

**MINUTES
ENVIRONMENTAL QUALITY BOARD
SEPTEMBER 13, 2016
OKLAHOMA STATE UNIVERSITY ALUMNI CENTER
STILLWATER, OKLAHOMA**

Official EQB Approved
On November 9, 2016

Notice of Public Meeting – The Environmental Quality Board (Board) convened for a Regular Meeting at 9:30 a.m., at the Oklahoma State University Alumni Center, 201 ConocoPhillips Stillwater, Oklahoma. This meeting was held in accordance with 25 O.S. Section 311, with notice of the meeting given to the Secretary of State on October 20, 2015. The agenda was mailed to interested parties on September 2, 2016, and was posted at the DEQ and the facility on September 12, 2016. Ms. Kunze, Chair, called the meeting to order. Ms. Kunze welcomed Blayne Arthur, Executive Director of the Oklahoma 4-H Foundation and Dr. Thomas Coon, Vice-President of the Division of Agriculture Sciences and Natural Resources (DASNR). Dr. Coon gave the Board and guest a “cowboy welcome” to the OSU campus and thanked the Board members for their service. Ms. Kunze then talked on safety precautions in case of an emergency. Ms. Fields called roll and a quorum was confirmed.

MEMBERS PRESENT

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

DEQ STAFF PRESENT

Scott Thompson, Executive Director
Jimmy Givens, Deputy Executive Director
Martha Penisten, General Counsel
Michelle Wynn, Legislative Liaison
Eddie Terrill, Air Quality Division
Catherine Sharp, Administrative Services Division
Chris Armstrong, State Environmental Laboratory Services
Jeff Franklin, State Environmental Laboratory Services
Lloyd Kirk, Office of External Affairs
David Freede, Environmental Complaints & Local Services
Richard McDaniel, Environmental Complaints & Local Services
Bruce Vande Lune, Environmental Complaints & Local Services
Fenton Rood, Land Protection Division
Saba Tahmassebi, Engineering Manager
Paul Parks, Water Quality Division
Skylar McElhany, Office of External Affairs
Erin Hatfield, Office of External Affairs
Cindy Przekurat, Executive Director’s Office
Kathy Aebischer, Administrative Services Division
Quiana Fields, Board & Council Secretary

MEMBERS ABSENT

Billy Sims
Cheryl Vaught

OTHERS PRESENT

Tyler Powell, Office of the Secretary of Energy & Environment
Clayton Eubanks, Office of the Attorney General
Lynette Wrany, Court Reporter

Approval of Minutes – Mr. Griesel moved to approve the Minutes from the February 19, 2016 Regular Meeting. Mr. Ferrell made the second.

transcript pages 9 - 10

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

Executive Director's Report – Mr. Scott Thompson, Executive Director of the DEQ, discussed agency activities underway, gave a presentation on the Brownfields Program and spoke on recent changes in the financial disclosure rules. Mr. Thompson called upon Ms. Kathy Aebischer, Chief Financial Officer of the DEQ. Ms. Aebischer gave a presentation update on the current DEQ budget (FY 2017).

transcript pages 10 - 62

Before proceeding with the next agenda item Ms. Kunze called for a five minute break.

Report on DEQ Employee Survey – Mr. Saba Tahmassebi, Engineering Manager of the DEQ, gave a presentation on the results from the DEQ's Employee Survey.

transcript pages 62 - 88

Employee Disclosures – Ms. Martha Penisten, General Counsel of the DEQ, stated the Environmental Quality Code requires certain DEQ employees involved in reviewing, issuing or enforcing permits to disclose financial interests they hold in entities regulated by the DEQ. The DEQ is required to submit these disclosures to the Board and make them part of the minutes. This year there were four DEQ employees that submitted disclosures: David Pollard, AQD; Ellis Fischer, AQD, Heather Sessing, AQD; and Jordan Caldwell, LPD.

transcript pages 88 - 90

Steve Mason left the meeting.

DEQ Operational Budget Request for Next Fiscal Year (FY 2018) – Ms. Aebischer gave a presentation on the DEQ budget requests. The operational budget request for SFY 2018 must be submitted to OMES by October 1, 2016. Hearing no questions or comments by the Board or the public. Ms. Kunze called for a motion. Mr. Griesel moved to approve and Mr. Ferrell made the second.

transcript pages 90 - 92

Daniel Blankenship	Yes	Tim Munson	Yes
Shannon Ferrell	Yes	Homer Nicholson	Yes
David Griesel	Yes	Loretta Turner	Yes
Tracy Hammon	Yes	John Wendling	Yes
Jimmy Kinder	Yes	Jan Kunze	Yes

Calendar Year 2017 Board meeting dates and locations – Ms. Kunze opened the floor for discussion regarding the Board meeting CY 2017 dates and locations. Mr. Griesel made a motion to have the February 17 meeting in Norman, June 13 in Oklahoma City, September 12 in Durant and November 7 in Enid. Mr. Kinder made the second. Ms. Kunze opened the floor for discussion with the proposed dates before a roll call vote. Mr. Blankenship proposed changing November 7 from Enid to Tahlequah or Claremore. Mr. Griesel withdrew his original motion and made another to change the November 7 meeting to Tahlequah and Mr. Kinder made the second.

transcript pages 92 - 96

Daniel Blankenship	Yes	Tim Munson	Yes
Shannon Ferrell	Yes	Homer Nicholson	Yes
David Griesel	Yes	Loretta Turner	Yes
Tracy Hammon	Yes	John Wendling	Yes
Jimmy Kinder	Yes	Jan Kunze	Yes

New Business – None

Next Meeting – The next regular meeting is scheduled for November 9, 2016 in Ponca City, Oklahoma.

Adjournment – Ms. Kunze called for a motion to adjourn. Mr. Blankenship moved to adjourn and Mr. Griesel made the second. Meeting adjourned at 12:10 p.m.

transcript pages 97 – 98

Daniel Blankenship	Yes	Tim Munson	Yes
Shannon Ferrell	Yes	Homer Nicholson	Yes
David Griesel	Yes	Loretta Turner	Yes
Tracy Hammon	Yes	John Wendling	Yes
Jimmy Kinder	Yes	Jan Kunze	Yes

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

Environmental Quality Board 9/13/2016

<p>1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p> <p style="text-align: center;">OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY ENVIRONMENTAL QUALITY BOARD</p> <p style="text-align: center;">MEETING and PUBLIC FORUM SEPTEMBER 13, 2016 - 9:30 A.M.</p> <p style="text-align: center;">ConocoPhillips OSU Alumni Center Click Alumni Hall 201 ConocoPhillips OSU Alumni Center Stillwater, Oklahoma</p> <p>Reported by: Lynette H. Wrany, C.S.R. #1167</p>	<p>1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p>	<p>1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p> <p style="text-align: center;">CALL TO ORDER - 9:30 A.M.</p> <p>CHAIRMAN JAN KUNZE I believe it's time for us to be called to order. Usually I get to bang a gavel to get everybody to sit down, but you guys are ahead of me. I'm going to bang the gavel anyway. I'm going to call us to order. The September 13th, 2016 regular meeting of the Environmental Quality Board has been called according to the Open Meeting Act, Section 311 of Title 25 of the Oklahoma Statutes.</p> <p>Notice was filed with the Secretary of State on October 20th, 2015. Agendas were mailed to the interested parties on September 2nd, 2016 and were posted at the DEQ and the facility on September 12th, 2016. Only matters appearing on the posted agenda today may be considered.</p> <p>If this meeting is continued or reconvened, we must announce today the date, time and place of the continued meeting and the agenda for such continuation will remain the same as today's agenda.</p> <p>And with that, I want to say welcome to everyone. I appreciate the opportunity and thank all the board members and the agency guests and our guests that came today.</p> <p>It's kind of special for me to be on the</p>	<p>3</p>
<p>1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p> <p style="text-align: center;">BOARD MEMBERS PRESENT: Chairman Jan Kunze Vice-Chairman Tim Munson Mr. Daniel Blankenship Mr. Shannon Ferrell Mr. David Griesel Dr. Tracy Hammon Mr. James Kinder Mr. Steve Mason Mr. Homer Nicholson Ms. Loretta Turner Mr. John Wendling</p> <p style="text-align: center;">BOARD MEMBERS ABSENT: Mr. Billy Sims Ms. Cheryl Vaught</p>	<p>2</p>	<p>1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p> <p>Oklahoma State campus and I've enjoyed the pretty morning here. And it's extremely special for me. I've got a couple of guests I would like to introduce that I am privileged to work with.</p> <p>The first one being Blayne Arthur, who is the current Executive Director of the Oklahoma 4-H Foundation. Many of you may know her. Prior to that, she was the Deputy Director of the Department of Agriculture and Forestry. But since June she has been handling the Oklahoma 4-H Foundation, which I am — I and I think Shannon and several people have quite a bit of involvement with. Appreciate you coming over.</p> <p>And I want to introduce Dr. Thomas Coon, who is the Vice President of DASNR, the Division of Agricultural Sciences and Natural Resources. And I had heard a lot of good things about Dr. Coon when he relocated and took that position with Oklahoma State. But I've had the privilege to work on a team that he has directed this year and anything I heard about Dr. Coon falls way short to my experiences with him. So that's been a pleasure in my life. And I very much appreciate him coming over.</p> <p>And I'd like to let Dr. Coon give us a welcome. The Cowboy Welcome, to Oklahoma State.</p> <p>DR. THOMAS COON: Thank you so much, Jan.</p>	<p>4</p>

