Local needs vary from cleaning up illegal dumps and developing convenience centers for bulky waste to equipment for managing disaster debris and increasing recycling. Past diversions of Solid Waste fee revenue to fund personnel absorbed by DEQ from the Tulsa and Oklahoma City-County Health Departments, as well as other local DEQ offices, have precluded the funding of local solid waste projects. This request is intended to replace the diverted funds and to allow the DEQ to move forward with assisting local City and County governments to manage the solid waste in their jurisdictions. **All funds would be contracted to local governments.**

Table 4: Summary of Funding Request for Solid Waste

Cost Category	FY 05	FY 06	FY 07	FY 08	FY 09
Local Solid Waste Projects, Recycling Equipment and Land Restoration	\$1,365,000	\$1,365,000	\$1,365,000	\$1,365,000	\$1,365,000
TOTAL	\$1,365,000	\$1,365,000	\$1,365,000	\$1,365,000	\$1,365,000

SUMMARY TABLE

Program Area	FY 05 Request	Program Subtotal	Total
Public Water Supply (PWS)			
Analysis	\$513,000		
Equipment	\$670,000		
Supervision/Management	\$240,000		
Sub-Total		\$1,423,000	
Water Quality-TMDL	\$856,000		
Sub-Total		\$856,000	
Air Quality			
Ozone Nonattainment	\$225,000		
National/Regional Requirements	\$260,000		
Mobile, Area & Non-Title V Funding	\$750,000		
Toxics Monitoring	\$335,000		
Sub-Total		\$1,570,000	
Solid Waste-Local Projects	\$1,365,000		
Sub-Total		\$1,365,000	
TOTAL			\$5,214,000

FEDERAL MANDATES

PUBLIC WATER SUPPLY

As noted in the FY-05 Budget Request, the deadlines for implementation of a number of rules under the federal Safe Drinking Water Act will occur between now and the end of FY-05.

Beginning in January 2004, expansion of Disinfection By-Product Rule (DBP) monitoring including Trihalomethanes, Haloacetic Acids and Total Organic Carbon monitoring will apply to all public water supplies. Radionuclide Rule monitoring changes including Gross Alpha, Radium and Uranium will also go into effect in January 2004. All new sources of drinking water must collect initial monitoring samples under the Arsenic Rule beginning in January 2004 and the new limit becomes effective in January 2006. In early 2005 the Stage 2 DBP Rule will become effective, further tightening DBP limits. The Long-Term 1 Enhanced Surface Water Treatment Rule becomes effective for systems serving fewer than 10,000 population in January 2005 while the Long-Term 2 Enhanced Surface Water Treatment Rule is currently in public comment and could be effective within 2005.

TOTAL MAXIMUM DAILY LOAD (TMDL)

DEQ must implement the TMDL requirements under the federal Clean Water Act. Failure to do so will result in EPA performing “Desk Top” models to establish criteria. EPA’s use of desk top models will likely result in much more stringent permit limitations for industries and cities since no site-specific criteria are included in these models.

Implementing the TMDL program has the following complications: The cost estimate for meeting the federally mandated schedule for completing TMDLs is approximately \$12.2 M. These required intensive studies could cost a small community more than \$50,000. DEQ has the regulatory requirement to conduct TMDLs but many streams that must receive the TMDLs have no point source (therefore, other state agencies actually have the authority to regulate those facilities). It is difficult to require a small community or industry to pay the high cost of TMDLs when there are non-point contributors.

AIR QUALITY

National Ambient Air Quality Standards

While implementation of the 8-hour ozone standard is not a new federal mandate, the urgency with which we need to move forward remains with our participation in the Early Action Compact. Our commitment letter was submitted in December 2002 and subsequent milestones have been met. The Early Action Compact commitment will require the Division to continue evaluation of the modeling results and begin to finalize local control strategies to be implemented. The schedule for upcoming critical deadlines is as follows:

03/31/04	Submit local plan to EPA
12/31/04	State adoption of a State Implementation Plan
12/31/05	Latest date to implement adopted control strategies
12/31/07	8-hour ozone attainment date

This means the enhanced emissions inventories, modeling, council meetings to adopt control strategies and all of the other work needed to develop changes to our State Implementation Plan to demonstrate attainment must be completed to meet the above submission dates. Any rules that are adopted by the Air Quality Council and approved by the DEQ Board can go to the legislature in the 2004 session so that the State Implementation Plan (SIP) can be submitted to EPA by the end of 2004. The SIP will consist of a local plan, including all adopted control measures, and a demonstration that the area will attain the 8-hour standard by December 31, 2007.

When the 2005 budget year begins, the division will be in the middle of completing the Early Action Compact work for the Tulsa area with the area just barely in compliance due to a good ozone summer in 2003. Should the area remain just within the standard and thus in attainment with the 8-hour standard, concern with ozone is not over. Until we have several years of clean data, we will be one bad ozone year away from nonattainment and the need for additional inventory, modeling and analysis type work.