Environmental Quality Board 9/13/2016

<p style="text-align: right;">5</p> <p>1 Well, the simple way of welcoming you to 2 Oklahoma State is to say, "Go, Pokes!" And if that's 3 a foreign concept to you, you can get it down. It's 4 pretty easy. But on a day like this, it's a pretty 5 easy case to make that this is a fantastic place, a 6 great people and a beautiful campus. 7 But really that's true for all of Oklahoma. 8 And that's one of the greatest joys I've had in coming 9 to Oklahoma. I've been here a little more than two 10 years. And the appreciation for the environment that 11 we have in Oklahoma is something that takes my breath 12 away so many times. 13 I will never forget driving down I-35 early 14 one morning as the sun was coming up, the sky was 15 blue, there really wasn't any haze, which I love, so 16 no haze coming up off the ground. And I thought, wow, 17 there should be a song about this. And then I 18 remembered, oh, yeah! Oh, What a Beautiful Morning. 19 So, you know, now I know why that song was written 20 about this place. It really does capture the essence 21 of what we have. 22 So first, let me welcome you to the OSU 23 campus. It's great to have you here. Let me also 24 thank you for your service. It really is important. 25 The stewardship of our environment is something that I</p>	<p style="text-align: right;">7</p> <p>1 Extension Service, with offices in every county in the 2 state, a way for OSU to be present throughout the 3 state, provide information to people, research base 4 the current findings, current understanding of all the 5 factors that relate to the environment and agriculture 6 so that people can make good decisions, 7 information-based decisions on how they manage their 8 own land, their own water, but also how they 9 participate in the management of our commonly-owned 10 public lands, and public waters, and our air. 11 So again, hats off to you for your service as 12 stewards of our tremendous environment and thank you 13 so much for choosing to meet here on our beautiful 14 campus. I hope you enjoy an opportunity to get out 15 and walk around a little bit, because it's incredible. 16 Our landscape designer is just top notch. And we're 17 very proud of the way he and his team present the 18 campus. 19 And so, let me just conclude by saying what 20 we all say, "Go, Pokes!" Thanks, Jan. 21 CHAIRMAN JAN KUNZE: Thank you, Dr. Coon. 22 All the time I was in school up here I went out of my 23 way to avoid vice presidents, deans of colleges. But 24 it's been a great experience getting to know Dr. Coon. 25 With that, a little bit of housekeeping. The</p>
<p style="text-align: right;">6</p> <p>1 take very seriously. It's been a passion of mine for 2 my entire career. 3 My background is actually in fisheries, and 4 so, I – I took 25 or 30 different courses related to 5 environmental management, fisheries management, 6 aquatic ecosystems and so on. And so, it's something 7 I care about a lot. 8 It's also something I'm very proud about, the 9 fact that it is part of the responsibility for the 10 Division of Agricultural Sciences and Natural 11 Resources to make sure that people are well-informed 12 about the environment that we occupy, the impact that 13 we have on it, and the options that we have to make 14 sure that our impact has a minimal negative effect and 15 a maximum positive effect. And so, it really is core 16 to the mission of our division, which includes the 17 College of Agricultural Sciences and Natural Resources 18 where we teach our academic programs in that broad 19 array of subjects. 20 It also is the home for the Oklahoma 21 Agricultural Experiment Station, which is the research 22 arm for our division. It includes more than just 23 agriculture. It really does include our natural 24 resources and environmental sciences. 25 And then, finally, the Oklahoma Cooperative</p>	<p style="text-align: right;">8</p> <p>1 restrooms are out the backdoors in the center part of 2 the building. And in case there is any event that 3 there would be a need to evacuate, we will follow the 4 directions of Oklahoma State. 5 So, with that, I will ask Quiana to do roll 6 call. 7 MS. QUIANA FIELDS: Mr. Blankenship? 8 MR. DANIEL BLANKENSHIP: Present. 9 MS. QUIANA FIELDS: Mr. Ferrell? 10 MR. SHANNON FERRELL: Present. 11 MS. QUIANA FIELDS: Mr. Griesel? 12 MR. DAVID GRIESEL: Present. 13 MS. QUIANA FIELDS: Dr. Hammon? 14 DR. TRACY HAMMON: Present. 15 MS. QUIANA FIELDS: Mr. Kinder? 16 MR. JAMES KINDER: Yes. 17 MS. QUIANA FIELDS: Mr. Mason? 18 MR. STEVE MASON: Yes. 19 MS. QUIANA FIELDS: Mr. Munson? 20 VICE CHAIRMAN TIM MUNSON: Here. 21 MS. QUIANA FIELDS: Mr. Nicholson? 22 MR. HOMER NICHOLSON: Present. 23 MS. QUIANA FIELDS: Mr. Sims is absent. 24 Ms. Turner? 25 MS. LORETTA TURNER: Here.</p>

Environmental Quality Board 9/13/2016

9	<p>1 MS. QUIANA FIELDS: Ms. Vaught is absent. 2 Mr. Wendling? 3 MR. JOHN WENDLING: Here. 4 MS. QUIANA FIELDS: Ms. Kunze? 5 CHAIRMAN JAN KUNZE: Here. 6 MS. QUIANA FIELDS: We have a quorum. 7 CHAIRMAN JAN KUNZE: Thank you. 8 Our first agenda item will be the approval of 9 the minutes from our February 19th regular meeting 10 that was held at the DEQ. That was sent out in your 11 packets. So if you have any questions or comments? 12 Well, if there's no comments, do I have a 13 motion to approve? 14 MR. DAVID GRIESEL: So moved. 15 MR. SHANNON FERRELL: Second. 16 CHAIRMAN JAN KUNZE: Tie goes to -- 17 Do the roll call. 18 MS. QUIANA FIELDS: Mr. Blankenship? 19 MR. DANIEL BLANKENSHIP: Yes. 20 MS. QUIANA FIELDS: Mr. Ferrell? 21 MR. SHANNON FERRELL: Yes. 22 MS. QUIANA FIELDS: Mr. Griesel? 23 MR. DAVID GRIESEL: Yes. 24 MS. QUIANA FIELDS: Dr. Hammon? 25 DR. TRACY HAMMON: Yes.</p>	11
10	<p>1 think we completed that just recently in May. DEQ was 2 able to reimburse the city \$27,000 as a partial 3 reimbursement for the clean up. And I think the total 4 cost to them was about \$180,000. 5 So one thing we would like to mention is that 6 we worked closely with some of the City of 7 Stillwater's Parks and Recreation folks, Jim Scott, 8 Barbara Bliss, and Jimmy Fairbanks. They were very 9 helpful and it was enjoyable to work with them. So 10 thank you guys for that. 11 One of the other things that we've had going 12 on this year is -- every year we actually advertise 13 Solid Waste Grants that communities can apply for 14 statewide. It's pretty routine. But we had a new 15 twist this time around, which, you know, I'd like to 16 highlight a couple of the positive examples of people 17 we partnered with. 18 In Lincoln County, the sheriff, Charlie 19 Dougherty, wanted to find a way to clean up his county 20 and prevent the recurrence of illegal dumps and obtain 21 some successful prosecutions for that. I have been 22 with the state since the early '80s and we've 23 basically approached solid waste dumping the same way 24 that whole entire time. So this is a slightly -- a 25 new approach to working with local law enforcement,</p>	12

Environmental Quality Board 9/13/2016

<p style="text-align: right;">13</p> <p>1 because, historically, there weren't too many people 2 interested in roadside dumps. 3 The County Commissioners wind up having to 4 foot the bill for trying to deal with them, but they 5 would recur constantly. And so, we were kind of on a 6 treadmill in terms of you might fix a little bit, but 7 you wouldn't really make a difference in the long 8 term. 9 So the Sheriff has taken a grant from us and 10 they have hired a part-time deputy to do patrols just 11 for illegal dumps. And that grant funds also provided 12 for some signage and some cameras to put on the 13 cleaned up dump site. We tried to see if we could 14 catch who was, you know, recontaminating, redumping at 15 this same location. 16 And the Sheriff has -- we've had good success 17 with these cameras. And some of the cameras actually 18 will send you real-time information to your phone so 19 that you can -- instead of having to go check it later 20 and figure out, hey, two weeks ago something happened, 21 you might know 30 minutes ago something happened or 22 it's happening right now. 23 I don't know how many of those type cameras 24 that Lincoln County has, but that was -- that's been a 25 big change in terms of the way you can approach this</p>	<p style="text-align: right;">15</p> <p>1 clean and nice. And so, I think it would be a lot 2 better for Oklahoma the more we can address this 3 aesthetic problem, as well as the environmental issues 4 associated with that. I think that will be beneficial 5 to us. 6 I mean, if you want prosperity, I think 7 people want to move somewhere where it's nice and not 8 settle where it's trashed out, especially if you're 9 trying to draw in new business or something. 10 Now in Adair County, we cleaned up 2,000 11 waste tires and 148 tons of trash. 12 So the next item on the agenda is the 13 Brownsfield Study, which I'd like to go over here. 14 The Brownfields Program is basically 15 recycling properties, previously-used properties. 16 Historically, if the property was believed to be 17 contaminated, even if it wasn't, if it was feared of 18 contamination, people would not locate on that 19 property, would not reuse it. It was essentially a 20 liability and there'd be no substantive use of that 21 property. So several years back we began to work on 22 this problem through a voluntary clean-up program and 23 then the Brownfields Program. 24 So on the sites that have been cleaned up in 25 this program, retail sales have increased in excess of</p>
<p style="text-align: right;">14</p> <p>1 type of enforcement. And the Sheriff has said that 2 this trash cop program wouldn't have happened without 3 the grant. 4 It's been a big impact in Lincoln County. 5 They've identified 48 illegal dumps and in FY 2016 the 6 program resulted in the proper disposal of 138,000 7 pounds of garbage. And the success of this program 8 has resulted in a lot of positive feedback in the 9 community. The Sheriff wants to keep it going. And 10 we would like to see this model used in other parts of 11 the state. 12 Another area, we had also had a partnership 13 with Adair County in a similar way. And they've 14 identified dozens of illegal dumps and three criminal 15 cases were referred to the DA's office within the 16 first 30 days of the program inception. And they have 17 written quite a few tickets for illegal dumping. 18 So, you know, again back in the '80s, when I 19 first started, I was traveling all over the state. It 20 always kind of amazed me the areas that were just open 21 dumps or recurring dumps or cities that just didn't 22 look that great because this kind of stuff wasn't 23 really addressed very well. And as I traveled, say, 24 across the border into Kansas, a lot of towns and 25 small towns in that area and rural areas looked pretty</p>	<p style="text-align: right;">16</p> <p>1 \$85 million. There has been a 4300 percent growth in 2 retail sales on these properties. Of course, 3 depending what's going on it, it's pretty easy to get 4 high growth. And the bordering properties around 5 these locations have also boomed. 6 I don't know if you're familiar with the 7 Wal-Mart Super Center in Sand Springs, but that was 8 originally a smelter site. And it was really the 9 first site that Wal-Mart ever knowingly located on a 10 property that had been contaminated. But we were able 11 to work with ASARCO, the company that had owned it, 12 and the developer, and Wal-Mart, and the City of Sand 13 Springs and put that property back into productive 14 reuse. 15 And all around that facility has sprung up 16 quite a few other businesses. In fact, there was a 17 neighborhood that had been partially impacted and but 18 that neighborhood has been bought out and is now a 19 commercial district. So it's quite a bit of growth 20 there. 21 So if you include all the bordering 22 properties on these sites, sales have increased by 23 more than \$260 million. Government finances are also 24 better off. Brownfields and neighboring properties 25 produce 11 1/2 million in state sales taxes, they</p>

Environmental Quality Board 9/13/2016

<p style="text-align: right;">17</p> <p>1 increased that much in 2015, and the same properties 2 also produced 11.7 million in local sales taxes in 3 2015.</p> <p>4 This is one of the jobs we did, was the 5 Pawnee Municipal Hospital. And then I believe that's 6 the theater in McAlester that we helped rehabilitate 7 and get asbestos removed from.</p> <p>8 Oklahoma City has one of the most prolific 9 Brownfield Programs in the country. And so, many of 10 the properties in the Bricktown area were things that 11 we looked at historically from the types of businesses 12 that had been on them or identified contamination. 13 And then when Oklahoma City passed the MAPS Program, 14 we were able to work with the city and their 15 consultants, engineers, to identify what the issues 16 were at those properties and helped them put those 17 back into productive use. So like the ballpark was 18 one thing that we did there, as well as numerous other 19 facilities, hotels, et cetera.</p> <p>20 In Okmulgee, Oklahoma right along Highway 75, 21 there was an abandoned refinery there which had been 22 owned by various people and at one point, Phillips 23 had owned it. So we were able to put together a local 24 partnership with Phillips, and the city, and a local 25 industrial group that was created to own the property</p>	<p style="text-align: right;">19</p> <p>1 interesting.</p> <p>2 Another program that we have that we've 3 talked about in the past is the Green Schools Program. 4 And DEQ administers this program. The program is 5 gaining popularity and we hope to engage more schools. 6 Somewhere -- thankfully no one has a copy of 7 it here, but I think there's pictures of me at one of 8 these events doing a little dance they were making me 9 do.</p> <p>10 But since the program's inception in the 2009 11 and 2010 school year, we've had 132 schools 12 participate. These participants were offered 13 environmental service and hands-on inquiry based on 14 investigation to the energy and environmental quality, 15 school, waste and recycling, the water recyclable use. 16 This allows these students to help become leaders in 17 the school and the Green Schools Program offers tips, 18 funding sources, educational resources and curricula. 19 And we have a very dedicated environmental 20 education coordinator. Sara Ivey administers this 21 program and she is really great. She is really 22 awesome to watch work with the kids. But we're hoping 23 that will grow a little more, when we go to schools 24 and towns.</p> <p>25 We've also been out trying to do some clean</p>
<p style="text-align: right;">18</p> <p>1 and help facilitate, because we had some kind of 2 questionable folks involved in terms of ownership at 3 the time we started this.</p> <p>4 But the property was reacquired, cleaned up, 5 and now this is some of the clean-up photos. There is 6 a tractor supply, there is a Holiday Inn Express, I 7 believe, a Ford dealership has gone in on there, and I 8 believe the building is up now.</p> <p>9 So this study is available online at this 10 link. And I'd encourage you guys to look at it.</p> <p>11 But one thing that's a little unique about 12 this study, it goes back 20 years in part because we 13 have to kind of re-educate some of the politicians 14 that we deal with at the legislature, because they 15 weren't around when we did the projects. The guys 16 that were around, went to the ceremony and understood 17 the impact and what our role was, had all graduated 18 essentially.</p> <p>19 And so, you know, the Commerce looked back at 20 the entire life of the program for 20 years and, in 21 their opinion, it was more accurate information, 22 because usually they are doing projections, they are 23 trying to estimate what you might produce if you do 24 this project. And in this case they are able to look 25 backwards and say what really occurred. So that was</p>	<p style="text-align: right;">20</p> <p>1 ups in school labs. Amazingly every several years the 2 chemistry departments in schools tend to accumulate 3 quite a few chemicals in the back and aren't really 4 sure what they are. So we try to go through and help 5 them identify that and get them properly disposed.</p> <p>6 In just a few weeks at Roman Nose State Park 7 H2Oklahoma is coming up. And that is another like 8 sciencefest. It's another one of our events where we 9 work with school kids to try to help educate them 10 about environmental issues and concerns and sometimes 11 just general scientific information.</p> <p>12 So this will be on October 6th and is for 13 Fifth graders. And if you guys have the opportunity 14 to come by and help out, this event attracts about 350 15 students from the surrounding areas. And H2Oklahoma 16 is designed to supply students with a fun, hands-on 17 way to learn about the water resources of Oklahoma. 18 The approval process for rules was left 19 unchanged. There were a couple of those floated to 20 try to turn it back to the way it was, but it is still 21 -- they have to affirmatively approve our rules. And 22 the Senate still, I don't think, in three years has 23 ever actually taken up the rules.</p> <p>24 So the Governor has to go through some 25 gyrations. The House will look at them, but then the</p>

Environmental Quality Board 9/13/2016

<p style="text-align: right;">21</p> <p>1 Governor has to look at it, because the Senate doesn't 2 have time to approve any rules. So, I don't know, 3 hopefully they will get that fixed next year. 4 There's been a revision to the Ethics 5 Commission Rules. The Commission did away with the 6 requirement for annual financial disclosures for all 7 DEQ officials and board members, as well as other 8 boards and agency folks. I don't think it was just 9 for DEQ. And I'm not certain why that occurred, but I 10 think they just decided that, after all these years, 11 they really haven't achieved much, so they have 12 dropped that requirement. I believe that we still had 13 to do that this last year for one last time. 14 And effective July 1 of this year, all state 15 officers who are elected or subject to retention to a 16 judicial office are the only individuals required to 17 file financial disclosure statements. Now we will 18 have the standard notification, I think, of our 19 employees that held stock in some company. I think 20 that will continue. But as far as the one that 21 applied to board members, that has been changed. 22 Parking at the DEQ has changed. What was our 23 visitor's parking lot is now where we're parking our 24 fleet vehicles. And so we've been able to acquire use 25 of the property straight across the street from the</p>	<p style="text-align: right;">23</p> <p>1 of the Land Protection Division Staff, Amy Brittain, 2 Dustin Davidson, Brian Stanila. DEQ received EPA's 3 State Excellence in Supporting Reuse Award. The award 4 is given annually in recognition of state partners 5 whose work enhances the quality of life and supports 6 long-term environmental stewardship and facilities 7 stated for reuse. So that's a nice thing. Those guys 8 were the ones that were cleaning up all over the 9 state. I mean, we still have a few left to do. 10 All right. Let's see. A couple of other 11 things to mention, EPA is talking about an advanced 12 notice of proposed rulemaking. They were discussing 13 trying to propose it this month, but I have checked 14 with someone at EPA and was told by the end of the 15 year they are going to try to publish this. Hopefully 16 this won't happen. But, if they do, you guys really 17 need to pay attention to it and be aware of it. 18 They want to publish federal baseline water 19 quality standards on behalf of Tribes nationwide. And 20 if they do that -- one, there are no such standards 21 now. EPA staff still can't seem to get right what the 22 legal definition of Indian country is. And they 23 assume that it's pretty much everywhere, the entire 24 State of Oklahoma. They refuse to acknowledge the 25 difference between trust land, allotted land or other</p>
<p style="text-align: right;">22</p> <p>1 front door, the one across Robinson, and that lot 2 there has some signs up now as DEQ's visitor's 3 parking. So that might throw you off a little bit if 4 you show up and the other parking lot is full of our 5 vehicles. 6 Okay. Another thing I would like to do today 7 is recognize one of our employees. In our 8 Environmental Complaints and Local Services Division, 9 Jonathan Shulz was recently named Employee of the Year 10 at DEQ. And one of the things that Jonathan did that 11 got some recognition -- and this -- to be nominated 12 for Employee of the Quarter, it is not management that 13 does it, it is co-workers that nominate people. And 14 then management decides out of those four people who 15 is Employee of the Year. 16 Jonathan has put a lot of extra time, he is 17 very dedicated. He spent a lot of time helping a 18 rural water district that was struggling. And he was 19 there after hours and he worked daily to assist those 20 guys, trying to get things straightened out. And a 21 local legislator happened to show up, I think, really 22 late one evening or on the weekend and Jonathan was 23 there helping out. It kind of surprised him, I think, 24 that our folks were there. 25 Also I think congratulations are due to some</p>	<p style="text-align: right;">24</p> <p>1 types of holdings and/or just individually-owned land 2 that's not in trust or allotted. 3 If they're able to do this, they would create 4 a nightmarish situation in terms of water quality 5 standards in dealing with the discharges. And, one, 6 it won't be legal if they do it the way they're 7 talking about doing it. We've already prevailed on an 8 air rule that was drafted in a similar manner and we 9 won at the DC Circuit. So we're going to take that 10 same way. So Clayton will be busy if they do this. 11 And if they do actually publish it, we'll sit 12 down at a meeting with the Attorney General's Office 13 and talk through that. But that's one thing. We paid 14 for that lawsuit last time. And so we had this case 15 built, but we no longer have the funding to be able to 16 support that kind of a suit. So the Attorney 17 General's Office and/or the legislature will have to 18 figure out how to fund this thing. But it is critical 19 to Oklahoma. 20 One of the things that they would do is just 21 say they're publishing these standards on behalf of 22 the Tribes and then allow the Tribes to set these and 23 they could have unmeasurable standards, religious 24 standards, ceremonial standards. standards they don't 25 have to explain. Whether you would have -- how you</p>