The funding for this work is necessary regardless of whether or not we participate in an Early Action Compact. However, completing the work in line with EPA's schedule will result in being able to develop an acceptable Early Action Compact.

This will result in a deferral of the effective date of a nonattainment designation as long as we show monitored attainment by the end of 2007. Avoiding nonattainment designations has clear and obvious benefits for the economic growth of the state, its cities, towns and citizens.

Regional Haze Rule

The Air Quality Division (AQD) continues to work through the Central States Air Resources Agencies (CenSARA) and CENRAP, our multistate planning organization, to develop the data to address the requirements of the Regional Haze Rule. This rule originated from the 1990 Clean Air Act amendments. The rule is based primarily on aesthetics and is designed to improve visibility in our national parks. Enhanced emissions inventory and modeling work will have to be done in response to this rule. Every state is required to develop a State Implementation Plan (SIP) for managing and reducing their share of air pollution emissions that contribute to haze at their national parks and wilderness areas, also known as Class I areas. In Oklahoma, this would be the Wichita Mountains Wilderness Area. Oklahoma's SIP will be due in December of either 2007 or 2008. We hope that since there is an overlap in the pollutants that cause ozone and regional haze that some of the work for the nonattainment issue will aid us in addressing this as well. However, the bulk of our efforts will likely be in proving or disproving the claims from other states that emissions generated in Oklahoma are adversely impacting Class I areas within their borders. We anticipate that the work of the RPOs will be successful and timely. Otherwise, the individual states will be responsible for the completion of the work to ensure a SIP can be submitted within the timeframe designated. Failure to timely submit a Regional Haze SIP could result in EPA withholding state grant funding and would begin the process for EPA to implement a federal plan rather than a SIP.

Clear Skies Legislation

The Bush Administration is advocating the Clear Skies proposal as the method for reducing power plant emissions in the United States. Clear Skies legislation would require power plants to reduce emissions of sulfur dioxide, nitrogen oxides and mercury. EPA has recently conducted modeling for the entire United States taking into account problems identified in the first Clear Skies analysis and, hopefully, more accurately reflecting emission inventories across the country. It will be necessary for us to evaluate the inventory and modeling work that was done by EPA and insure that the work they have done accurately reflects benefits identified for Oklahoma. This work will require emissions inventory, modeling and statistical analysis expertise not currently available.

Regional Transport Rule

If Congress fails to pass the Clear Skies legislation, EPA is preparing to move forward with what they are calling the regional transport rule that would include provisions for reductions from electrical generating units (EGUs). If Congress does pass legislation affecting EGUs, then the transport rule would affect only non-EGU types such as industrial boilers, petroleum refineries, cement kilns, etc. This rule is designed to address the interstate movement of pollutants that affect the ambient levels of NO_x, SO₂, fine particulates and haze. EPA's conclusions, reflected in this rule, will be based on emission inventories and modeling. Our ability to analyze this rule's effects on Oklahoma's airshed and impact on our industry is critical if we are going to have meaningful input into this rule's implementation.

Toxics Monitoring

EPA is using modeling data from National Air Toxics Assessments (NATA) to pursue a strategy for reducing health risks of air toxic emissions in urban areas. EPA is developing regulatory actions and related projects as a part of implementing this strategy. Identifying air toxics through monitoring is a critical part of implementing a toxics reduction strategy. Toxics monitoring programs have been in place for several years in many states around the country including the states of Louisiana and Minnesota in the CenSARA region. The need to develop state expertise in this area and begin to identify the pollutants is critical as EPA moves forward to implement the toxics reductions strategy.

The AQD received a grant from EPA in 2002 designed to begin the process of developing the capacity to assess toxics. The grant was to conduct a community-wide assessment of air emissions in the Ponca City area specifically looking at toxics. The project was designed to assess the accuracy of the National Air Toxics Assessment (NATA) by conducting enhanced emissions inventory gathering, data review, computer modeling, risk assessment and limited ambient sampling to verify the model results. The project is ongoing. AQD needs to take the experience and knowledge we gain from the Ponca City project and conduct the same type of assessments in the Tulsa and Oklahoma City areas where results from the NATA indicated a higher risk.

LEGISLATIVE RECOMMENDATIONS

Biomedical Waste Processing Facility Certificate of Need

Currently the statute requires biomedical waste processing facilities to obtain a “Certificate of Need” from the Environmental Quality Board before seeking a permit from the DEQ. The EQB has expressed its strong belief that the Certificate of Need requirement inappropriately places the EQB in the role of trying to evaluate commercial viability and regulate marketplace competition. This requirement is not found in any other DEQ permitting program. The agency will recommend legislation that repeals the Certificate of Need statute.

Air Quality Permit-Exempt Facilities

Current law allows air emission sources that produce only “de minimis” emissions to be exempted from the requirement to obtain an air quality permit, although they remain subject to applicable emissions rules. There are many very small emission sources for which the requirement to obtain a permit is quite burdensome and of limited benefit, but which do not qualify as “de minimis” sources. The DEQ proposes legislation to make clear that the Environmental Quality Board may adopt rules that allow very small sources to be exempt from the formal permit process, while remaining subject to emission limits set by rule. The legislation would also exempt such small sources from emission fees.