Environmental Quality Board 9/13/2016

<p style="text-align: right;">25</p> <p>1 would have an official action by a Tribe to set a 2 standard is not at all clear. And in Oklahoma, with 3 39 different Tribes, you would have a multitude of 4 types of government and you'd have some folks who'd 5 refuse to recognize the sovereignty of their own 6 Tribal government and act as individuals. And it 7 wouldn't surprise me if one of those folks would pop 8 up and say, hey, this is my standard and EPA would 9 sort of go along with it. So it could just be crazy. 10 And this is also an attempt to do an end run 11 around the transportation rider that Senator Inhofe 12 got passed where, in order to get treatments of state, 13 the Tribe would have to have an agreement with the 14 State of Oklahoma or the DEQ, the Governor's office or 15 the DEQ, I believe. So they believe that they can 16 skirt that law by doing this. And it's just -- it's 17 another bad idea. 18 Also coming at us potentially is Rule Number 19 3 of the Unregulated Contaminant Monitoring, which 20 essentially, primarily I think, will set up 21 disinfection byproduct standards for the use of 22 chloramines. And similar to what they did for 23 disinfection byproducts of chlorine, it will make it 24 very difficult to stay in compliance. 25 Between ratcheting down on disinfection and</p>	<p style="text-align: right;">27</p> <p>1 arsenic or nitrates or something else in the water. 2 If you have two rural water districts next to each 3 other, or a small town that's next to another system, 4 and you have a little bit of excess nitrates or where 5 you have a very small population so you can't afford a 6 million dollar treatment plant to treat it and your 7 neighbor has water with maybe a tiny bit of arsenic in 8 it and you can't afford to treat that, maybe you guys 9 could blend water. Maybe the systems could figure out 10 ways to work together, might help with 11 regionalization. 12 There's a lot of talk, especially in the 13 northwest, in terms of regional water use groups 14 getting together and working, trying to find long-term 15 solutions to these things. 16 And one of the things that was recently done, 17 Saba was asked to participate with that group to look 18 at nitrates in the water and look at better management 19 practices. And the cities that are doing that in the 20 northwest, primarily centered around Enid, have or are 21 working cooperatively with agriculture to try to find 22 solutions, to look at better practices to try to 23 reduce nitrate pollution, as well as what's feasible 24 for treating it. Are there any feasible options. 25 I know EPA talks of research and development</p>
<p style="text-align: right;">26</p> <p>1 increasing testing on bacteria and coliform bacteria, 2 many systems are trying to find that balance between 3 keeping the water safe and but not having too many 4 disinfection byproducts to meet the standard. And so, 5 therefore, we're getting more boil orders. We're 6 getting more coliform bacteria showing up in some of 7 these small systems. And we've kind of have some that 8 have routine boil orders. 9 The folks in DC have never run a system. 10 They don't understand what these rules do. And I'm 11 not sure that they're really concerned about it. But 12 I think it's just going to make -- you know, we're 13 moving to a point where there are going to be some 14 systems that are constantly in non-compliance one way 15 or the another. And personally, I would rather you 16 err on the side of disinfection than not. 17 But they have not announced a time line for 18 this rulemaking. It might not be published in this 19 administration. It might come out early in the next 20 administration, if they push it. But that's just -- 21 that's the way one of those other things is lining up 22 for us. 23 And the last thing I'd like to cover is DEQ 24 and the Water Resources Board have developed a GIS 25 tool that make out in some detail where you have</p>	<p style="text-align: right;">28</p> <p>1 and has been trying to find affordable treatment for 2 small systems for nitrates. But I don't think they 3 have succeeded so far. 4 So with that, I'd like to ask for any 5 questions. 6 MR. JOHN WENDLING: Scott? 7 MR. SCOTT THOMPSON: Yes? 8 MR. JOHN WENDLING: Well, a couple of things. 9 One, I just wanted to -- I appreciate the diversity of 10 the information you provided. And, anyway, just well 11 done from my perspective. I appreciate what you have 12 put into your report. 13 I do have a question on this advanced NOPR, 14 It seems to me, is this something that the Tribes 15 nationally are requesting of the federal government? 16 MR. SCOTT THOMPSON: Not as far as I know. 17 There may be a few individuals pushing for something 18 like that, but, oddly, this didn't come out of the 19 Office of Water. It supposedly is coming out of the 20 Office of Science and Technology and the Office of the 21 Wetlands and I can't remember what the acronym stands 22 for. But OWOW is what the acronym is. 23 But so it's kind of really odd to come out of 24 those two offices. And at the meeting where it was 25 rolled out Shelly said that the director over water</p>

Environmental Quality Board 9/13/2016

<p style="text-align: right;">29</p> <p>1 now, or the guy who is acting, didn't seem to know 2 anything about it. 3 And this is the kind of stuff that gets 4 floated every few years. It sort of never dies. And 5 we have – maybe it's staff level people, maybe it is 6 somebody from the outside pushing it, maybe it's this 7 administration pushing stuff. But their goal is to 8 not try to push it this year before this 9 administration is gone. 10 And it's not logical. I'm sure it would tied 11 up in court for years, if they try to do it. But 12 again, we should be able to prevail, at least on what 13 the definition of what Indian country really is 14 legally. 15 MR. STEVE MASON Scott, I echo John's 16 comments. This is great, what you presented. And I 17 appreciate Skylar's booklet of all the articles. I 18 have a question on one article in there about the Hugo 19 Severn Trent fine. 20 MR. SCOTT THOMPSON: Yeah. 21 MR. STEVE MASON Where the city manager 22 basically said, Well, we fined this private entity a 23 million dollars, it was supposed to go to drinking 24 water in Hugo. It went to the resolving fund but, 25 oops, the legislature took it, so we didn't help Hugo</p>	<p style="text-align: right;">31</p> <p>1 with this every year for about four years. Is there 2 any lessons learned that we can implement to help 3 protect that money from the legislature? 4 MR. SCOTT THOMPSON: You know, I don't know. 5 We will have new leadership. I'm hopeful that we'll 6 have a different philosophy and attitude and a fiscal 7 responsibility out of the new set of folks. It 8 remains to be seen how it's going to work. 9 But the speaker-elect is a banker. And the 10 president pro-tem elect is Senator Schulz out of 11 Altus. And he's a pretty solid guy. So I think they 12 will do -- but they're also handed – dealt a pretty 13 bad situation to start with and not any better than 14 last year probably. And we'll just have to see how it 15 goes. 16 But the way they have been dealing with this, 17 taking one time money from agencies and acting like 18 that's accomplishing something, it hasn't really 19 solved any of the real problems, the underlying 20 problems. 21 MR. STEVE MASON: Thank you. 22 CHAIRMAN JAN KUNZE: Scott, I might ask you, 23 you had mentioned – and I appreciate you explaining 24 the process for the Employee of the Year and the 25 Quarter. I think that's kind of neat that it's</p>
<p style="text-align: right;">30</p> <p>1 with their drinking water. And your thoughts about 2 what the guy was saying. 3 MR. SCOTT THOMPSON: Well, basically we had 4 earmarked that money to go to small systems. We tried 5 to do it as a settlement where Severn Trent paid 6 directly to Hugo. But they were in litigation or 7 pending litigation, all had lawyers, lots of lawyers. 8 And so, that wasn't possible, because Hugo has a 9 number of infrastructure issues and needs that they 10 need that fixed, too, in addition to the way the plant 11 was operated that caused the problem that resulted in 12 the fine. 13 But, because Hugo was lawyered up and didn't 14 want to accept a settlement at that point in time, 15 then we had to put it into our revolving fund. And 16 then we were hit for 4 million bucks in cash. Well, 17 we had about 2 million bucks in cash that we had to 18 give up. So essentially we had to absorb that money 19 for operating expenses, which is kind of against my 20 personal philosophy that fines ought to not be used 21 for recurring expenses. But we were put in a 22 situation where we had no choice. And Kathy will come 23 up in a minute and walk through the budget 24 presentation. 25 MR. STEVE MASON: And, you know, we've dealt</p>	<p style="text-align: right;">32</p> <p>1 determined by the agency members. But is that 2 something that – and I'm not trying to take the good 3 workers away from a day at work, but is that something 4 that maybe the Board would have an opportunity to meet 5 and thank them? Maybe at the November meeting? Or – 6 MR. SCOTT THOMPSON: Potentially. Definitely 7 in January. 8 CHAIRMAN JAN KUNZE: January would be 9 perfect. 10 MR. SCOTT THOMPSON: January or February, 11 whichever month that meeting falls in. 12 CHAIRMAN JAN KUNZE: Maybe we can do that in 13 January when we meet at the agency. 14 MR. SCOTT THOMPSON: Right. 15 CHAIRMAN JAN KUNZE: But I know I'd like a 16 chance to meet them and thank them. 17 MR. SCOTT THOMPSON: I think that would be 18 great. We've also been discussing some different ways 19 to do more recognitions, especially for folks who do 20 good customer service like that. 21 And, you know, some of the folks in the lab 22 work nights and weekends whenever we have boil orders 23 or some contamination of a public water supply 24 situation and running samples and all that. And it 25 doesn't always get out there.</p>