Prior Converted Croplands Definition

During the 2003 legislative session the Oklahoma Legislature modified the definition of the term “waters of the state” in the Oklahoma Environmental Quality Code to exempt wastewater impoundments and prior converted croplands from the definition. However, there is no state definition for the term “prior converted croplands”. The DEQ recommends legislation to define the term “prior converted croplands”. Specifically, “prior converted croplands” would be defined the same as in the so-called “Swampbuster” provisions of federal law. This removes ambiguity in the state statute, and eliminates any possible conflict between the federal definition and the state use of the term.

Laboratory Services Statute “Cleanup”

During the 2003 legislative session the Oklahoma Legislature amended the statute that authorizes the DEQ to operate a state environmental laboratory. A scrivener’s error made at that time arguably had the effect of narrowing the services the state lab could offer. More specifically, the error made it unclear whether or not the DEQ could continue to provide laboratory services to public water supplies. DEQ intends to

request that this error be corrected. The DEQ has determined that some of the language in the statute is outdated and can be deleted, and will recommend that be done simultaneously. Finally, the proposed legislation would clarify the DEQ's authority to provide laboratory services for tribes as well as for other types of governmental entities.

Claims Relating to Authorized Environmental Cleanups

Oklahoma statutes do not specifically protect the DEQ or local governments from tort claims associated with allegations of damage related to a remediation site or post-remediation maintenance of contaminated properties. Owners of property contiguous with an EPA Superfund removal action site recently sued the DEQ and an Oklahoma municipality, along with USEPA, for alleged damage to their neighboring property. The DEQ was eventually dismissed as a defendant, but the municipality has remained mired in the litigation. At the request of a legislator who represents the district in which the municipality is located, the DEQ has drafted an amendment to the Governmental Tort Claims Act to exempt state environmental agencies and local governments from tort liability for their environmental remediation and maintenance activities.

Amendments Pertaining to Superfund and Brownfield Sites

The DEQ is the agency designated by law for state responsibilities under the federal Comprehensive Environmental Response, Compensation and Liability Act (CERCLA, more commonly known as Superfund). To fulfill its Superfund responsibilities, the DEQ must enter designated Superfund sites in order to conduct CERCLA activities and to ensure maintenance of the completed remedy.

The DEQ sometimes experiences unreasonable difficulty in gaining access to property identified for Superfund cleanup. In one case, denial of access prevented the entire cleanup project from going forward for more than a year. State law has no provisions specifically relating to DEQ's access to these sites for remedial or maintenance activities or addressing unreasonable interference with them. Additionally, owners of Superfund sites sometimes cause or allow damage to a site remedy, exposing themselves and others to potentially hazardous levels of contamination, and causing the DEQ to have to reenter the site to make costly repairs at State expense.

The DEQ is also designated by law to administer the state Brownfields voluntary cleanup program and is designated by the Governor to process applications for federal funds available for Brownfields projects. Some Brownfields sites and contaminants that were previously excluded are now eligible for funding and/or liability relief if the properties are cleaned up under an acceptable State voluntary cleanup program. In

order to provide this service to the business community and local governments, it is necessary to revise the statutory language to encompass the newly eligible contaminants, e.g., petroleum and mining wastes.

The DEQ intends to propose legislation that would:

- Clarify DEQ's authority to enter Superfund sites for CERCLA activities and to pursue legal action as necessary
- Require land record notices filed in connection with Superfund and voluntary environmental cleanups to include prohibitions against damage to the remedies and restrictions on incompatible uses of the property
- Make persons who damage or interfere with the remedy liable for repairs
- Change the term "regulated substances" to "pollution" in the state Brownfields law in order to provide funding and/or liability relief for cleanup of a larger universe of eligible properties

ADMINISTRATIVE HEARINGS JULY 1 2003 – JUNE 14, 2004

Date of Hearing	Case No.	Respondent	Nature of Hearing	Outcome
02/11/04	03-433	Larry Lawrence	Review ACO	Proposed Order filed 03/05/04 Final Order filed 04/02/04
03/17/04	02-425	Tom Dodson	Review ACO	Proposed Order filed 05/25/04 Final Order Pending
06/23/04	02-096	Safe Tire Disposal Corp.	Review Assessment Order	Proposed Order filed 09/01/04 Final Order Pending

**OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY
SOLID WASTE FEES BUDGETED & EXPENDED
FISCAL YEAR 2004**

2004 Income (through 6/30/2004)				\$5,174,408
FY 2004				
	Budgeted Solid Waste Program	Budgeted OCCHD/ TCCHD	Total FY 2004 Budget	Expenditures/ Encumbrances 08/06/04
Personnel	2,248,942	778,174	3,027,116	2,716,323
(Salaries, Insurance, FICA, Retirement, Workers Compensation)				
Equipment	184,508	0	184,508	86,383
(Data Processing Equipment & Software, Property, and Furniture)				
Travel	168,468	57,687	226,155	220,556
(In-state and out-of-state Mileage, Meals, & Incidentals, Lodging)				
Miscellaneous Administrative Expenses	36,020	5,537	41,557	92,551
(Freight, Telecommunications, Informational, Exhibitions, Licenses, Membership, Utility, Copy Charges, Copier Lease)				
Rent Expense	2,133	16,125	18,258	20,260
(Building Space, Telecommunication Equipment)				
Maintenance and Repair	26,433	2,304	28,737	22,973
(Equipment)				
Specialized Supplies & Materials Expense	500	0	500	133
(Medical, Architectural, and Printing Supplies, Fuels)				
Production & Safety	0	0	0	240
(Uniforms & Wearing Apparel, Safety Supplies)				
Office and Shop	76,171	250	76,421	111,457
(Office Supplies, Data Processing Supplies, Lab Supplies and Services)				
Resource Materials	0	0	0	634
(Library Resources)				
Lease Purchases	10,443	6,988	17,431	11,642
(Lease Purchases of Furniture, Equipment, Software, Buildings, and Land)				
Payments to Other State Agencies - Administrative Expenses	16,300	520	16,820	570
DMHSAS/COCMHC (Payments to Other State Agencies for Administrative, Data Processing, Communications, Risk Management, and Printing Expenses)				
Contracts				
SWRINO/Solid Waste Research Institute	100,000		100,000	110,000
Association of County Commissioners	30,000		30,000	30,000
Keep Oklahoma Beautiful	25,000		25,000	20,000
Computer Training/System Design				0
OSU Cooperative Extension Service	62,000		62,000	53,000
Legal/Court Reporting Services	7,814		7,814	7,126
Medical Assesmet Services	2,500		2,500	2,500
Community Based Environmental Protection	303,884		303,884	250,070
Recycling Equipment - Local Governments	200,070		200,070	68,178
Land Reclamation	150,000		150,000	40,808
Projects to Implement County Plans	150,000		150,000	369,767
Total Budget for Contracts	1,031,268		1,031,268	951,449
TOTALS	3,801,186	867,585	4,668,771	4,235,171

Three-Year Waste Tire Report: FY 2002, 2003, and 2004

Introduction

27A §2-11-410 of the Oklahoma Waste Tire Recycling Act (Act) requires the DEQ to provide a three-year report to the Legislature and the Governor detailing administration of the Act. This report fulfills that requirement through examination of tire recycling fee data, waste tire collection and processing activities, cleanup activities at the DEQ's Priority Cleanup List (PCL) of illegal tire dumps, collection activities at Community-wide Cleanup events, market data for processed waste tires, river erosion control installation projects utilizing waste tires, the Oklahoma Safe Playground Resurfacing Act, and tire dealer monitoring activities. Examination of these items and activities will show the waste tire program continues to benefit Oklahoma by facilitating proper management of its waste tire stream. The time frame covered in this report is Fiscal Years FY 2002 (July 1, 2001 – June 30, 2002), FY 2003 (July 1, 2002 – June 30, 2003), and FY 2004 (July 1, 2003 – June 30, 2004).

Tire Recycling Fee Data

Table 1 contains data obtained from the Oklahoma Tax Commission (OTC) for FY 2002, 2003, and 2004, reflecting the number of tires sold by tire dealer vendors in Oklahoma, and also the number of tires attributed to newly registered vehicles at Oklahoma tag agencies.

Table 1: OTC Data – Tires sold by tire dealer vendors and registered at tag agencies.

<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>
Tire Dealer Vendors	Tire Dealer Vendors	Tire Dealer Vendors
Passenger Tires: 2,116,689	Passenger Tires: 2,910,242	Passenger Tires: 2,852,331
Truck Tires: 226,881	Truck Tires: 211,696	Truck Tires: 224,713
Vendor Totals: 2,343,570	Vendor Totals: 3,121,938	Vendor Totals: 3,077,044
Tag Agencies	Tag Agencies	Tag Agencies
Passenger Tires: 1,605,341	Passenger Tires: 1,549,067	Passenger Tires: 1,563,447
Truck Tires: 34,730	Truck Tires: 25,949	Truck Tires: 30,588
Tag Agency Totals: 1,640,071	Tag Agency Totals: 1,575,016	Tag Agency Totals: 1,594,035
Total Tires FY 02: 3,983,641	Total Tires FY 03: 4,696,954	Total Tires FY 04: 4,671,079

Provision §2-11-403(A) of the Act requires tire dealer vendors and tag agencies to collect waste tire recycling fees respectively, on new tires sold or for every tire associated with a newly registered vehicle in the state. The recycling fees are collected at a rate of \$1.00/tire sold/vehicle registered with a rim diameter of 17.5 inches or less, and \$3.50/tire sold/vehicle registered with a rim diameter greater than 17.5 inches. Table 1 presented previously, indicates the number of tires for which recycling fees were generated for the three fiscal years of this report. Table 2 shows the amount of income generated from the recycling fees during FY 2002, 2003, and 2004.