Environmental Quality Board 9/13/2016

33	<p>1 There are some of us that are aware that</p> <p>2 they're doing that, but we don't have a great -- we</p> <p>3 haven't really sat down and thought about how to</p> <p>4 convey that. Even their co-workers across the agency</p> <p>5 don't realize how much some of these folks do. So I</p> <p>6 think that would be great.</p> <p>7 CHAIRMAN JAN KUNZE: And I realize that</p> <p>8 coming to our board meeting might not be a reward, but</p> <p>9 it would give us a chance to recognize them.</p> <p>10 MR. SCOTT THOMPSON: Yeah. Some of them will</p> <p>11 be worried, scared.</p> <p>12 All right. Thank you all.</p> <p>13 CHAIRMAN JAN KUNZE: Any other questions?</p> <p>14 MR. SCOTT THOMPSON: I will turn it over to</p> <p>15 Kathy now and she'll do the budget.</p> <p>16 CHAIRMAN JAN KUNZE: Thank you, Scott.</p> <p>17 MS. KATHY AEBISCHER: Good morning. In your</p> <p>18 packet you'll find a copy of this PowerPoint</p> <p>19 presentation. There's a lot of information, so feel</p> <p>20 free to ask questions during the presentation. That's</p> <p>21 what we're here for, to kind of give you an idea of</p> <p>22 really the impact the 2016 Legislative Session had on</p> <p>23 the agency and then our budget going forward.</p> <p>24 So we started the year, our State</p> <p>25 Appropriations was reduced by 11.65 percent or</p>	35	<p>1 If we look at our State Appropriations from</p> <p>2 Fiscal Year 2013 to this current fiscal year, we have</p> <p>3 been reduced almost \$2 million. Our current</p> <p>4 appropriations is 5.9 million.</p> <p>5 If we look at our funding sources for last</p> <p>6 year and we compare it to this year, State</p> <p>7 Appropriations only makes up 8 percent of our total</p> <p>8 budget, but it's a very important 8 percent.</p> <p>9 Revolving Funds make up -- support 58 percent</p> <p>10 of our operations, with Federal Funds supporting 24</p> <p>11 percent, and OSEE is 10 percent of Federal Funds.</p> <p>12 This year State Appropriations only support 7</p> <p>13 percent, our Revolving Fund will now support 55</p> <p>14 percent of our operations, Federal Funds 28 percent,</p> <p>15 and then OSEE again is 10 percent.</p> <p>16 I'm going to go through each division and</p> <p>17 give you a detail of their budget and also discuss</p> <p>18 some adjustments that we've had to make.</p> <p>19 As to the agency, Land Protection is the</p> <p>20 largest portion of 30 percent. And then we have</p> <p>21 Administrative Services and IT, 18 percent. Water</p> <p>22 Quality makes up 17 percent. Air Quality, 16 percent.</p> <p>23 And then Environmental Complaints and Local Services</p> <p>24 is 10 percent.</p> <p>25 Air Quality Division, we are budgeting \$13</p>
34	<p>1 \$789,000. The used Tire Recycling Fund, which is at</p> <p>2 the Tax Commission, but it's the funds we use, was</p> <p>3 reduced by a million dollars. And then also Revolving</p> <p>4 Fund was reduced by \$4 million. So as a result of all</p> <p>5 this, we have had to reduce our budget and take some</p> <p>6 actions in order to be able to maintain the operations</p> <p>7 of the agency as best we can.</p> <p>8 If we compare '16 budget, last year's budget,</p> <p>9 to '17 budget, which started July 1, we are down</p> <p>10 \$700,000. We have gotten additional Federal Funds,</p> <p>11 which has helped out, but the State Appropriations</p> <p>12 cannot be replaced with any of our Revolving Funds or</p> <p>13 some of the Federal Funds. We use State</p> <p>14 Appropriations only for those activities we don't have</p> <p>15 any fees to support it. So it's not a one-for-one.</p> <p>16 But in total we're down 700,000.</p> <p>17 And I'd like to mention, you probably heard</p> <p>18 about the 141 million surplus the state had. That</p> <p>19 does not affect DEQ, because we were funded out of</p> <p>20 special cash last year, although this year we're</p> <p>21 funded out of the General Revenue funds. So if we</p> <p>22 have a revenue failure, we're going to have further</p> <p>23 reductions in our State Appropriations. So it's</p> <p>24 something we're going to have to keep an eye on</p> <p>25 throughout the year and address as that comes up.</p>	36	<p>1 million in program fees with \$6 million coming from</p> <p>2 Title V Annual Operating Fees and 3 million in Tire</p> <p>3 Fees and then almost another 3 million in Non-Title V</p> <p>4 Annual Operating Fees.</p> <p>5 Along with the Revolving, the Program Fee</p> <p>6 Revenue, they have Federal Grants of about \$2.5</p> <p>7 million, which gives their total budget \$15.8 million.</p> <p>8 With their Air Division, their 12 million,</p> <p>9 they contribute 55 -- 551,000 for ECLS supporting the</p> <p>10 Air Projects. They contribute 147,000 to the Lab for</p> <p>11 Air Projects, and then 2.8 million is for Indirect</p> <p>12 Costs for administration. So right now we have a</p> <p>13 difference of 123,000, if all of our fees come in as</p> <p>14 we project. That would be the Air Quality.</p> <p>15 In comparing Air's budget last year to this</p> <p>16 year, it is 357,000 less. They -- last year they had</p> <p>17 to buy some equipment for an air quality station, so</p> <p>18 we won't be doing that this year. That's one of the</p> <p>19 larger differences.</p> <p>20 We go into Land, we're projecting about 13</p> <p>21 million in --</p> <p>22 MR. JOHN WENDLING: Excuse me. I have a</p> <p>23 question. Could you back up a slide, please?</p> <p>24 MS. KATHY AEBISCHER: Uh-huh.</p> <p>25 MR. JOHN WENDLING: Okay. So when I look at</p>