Table 2. Recycling Fee Income for FY 2002, 2003, and 2004.

FY 2002 \$3,982,544	FY 2003 \$4,579,942	FY 2004 \$4,937,087
-------------------------------	-------------------------------	-------------------------------

Waste Tire Indemnity Fund Reimbursement Rates

Recycling fees are deposited into the OTC-administered Waste Tire Indemnity Fund (Fund) and subsequently used to reimburse permitted waste tire recycling facilities, end-users of processed waste tires, and river erosion control contractors, for managing Oklahoma’s waste tires. Table 3 shows the reimbursement rate structure in place during FY 2002, 2003, and 2004.

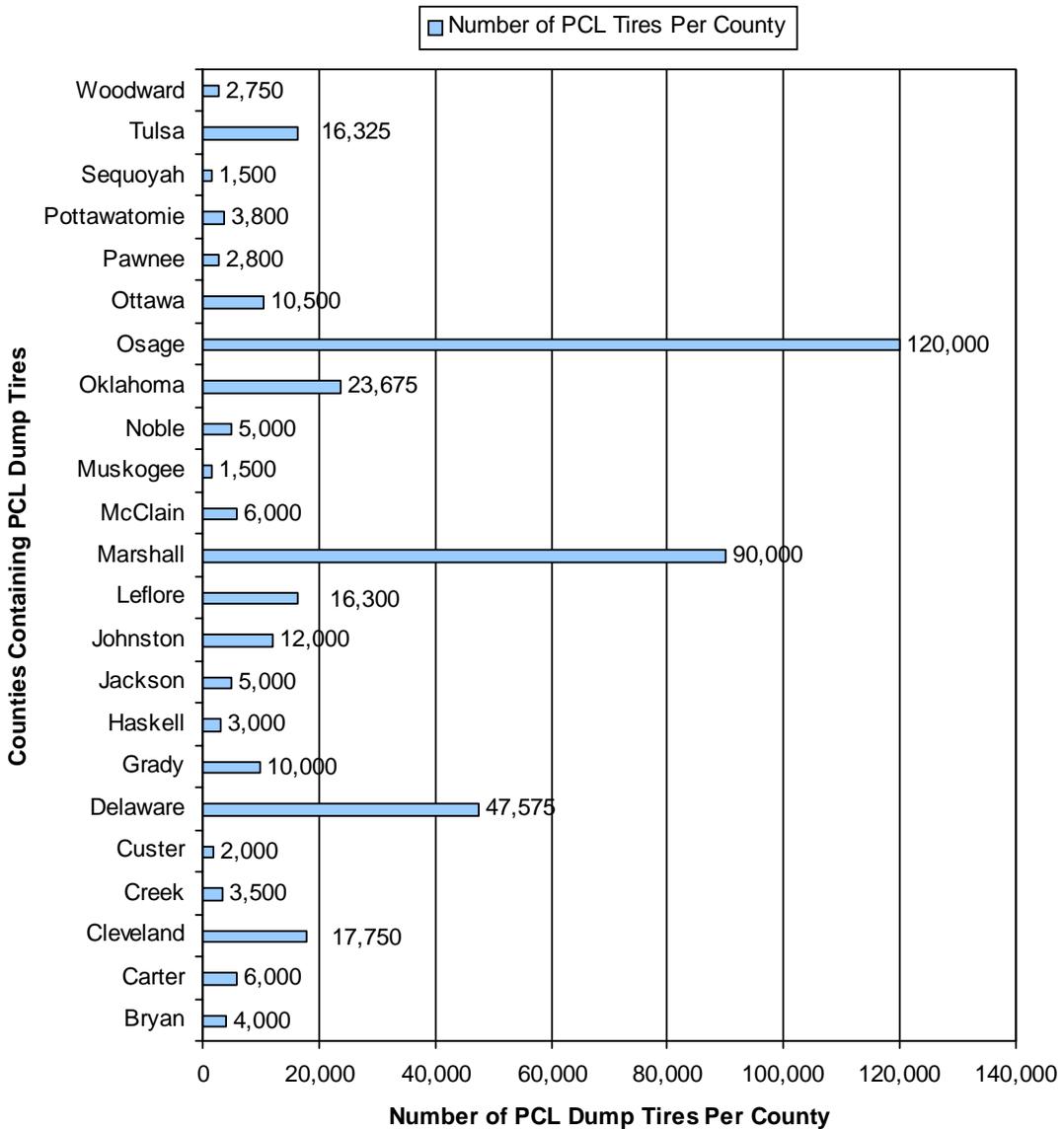
Table 3: Fund Reimbursement Rate Structure During FY 2002, 2003, and 2004.

Permitted Waste Tire Processors	End-Users of Processed Waste Tires	River Erosion Control Contractors
\$48.00/ton of waste tires collected state-wide.	\$29.00/ton of tires burned for energy recovery.	\$0.80/waste tire with a rim diameter d•17.5 inches installed at Army Corps of Engineers-permitted bank stabilization project sites.
\$49.00/ton of waste tires processed.	\$20.00/ton of tires burned for energy recovery (applied toward capital investment)	\$2.80/waste tire with a rim diameter > 17.5 inches installed at Army Corps of Engineers-permitted bank stabilization project sites.

Sources of Oklahoma Waste Tires

Waste tires in Oklahoma are generated through a variety of sources, and properly disposed through income generated in the Fund. Tire dealer vendors selling new tires retain a customer’s old tires for subsequent recycling. Provision §2-11-406(A)(2)(a) of the Act provides for DEQ-approved Community-wide Cleanup events involving waste tires to be organized by community and county representatives. Provision §2-11-406(C) of the Act allows a licensed automotive dismantler and parts recycler (e.g. salvage yard operator) to recycle up to five waste tires per salvaged vehicle registered in Oklahoma and purchased on or after January 1, 1996. Finally, provision §2-11-406(A)(2)(a)(b) of the Act provides for the creation of a Priority Cleanup List (PCL) of illegal tire dumps tagged for cleanup. As of the end of the three-year reporting period, the PCL had eighty-five (85) illegal tire dumps together containing an estimated 417,525 tires, and spread across 37 counties. CHART #1 highlights twenty-three (23) of those counties where the PCL scrap tire count exceeded one thousand (1000). As seen in CHART #1 (on next page), Osage, Marshall, and Delaware counties appeared to have the largest number of tires in PCL dumps.

**CHART #1: Counties Containing PCL Dump Tires In Excess of 1000
(as of June 30, 2004)**



Management of Oklahoma’s Waste Tire Stream

It is estimated Oklahoma generates nearly 3.4 million waste tires annually. During FY 2002, 2003 and 2004 waste tire processors, end-users of processed waste tires, and river erosion control contractors received reimbursement from the Fund for managing Oklahoma’s waste tire stream. A description of each waste tire management type, and the number of waste tires managed by each is presented within this report.

Waste Tire Processors

During FY 2002, 2003, and 2004, the state's four (4) permitted waste tire processors received compensation from the Fund (See Table 3 for reimbursement rates) for collecting, transporting, and processing tires from dealers, salvage yards, PCL tire dumps, and Community-wide Cleanup events, across the state. Waste tire processing activities for three of the processors, The Safe Tire Corporation of Choctaw, Frontier Recycling of Tulsa, and Able Tire of Ada, included producing tire chips for various end markets or transporting whole tires to cement kilns that burn the tires as Tire Derived Fuel (TDF). The fourth processor, the Four-D Corporation of Duncan, processed waste tires into crumb rubber for various uses.

CHART #2 shows the total number of waste tires collected for processing by the state's four waste tire processors during FY 2002, 2003, and 2004. The totals include tires collected from tire dealer vendors, salvage yards, PCL tire dumps, and Community-wide Cleanup events.

CHART #2: FY 2002, 2003 and 2004: Total Number of Waste Tires Managed by the State's Four Waste Tire Processors

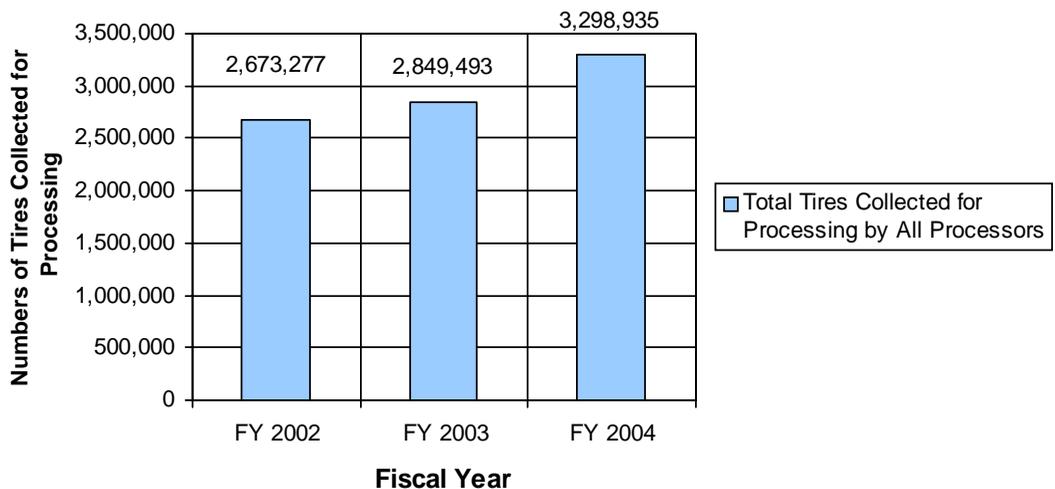


CHART #3 and #4 show the number of PCL tire dumps and Community-wide Cleanup events serviced, and the number of scrap tires removed from those dumps and cleanup events during FY 2002, 2003, and 2004.