Environmental Quality Board 9/13/2016

<p style="text-align: right;">37</p> <p>1 this slide here and we go back several other slides 2 where we talked about state appropriations and 3 reduction of 700,000, I would imagine this is where 4 the reduction is coming in? 5 MS. KATHY AEBISCHER: Air does not get any 6 state appropriations. 7 MR. JOHN WENDLING: Okay. All right. 8 MS. KATHY AEBISCHER: So each division is 9 funded differently. And so our state appropriations 10 only supports three divisions. 11 MR. JOHN WENDLING: Okay. 12 MS. KATHY AEBISCHER: So, yeah. 13 MR. JOHN WENDLING: All right. That helps 14 for the moment. Thank you. 15 MS. KATHY AEBISCHER: Uh-huh. So the Land, 16 we're projecting 13 million, with the largest of Solid 17 Waste, 6.2 million. Fuels tax for the Armory 18 clean-ups is 2.4 million. 19 So their revenue sources; the Revolving Fund 20 of 13 million, Federal Grants, almost 11 million. 21 Hazard Waste Penalty Carryover, 419,000. Voluntary 22 Clean-up Projected Reserve is 252,000, and SE Commerce 23 Passive Project is 1.7 million, for a total of 26.6 24 projected revenue. 25 Their budget is 23 million. They support</p>	<p style="text-align: right;">39</p> <p>1 coming from Private Sewage. They have 2.4 in 2 Revolving Funds Project Fees or Program Fees, Federal 3 Grants of a little over 800,000, Federal Reserve of 4 232. Expected Carryover, 677,000. 5 MR. DANIEL BLANKENSHIP: I have a question. 6 MS. KATHY AEBISCHER: I'm sorry? 7 MR. DANIEL BLANKENSHIP: That's okay. When 8 we received this presentation a couple of years ago, 9 there was a revenue line item under ECLS entitled 10 Storm Water, which was about 400,000 in FY-15. I 11 didn't see that listed here. Has that changed or gone 12 somewhere else? 13 MS. KATHY AEBISCHER: It's part of the Water 14 Quality, the 1.2. 15 MR. DANIEL BLANKENSHIP: So it's in -- it's 16 incorporated. It's been incorporated into the funding 17 from the Water Quality Division? 18 MS. KATHY AEBISCHER: Yes. 19 MR. DANIEL BLANKENSHIP: Okay. Thank you. 20 MS. KATHY AEBISCHER: You're welcome. 21 In comparing ECLS's budget from '16 to '17, 22 since they are supported by State Appropriations and 23 that's -- it's impacted them in the lab mostly, 24 they've had to eliminate four positions. They were 25 vacant positions. That's why their budget, along with</p>
<p style="text-align: right;">38</p> <p>1 ECLS Land Activities of 1 million, the Lab Land 2 Activities of 516,000, and the Indirect Costs of a 3 little over 2 million. 4 So in comparing the Land, they do not receive 5 any state appropriations either. Their budget is 6 170,000 more than last year. It's because they 7 received more federal dollars than last year. 8 Any questions on Land? 9 The Water Quality Division, we're projecting 10 a little over 9 million in Program Fees Revenue; 11 Public Water Supply, 2.4 million; Industrial-Municipal 12 Discharge of 3 million; Storm Water, 1.7. So the 13 total of projected program fees of 9 million. 14 They have Federal Grants a little over 7 15 million, State Appropriations of 1.4, OpCert Projected 16 Reserve, 400,000, for a total of 18 million. 17 Their budget is 12.5 million. Their 18 supporting ECLS Water Activities are 1.2, Lab Water 19 Activities of 1.4, and Indirect Costs of 2.7. 20 In comparing Water Division last fiscal year 21 to this fiscal year, it is 200,000 more and that's 22 coming from federal dollars, too. 23 Any questions on Water? 24 The Environmental Complaints Division. We're 25 projecting total revenue to be 2.4, the majority of it</p>	<p style="text-align: right;">40</p> <p>1 other activities, their budget is a little over 2 600,000 less. They've also closed an office, so they 3 have staff covering a larger area and having to do 4 more inspections than before. 5 Any questions on ECLS? 6 On the Lab, we're projecting their fees from 7 Public Water Supply to be 1.2 million, Contract Fees 8 of 425,000, Lab Accreditation fees of 235, we have 9 some Grant Reimbursement of 241, and Private Water of 10 135,000 for a total of 2.2 million. 11 Their Total Expected Revenue from fees is 12 2.2, Federal Grants of 1.1 million, State 13 Appropriations is 1.7, NRDA is 2.8, Land Services is 14 516,000, Air Services of 147,000, Water, Public Water 15 Supply, of 1.4 million, Expected Carryover, 848,000. 16 Total projected revenue of 8.2. 17 Their budget is 6.8 million, and then they 18 pay 1.3 million in Indirect Costs. 19 The Lab is also heavily supported by State 20 Appropriations. In comparing their budget last year 21 to this year, it's a little over a million less. 22 The Lab has also had to not fill vacant 23 positions and leave some positions open a little 24 longer. They delayed some equipment purchases in 25 order to balance the budget this year.</p>

Environmental Quality Board 9/13/2016

<p style="text-align: right;">41</p> <p>1 MR. SHANNON FERRELL: On that point and 2 actually looking at the previously-discussed revisions 3 as well, that line item of Lab Equipment has been one 4 of the down items across all of those divisions. Is 5 that something that's been focused primarily on not 6 purchasing replacement equipment or not maintaining 7 things like service agreements? 8 I guess my underlying question is how has 9 that been affecting laboratory services for all of the 10 divisions? 11 MS. KATHY AEBISCHER: I'll let Chris answer 12 that, because it's a programmatic question. 13 MR. CHRIS ARMSTRONG: If I understand your 14 question correctly, we've been able to continue to 15 provide services. The last two to three years we've 16 been very lucky in being able to replace a lot of 17 equipment. So, okay, this year we will not be 18 replacing any equipment. And that's how -- that's how 19 we will cope with this. 20 We've been pretty good at being able to 21 maintain a spreadsheet that indicates the economic 22 life span of all instrumentations by technology. And 23 we use that as a tool for, I wrote down, 25 percent of 24 purchasing by specs that are within their life span. 25 We need to focus on, the next time we have the monies,</p>	<p style="text-align: right;">43</p> <p>1 MR. DANIEL BLANKENSHIP: Because that's 2 something that we can't anticipate for a future year? 3 MS. KATHY AEBISCHER: Correct. It's going to 4 have to be -- we have a lot of cautions. We are 5 looking at operations ongoingly trying to reduce the 6 costs, because we know in future years we're not going 7 to have those funds. And we also have the risk of 8 additional appropriations being cut with any revenue 9 failures that may happen. 10 So, yes, that's one-time funds we're not 11 expecting to get. So if we continue to get cut, we're 12 going to have to make some really hard decisions for 13 next fiscal year. 14 MR. DANIEL BLANKENSHIP: Right. Because 15 that's going to be 1.7 million out of the \$13.4 16 million budget. That's a pretty big hit for, like you 17 said, Fiscal Year '18. 18 MS. KATHY AEBISCHER: Yes. 19 MR. STEVE MASON: So Kathy, on the Hugo 20 million dollars again, was that million dollars gone 21 because the legislature took it? 22 MS. KATHY AEBISCHER: Some of it was. We 23 had -- the problem with the revolving and with them 24 just looking at cash, they look at the cash balance. 25 But with everyone's like checking account, you have</p>
<p style="text-align: right;">42</p> <p>1 purchasing an instrument like that. 2 And as far as affecting other services, we 3 have not had a dramatic effect on the services that we 4 provide the other divisions at this point in time. 5 MR. SHANNON FERRELL: That does it for 6 awhile. And we've talked about this in previous work 7 meetings as well where we're doing a lot of eating 8 into our equity with respect to our technology and 9 equipment, which, in the Lab services, has been doing 10 a great job of maintaining the level of service 11 despite that. But we can only eat up equity for so 12 while -- for so long. So I just want to make sure 13 that we're making a note of that sacrifice those 14 divisions are making. 15 MS. KATHY AEBISCHER: In Administrative 16 Services and Information Technology, the divisional 17 funds for IDC, indirect costs, from all funding 18 sources is 10.9 million. We also receive Accounting 19 Fees for OSEE for doing their accounting of 20,000. 20 Clean Vessels and Pollution Prevention Grants of 21 376,000. Penalty Fees of 400,000. One Time Funds of 22 1.7. 23 MR. DANIEL BLANKENSHIP: Can you elaborate on 24 that? One Time, what's the source of that? 25 MS. KATHY AEBISCHER: Hugo, a settlement.</p>	<p style="text-align: right;">44</p> <p>1 commitments, you have outstanding invoices, you have 2 purchase orders. So there was more than 4 million in 3 there, but, you know, we had more commitments. 4 So we've had to cancel some contracts that we 5 had that didn't start and they didn't incur costs. 6 But some of it's eating into this year's revenue 7 coming in, because we've already committed those 8 funds. 9 We produce encumbrance reports listing out 10 all the purchase orders we have, with who they're with 11 and the impact, what project, communicating to the 12 legislators that these funds are committed. Because 13 the cash is sitting there doesn't mean that we 14 haven't -- we don't, you know, we don't need it. So 15 those are the -- 16 MR. STEVE MASON: Okay. So now I'm confused. 17 MS. KATHY AEBISCHER: Yeah. It's very 18 complicated. 19 MR. STEVE MASON: No, I'm confused now. 20 Going back to Skylar's article and Scott's comments 21 earlier, I thought I heard you say the million was 22 gone and now we're saying it's there? 23 MR. SCOTT THOMPSON: Well, here's the deal. 24 All right. What she's talking about is at the end of 25 the session when they start dealing with the budget,</p>

Environmental Quality Board 9/13/2016

<p style="text-align: right;">45</p> <p>1 they don't identify which dollars they take. They 2 look at our cash balance, they don't look at our 3 encumbrances. For the last two years – they used to 4 care about encumbrances. For the last two years they 5 have not worried anything about encumbrances. In 6 fact, the previous two sessions before the last one, 7 they simply looked at what your minimum daily balance 8 was in your account and that's what they took without 9 regard to consequences. 10 So this time we showed them on paper what we 11 expected to have at the end of the year. And, of 12 course, you're having to project, because you're doing 13 this in late April, early May, sometimes even late 14 May, trying to work with them to show them here's 15 where we are cash-wise, here is our encumbrances, 16 these are the bills we have pay out of this year's 17 money. And some of the bills may not come in and be 18 payable until July and August. And so, we believe we, 19 you know, could give up a million, two at the outside 20 in terms of cash, they took four. 21 So some of these checks come rolling in and 22 they sit in the account, the clearing account for 30 23 days, whatever. So the tracking of the money is kind 24 of a virtual thing as to where the money came from. 25 But in terms of the way the legislature looks at that,</p>	<p style="text-align: right;">47</p> <p>1 of – 2 MS. KATHY AEBISCHER: Yes. We have some 3 federal grants that are one time. 4 MR. STEVE MASON: Are we already in the hole 5 because that 1.7 is really 700,000, because the 6 million is gone? 7 MS. KATHY AEBISCHER: Well, we're projecting 8 revenue we haven't gotten. 9 MR. STEVE MASON: Yeah. 10 MS. KATHY AEBISCHER: So – 11 MR. STEVE MASON: Well, I guess I'm returning 12 to your earlier comment when you said that 1.7 had the 13 Hugo money in it. 14 MS. KATHY AEBISCHER: Well, some of it is or, 15 you know, it's what's -- what's needed to fill the 16 gap. It's the amount that was left over after they 17 swept. And our priority was pay those that we've 18 already committed to that they're in the middle of a 19 project, because they're local businesses. And then 20 we cancelled contracts that hadn't started yet. And 21 then we had to fill the gap that was left with the 22 four million taken. 23 The 13 million is all projections. There is 24 a possibility that there is some revenue sources that 25 come in under. And that's something we monitor on a</p>
<p style="text-align: right;">46</p> <p>1 they don't take responsibility to identify which money 2 they're taking, unless it's only out of a specific 3 account. 4 MR. STEVE MASON: I understand what you're 5 saying. The legislature takes money, they don't take 6 specific projects. 7 So returning to the City of Hugo article 8 where the city manager says the million dollars is 9 gone and you can't help me any more, was that a true 10 statement? Is the money gone to help the small town 11 drinking water? 12 MR. SCOTT THOMPSON: Yeah. We basically had 13 to use it for our budget to support the agency. So 14 it's spoken for. Exactly how that cash -- when that 15 check got cashed and when it got in the bank, et 16 cetera, in essence, yeah, it's gone. It's absorbed 17 into the budget for the agency because we don't have 18 the cushion to be able to use it for those local 19 projects like we would like to. 20 MR. DANIEL BLANKENSHIP: What was the total 21 amount on that total settlement? 22 MS. KATHY AEBISCHER: 965,000. Something 23 like that. 24 MR. DANIEL BLANKENSHIP: So then there must 25 be in this one-time fund, there is another \$750,000</p>	<p style="text-align: right;">48</p> <p>1 monthly basis. So if we're seeing after a quarter 2 we're really behind, we either cut costs or we don't 3 undertake something that, you know, we needed to do. 4 MR. STEVE MASON: I understand. Thank you. 5 MS. KATHY AEBISCHER: You're welcome. Any 6 other questions? 7 MR. SHANNON FERRELL: That actually went to 8 the question that I had. I knew that we always try to 9 prepare the budget with the best information that we 10 have available. I had seen, looking over the past few 11 years, a sweep of your revolving funds has almost got 12 to be standard procedure. 13 So is that something that you handle on a 14 division-by-division basis, in that each division 15 says, okay, if we have a sweep of our revolving 16 funding, here are our contingency plans as to how 17 we'll readjust that budget? Or is that something 18 that's done on the agency level? 19 MS. KATHY AEBISCHER: It is done by division. 20 Not every dollar is equal. So that's what makes it 21 even more complicated, because there are some 22 divisions that have been hit harder than others. And 23 if a revenue source didn't come in as expected, we 24 could have already spent that because the project 25 started and completed. So we have to adjust, you</p>

Environmental Quality Board 9/13/2016

49	<p>1 know. We have to adjust what came in and then have to</p> <p>2 pay it back with other revenue. And then the next</p> <p>3 year's budget we would adjust down to, you know,</p> <p>4 last – that's why we need a little cushion, is so</p> <p>5 that we can –</p> <p>6 There is so many restrictions with the fees.</p> <p>7 There is like 36 fees. And they can only be used for</p> <p>8 certain purposes. They don't come in equally</p> <p>9 throughout the year. We've now had to change the way</p> <p>10 we do projects and try to do them up front so that</p> <p>11 when they start looking at the money in February we're</p> <p>12 in a good spot.</p> <p>13 But this, you know – so if there's a delay</p> <p>14 in a project, like happens a lot when you're doing</p> <p>15 projects, then they may have left some money on the</p> <p>16 table that's going to be pushed to the next year and</p> <p>17 it looks like, you know, there's money there, but</p> <p>18 we've committed it.</p> <p>19 So it gets very tough to manage through these</p> <p>20 when you have projects that have money tied to them</p> <p>21 and try to balance out what actually came in and what</p> <p>22 was spent, if that makes sense.</p> <p>23 MR. DANIEL BLANKENSHIP: I have got a</p> <p>24 question. Where you're kind of talking about revenues</p> <p>25 and projected revenues, on slide number 3 it had a</p>	51	<p>1 possibility that there was some carryover in the 49</p> <p>2 million that wasn't available for the 46? Is that –</p> <p>3 MS. KATHY AEBISCHER: Yes.</p> <p>4 MR. DANIEL BLANKENSHIP: Okay.</p> <p>5 MS. KATHY AEBISCHER: There will always be</p> <p>6 some, because you're not going to zero out totally.</p> <p>7 MR. DANIEL BLANKENSHIP: Okay.</p> <p>8 MS. KATHY AEBISCHER: And you know, we may</p> <p>9 plan for that. If a project -- because you start a</p> <p>10 project and it's kind of low cost, and we commit that</p> <p>11 money on the purchase order and we try to keep it in</p> <p>12 the account so that it's available to pay to the</p> <p>13 contractor. So there may be a delay.</p> <p>14 MR. DANIEL BLANKENSHIP: Right.</p> <p>15 MS. KATHY AEBISCHER: And then it goes into</p> <p>16 the next year.</p> <p>17 MR. DANIEL BLANKENSHIP: Okay. So is it --</p> <p>18 would it be fair to say that our actual or our</p> <p>19 projected fee and penalty collections from FY-16 to</p> <p>20 FY-17, are they approximately the same or do we</p> <p>21 anticipate that there is an increase in fees and</p> <p>22 penalties?</p> <p>23 MS. KATHY AEBISCHER: It's been pretty</p> <p>24 level.</p> <p>25 MR. DANIEL BLANKENSHIP: Okay.</p>
50	<p>1 comparison between Fiscal Year '16 and Fiscal Year '17</p> <p>2 budgets. On the Revolving Fund, which I understand to</p> <p>3 be fees and penalties primarily, is that correct?</p> <p>4 MS. KATHY AEBISCHER: Yes.</p> <p>5 MR. DANIEL BLANKENSHIP: We're showing a</p> <p>6 reduction of \$2.9 million. What is – can you share</p> <p>7 some details about why we're projecting almost \$3</p> <p>8 million less? Were the actual collections in FY-16</p> <p>9 lower than what is projected? Is that what's driving</p> <p>10 the lower projection in '17? Or what exactly is</p> <p>11 driving that?</p> <p>12 MS. KATHY AEBISCHER: It's a combination of</p> <p>13 being swept four million and then we may spend more or</p> <p>14 less than what we collected because of the type of</p> <p>15 project and where it's at at that time.</p> <p>16 MR. DANIEL BLANKENSHIP: But this is, if I</p> <p>17 understand this correctly, this is a projection of</p> <p>18 revenues?</p> <p>19 MS. KATHY AEBISCHER: Yes, and some</p> <p>20 carryover.</p> <p>21 MR. DANIEL BLANKENSHIP: Okay. So is it</p> <p>22 possible –</p> <p>23 MS. KATHY AEBISCHER: Whatever is left in</p> <p>24 there that wasn't –</p> <p>25 MR. DANIEL BLANKENSHIP: Okay. So is there a</p>	52	<p>1 MS. KATHY AEBISCHER: We collect about 41</p> <p>2 million.</p> <p>3 MR. DANIEL BLANKENSHIP: Okay.</p> <p>4 MS. KATHY AEBISCHER: 41, 42 is what it's</p> <p>5 been over the last four years.</p> <p>6 MR. DANIEL BLANKENSHIP: Okay. Okay. Thank</p> <p>7 you. Well, certainly understanding that there is a</p> <p>8 carryover, because when I first looked at that I was</p> <p>9 just looking at it as the projected revenue --</p> <p>10 MS. KATHY AEBISCHER: What we had received?</p> <p>11 Yes.</p> <p>12 MR. DANIEL BLANKENSHIP: What you actually</p> <p>13 were projecting to receive in that fiscal year for</p> <p>14 fees and penalties. So knowing that there's</p> <p>15 additional and that carryover is there is helpful.</p> <p>16 What about on the federal funds where it's</p> <p>17 indicated that we've got about two and a half million</p> <p>18 dollars more in federal funds? Do you have any</p> <p>19 specific information about where -- what those are?</p> <p>20 MS. KATHY AEBISCHER: Water received</p> <p>21 additional federal funds and Land. Specific --</p> <p>22 additional funds for Superfund projects for Land.</p> <p>23 MR. DANIEL BLANKENSHIP: Okay. Okay. Okay.</p> <p>24 And then one other question. OSEE, can you help me</p> <p>25 out with OSEE?</p>