CHART #3: PCL Tire Dumps Serviced and Community-Wide Cleanup Events Organized During FY 2002, 2003, and 2004

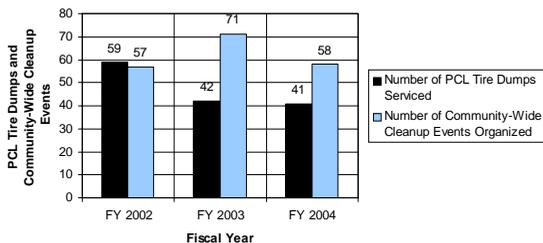


CHART #4: Tires Collected from PCL Tire Dumps and Community-Wide Cleanup Events During FY 2002, 2003, and 2004

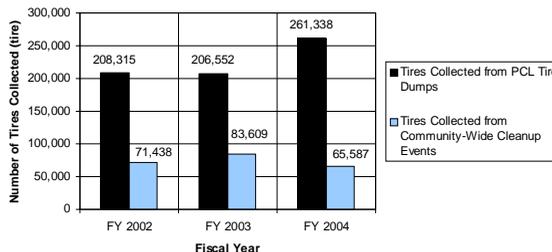
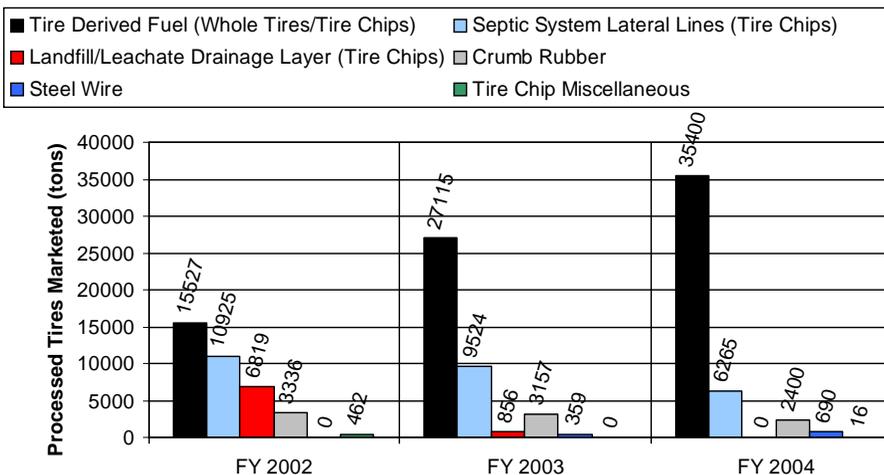


CHART #5 shows the various markets that consumed the processed waste tires during FY 2002, 2003, and 2004. The market data described in CHART #5 is provided in tons and represents the number of tires shown in CHART #2 previously.

CHART #5: Processed Waste Tire Markets for FY 2002, 2003, and 2004



As seen in CHART #5, the Tire Derived Fuel (TDF) market showed the biggest increase during FY 2002, 2003, and 2004 due to the fact that three cement kilns in Oklahoma began burning increasing numbers of whole waste tires and/or tire chips as supplemental fuel. During the previous 3-year reporting period (FY 1998 through 2001) cement kilns were essentially burning tire chips as supplemental fuel, but once the facilities were retrofitted to accommodate whole tires, the TDF market accelerated to the point that it is currently the dominant disposal option for Oklahoma’s waste tires. Tire chips incorporated for use in the lateral lines in septic system installation projects remained a reasonably strong market across the three-year reporting period. Markets for tire chips, other than TDF or septic system uses, were virtually non-existent as of the end of FY 2004. The state’s one crumb rubber producer

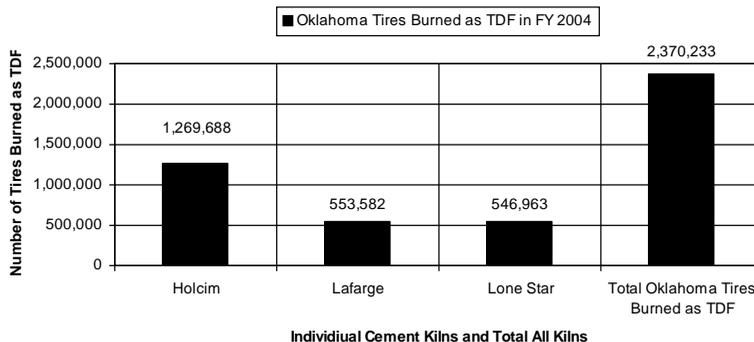
continued to find steady markets for its product. Some of the more notable crumb rubber markets included playground surfacing material, asphalt additive for highway pavement projects, and surfacing material for athletic fields. Wire extracted from tires during the production of crumb rubber is eventually marketed for scrap steel.

Cement Kilns as End Users of Waste Tires

Cement kilns in Oklahoma are considered to be end-users of processed waste tires, making them eligible for compensation from the Waste Tire Indemnity Fund (see Table 3 on page 191 for compensation rates) for burning whole tires and/or tire chips.

Additionally the kilns received compensation for their capital investment costs associated with burning whole tires and/or tire chips (see Table 3 above). As of the end of FY 2004, three cement kilns in Oklahoma, Holcim US Inc. in Ada, Lafarge Building Materials in Tulsa, and Lone Star Cement in Pryor, were burning whole tires and/or tire chips as TDF. CHART #6 shows the number of tires (includes whole tires and tire chips) burned by the various cement kilns during FY 2004. This year was highlighted to represent Oklahoma’s future in terms of waste tire disposal activities. As seen in CHART #6, the kilns were able to burn substantial numbers of tires, to Oklahoma’s benefit.

CHART #6: Oklahoma Tires Burned as TDF in FY 2004



River Erosion Control Projects

Provision §2-11-407.1 of the Act allows River Erosion Control contractors in Oklahoma to receive compensation from the Fund (See Table 3 above for compensation rates) for cleaning up tires from PCL tire dumps and installing the tires at sites permitted by the U.S. Army Corps of Engineers. During FY 2002, 2003, and 2004, Noble Rubber Products of Noble was the only erosion control contractor actively involved in installing the tire mattresses. Table 4 shows the number of tires cleaned up from PCL tire dumps and installed in erosion control projects during the three-year reporting period. Photo #1 shows one of the more recent river erosion control projects for which compensation from the Fund was paid to the contractor.

Table 4: River Erosion Control Projects and Related PCL Tire Dump Information.

River Erosion Control Activity: FY 2002 through FY 2004

	FY 2002	FY 2003	FY 2004
Number of PCL Dumps Cleaned Up	2	3	3
Number of Tires Cleaned Up from PCL Dumps	165,558	69,699	94,641



Photo#1: Erosion control project on the banks of the Washita River near Lindsey, OK.

Oklahoma Safe Playground Surfaces Act

The Oklahoma Safe Playground Surfaces Act (OSPSA) was created in accordance with 27A O.S. §2-11-415(A) of the Act. The OSPSA provides matching grants to recreational institutions and schools for the purpose of surfacing playground areas with crumb rubber produced in Oklahoma. \$1.0 million was set aside from the Fund in November of 2001 to fund the OSPSA program. As of March 13, 2002, a

total of fifty-four schools and three state parks were surfaced through the matching grants program. All available matching grant funds were utilized for the surfacing projects. In accordance with 27A O.S. §2-11-415(B), future OSPSA payments are contingent upon the Waste Tire Indemnity Fund balance reaching \$3 million.

Tire Dealer Monitoring System

To ensure the nearly two thousand tire dealers across the state are aware of their responsibilities with respect to the Act, the DEQ designed a Tire Dealer Fact Sheet for distribution to all tire dealers in March of 2003. In addition, two inspectors within the DEQ's waste tire program randomly surveyed one hundred and fifty tire dealers, annually, across the state, to monitor compliance with the Act. The survey focused on details such as proper collection and remittance of waste tire recycling fees, proper disposal of waste tires through permitted waste tire processors, quantities of waste tires stored on site, and proper maintenance of waste tire tracking manifest files. Overall, surveying activities showed the vast majority of tire dealers across the state were complying with the Act. In the few instances where tire dealers were not in compliance, a stern warning from the DEQ was successful in bringing them back into compliance.

Conclusion

During the three-year reporting period, the program established under the Act resulted in the successful management of Oklahoma's waste tire stream. Oklahoma's waste tire processors were able to process nearly three million waste tires annually, an impressive total that keeps pace with the estimated number of waste tires generated annually in the state. The waste tire processors and river erosion control contractors together cleaned up just over one million waste tires from several PCL dumps. Due to the fact that the PCL contained eighty-five tire dumps at the end of the reporting period, tire dump cleanup activities will be ongoing for some time to come, but the good news is that the state continues to make significant progress with respect to addressing the tire dump problem. County and community representatives were successful in motivating residents to bring 220,634 waste tires to DEQ-approved Community-wide Cleanup events for proper disposal. Market data for processed tires indicates tires burned for TDF at cement kilns has emerged as the dominant market trend. Cement kilns were able to burn nearly 2.37 million Oklahoma waste tires as supplemental fuel during FY 2004, and if this trend continues as expected, proper disposal of Oklahoma's waste tires in the future will be assured. Finally, the DEQ will continue with its efforts to inform tire dealers of their responsibilities with respect to the Act, and will oversee tire dealer compliance through monitoring activities such as random surveys.

Emerging Problems

It should be noted that while the three-year analysis shows the program is working in terms of management of Oklahoma's waste tire stream, some problems emerged during the latter parts of FY 2002 and FY 2004 that will require some immediate attention by the Legislature and the DEQ. During November of 2001, the Fund income allocated for end-users decreased to a point that it became necessary for the OTC to begin prorating reimbursement requests. Additionally, the same problem occurred in December of 2003 with the Fund income allocated for waste tire processors. To date these problems still persist, and with respect to the waste tire processors, the problem has resulted in scaled back tire collection activities in anticipation of the month- to-month prorated income schedule.



Oklahoma Department of Environmental Quality
707 North Robinson
Oklahoma City, OK 73102
405-702-1000
www.deq.state.ok.us