Environmental Quality Board 9/13/2016

<p style="text-align: right;">53</p> <p>1 MS. KATHY AEBISCHER: Office of State 2 Environmental – 3 MR. SCOTT THOMPSON: That's actually Tyler 4 back there waving. 5 MR. TYLER POWELL: You all do our accounting 6 for our federal funds. 7 MS. KATHY AEBISCHER: They are a tough 8 customer. 9 MR. DANIEL BLANKENSHIP: So are those federal 10 funds that are then coming, I guess, funneled through 11 the Environmental and Energy Secretary's Office? 12 MR. TYLER POWELL: Those are federal funds 13 our office receives. We're the recipient of all 14 federal Clean Water Act funds for the state. The DEQ 15 receives a portion of those, along with the State 16 Department of Ag, the Conservation Commission, the 17 Water Resources Board and a couple of other smaller 18 entities. You all just do the accounting for us. 19 That's why there is the \$20,000 accounting charge on 20 OSEE. 21 MR. DANIEL BLANKENSHIP: Okay. Okay. So 22 those -- but those are -- Okay. Okay. Thank you very 23 much. 24 MS. KATHY AEBISCHER: Yeah. They were rolled 25 into our budget a few years back and then we just do</p>	<p style="text-align: right;">55</p> <p>1 pretty close right now. So if we take any more major 2 hits or if they take more cash than we have, we're 3 going to have some serious problems in the next round. 4 We also are looking at, you know, if we can 5 hold steady here, what we're really looking at is not 6 being able to take on new federal programs or to 7 support lawsuits that are necessary to preserve 8 Oklahoma basically. But we're in danger of having to 9 allow EPA to operate programs. 10 I don't know if -- you know, when they have 11 done that with the last couple of rules that we didn't 12 take early, they just created a mess. They create, 13 you know, thousands of, you know, fees, many of which 14 are not real, not valid violations, because they don't 15 know how to use their own systems. And then they hand 16 it over to us and we have to go clean it up. 17 And so we're trying to deal with that on some 18 of the disinfection byproducts and coliform stuff that 19 we're trying to clear up the mess that was left to us 20 when they handed us that program. 21 So but many of the things that are teed up 22 that could have really adverse impacts in terms of any 23 new requirements, et cetera, that we have to either 24 take or let EPA deal with, some of those things have 25 been delayed by court actions, et cetera.</p>
<p style="text-align: right;">54</p> <p>1 all of their accounting for them in the budget. 2 MR. DANIEL BLANKENSHIP: Okay. I think that 3 covers it. Thank you very much. And thank you very 4 much for the detailed report. I very much appreciate 5 the information. 6 MR. JAMES KINDER: I have got a question 7 maybe for Scott. Stepping back from all of this, 8 we're getting down in pretty deep into things. 9 Can you tell me about what divisions that 10 you're thinking are going to be most adversely 11 impacted by these revenue shortages? And I understand 12 lab services could be one of them. And then maybe if 13 you kind of just talk a little bit what are we going 14 to do to try to mitigate that. 15 MR. SCOTT THOMPSON: Right. Well, primarily 16 the appropriated dollars supported the Lab and 17 Environmental Complaints and Local Services and the 18 Water Quality Division. And so those cuts in 19 appropriated dollars that are every year, those 20 reductions are huge in terms of running those 21 programs, because we can't just take Air money and 22 spend it over there and fill that gap, you know. 23 And we have to manage to take one-time money 24 here and there or whatever to sort of stave off too 25 drastic of an action. But we're running on empty</p>	<p style="text-align: right;">56</p> <p>1 So it's very difficult for us to -- we're 2 always trying to predict and we have got to be ready 3 to deal and take on this program or do a -- try to do 4 analysis that has been required and set up our lab to 5 be prepared to at least accredit other laboratories to 6 be able to do those types of analyses for cities or 7 rural water districts or whoever has to comply. 8 But if we don't have the funding to do that, 9 be prepared in advance, it's going to make it very 10 difficult for people in Oklahoma to comply and get 11 your samples run somewhere. Especially if we can't do 12 it or we don't have the ability to accredit all that. 13 You know, some of them could be accredited out of 14 state, but it's -- it's just a -- it's really hard to 15 predict exactly when those dominos are going to fall. 16 But we're looking at there's not really any extra 17 left. We're down to the bone pretty much. 18 So the impacts are most likely going to be 19 the water programs. But it could happen to any 20 program, depending on how funding sources go or other 21 actions the legislature decides to take. Could be our 22 clean-up programs, could be some of the other 23 regulatory stuff. 24 But, you know, I don't think we're in danger 25 in the Air in the immediate future unless, again, they</p>

Environmental Quality Board 9/13/2016

<p style="text-align: right;">57</p> <p>1 change the way our funding sources work. But Water is 2 really a big deal. And of course that affects the 3 entire state and thousands of systems or hundreds of 4 systems that have to try to stay in compliance and 5 it's quite a challenge. 6 MR. JAMES KINDER: Thank you. 7 MR. STEVE MASON: So I'm going to follow up 8 what James was saying with drilling down a little bit 9 into the lab. This goes to Chris or Scott. 10 In this lab, since we've got a bunch of 11 Band-Aids on equipment, how close are we to the day 12 that a Band-Aid falls off, a piece of equipment 13 breaks, a municipality shows up with a sample of water 14 for us to test, and we go, oops, we can't help you and 15 there's no place for them to go. I mean, if the 16 equipment is gone, it's gone. If we're missing a 17 staff member, we still kind of operate. 18 MR. CHRIS ARMSTRONG: I think that next 19 budget period will kind of set a point in the sand for 20 what happens with the ECLS. Like I mentioned earlier, 21 we were lucky in that prior to these dramatic cuts 22 that we were able to replace much of this 23 instrumentation. We've got instrumentation that's at 24 the end of its economic life span now. So I think 25 we're -- we can weather for two to three years</p>	<p style="text-align: right;">59</p> <p>1 revenue source summary page, on several of those items 2 where you identify the revolving fund you show "if 100 3 percent received." Do we ever receive less than 100 4 percent? 5 MS. KATHY AEBISCHER: Yes. 6 MR. JOHN WENDLING: Okay. So -- 7 MS. KATHY AEBISCHER: Sometimes we're lucky 8 and we'll receive a little more in one fee than 9 another. But, yeah, there is some fees that do come 10 under. 11 MR. JOHN WENDLING: So I was just wondering 12 if you have overstated the budget. If it's really not 13 a -- if you really never get to 100 percent, that 14 \$46.4 million, it sounds like 41 or 2 million, 15 whatever that number is that you have coming in, there 16 is some percentage of risk there. And then, on top of 17 that, you have risk associated with what might be 18 carried over into that account. 19 So anyway, I was just curious about how much 20 room you had with that 46 million. And it sounds like 21 there is quite a bit -- 22 MS. KATHY AEBISCHER: I feel very 23 comfortable. But, like I said, with some of these 24 revenue sources it's hard to predict, because 25 economics, like construction slows down and it may</p>
<p style="text-align: right;">58</p> <p>1 possibly. 2 As far as what Scott mentioned with the 3 implementation of new methodology or new technologies, 4 those are monies that we have to have up front. If 5 the agency is really tight on money, the lab is really 6 tight on money, then we can't implement those new 7 technologies or those new methods, whatever the feds 8 dream up that they want us to test next. 9 Now in all truthfulness, we have other 10 laboratories that we can accredit for some of those 11 things. It just depends on what the technologies are 12 and what the specifics of the rules as they are 13 implemented. 14 So we are probably good for a couple of 15 years. But right -- I mean, but, you know, right now 16 if I look at something like Rad instrumentation, we've 17 got two \$90,000 gross alpha/beta proportional 18 counters. One of those is at its economic life span's 19 end now. So we have to start to look at reality on 20 how -- how we go ahead and cope with that. And that's 21 just an example. 22 MR. STEVE MASON: Thank you. 23 MR. JOHN WENDLING: This is John Wendling. I 24 had a question for Kathy. 25 On your divisional break down, you, on the</p>	<p style="text-align: right;">60</p> <p>1 take a few months. But we're pretty conservative in 2 our estimates. And then we meet monthly and, if we 3 see that we're really short, the division director 4 makes a decision on what they're going to cut. 5 So I feel comfortable. Of course we know the 6 state appropriations, you know, we're hoping there is 7 no revenue failures. But we know there is a 8 possibility. So this is the best that we knew at that 9 time. 10 And but we do meet monthly with the divisions 11 and we go over where we're at at that point. And if 12 we feel we need to adjust, then we do. And we do it 13 through -- if there's a vacancy, they may hold it 14 longer, they may not fill it. 15 So those strategies, we've talked about 16 things that -- like computer replacement. Even though 17 we're on a schedule, that is one of the things that we 18 decided that we just won't do this year. We're trying 19 to maintain service. That's our priority. And we'll 20 cut everything else as much as we can. 21 MR. JOHN WENDLING: All right. Thank you. 22 MS. KATHY AEBISCHER: Any other questions? 23 MR. JAMES KINDER: I have one more question. 24 James Kinder. 25 We've seen some attrition out in the field</p>

Environmental Quality Board 9/13/2016

61	<p>1 from the field staff. And can you just talk to us 2 about where we are out in the field with these 3 satellite offices across the state? 4 MS. KATHY AEBISCHER: Well, I'm going to let 5 ECLS, because I think -- yeah. 6 MR. DAVID FREEDE: Okay. David Freede. 7 Yeah, we're stretched pretty thin out in the 8 field. And Kathy mentioned the four positions that 9 were vacant that we're not going to fill. Well, they 10 were vacant because we were waiting to see if money 11 came in. And really we really needed those positions, 12 so we're pretty thin. We have people traveling a lot 13 further, it's a lot more windshield time and a lot 14 less, you know, one-on-one time with our constituents. 15 MR. JAMES KINDER: Thank you. 16 MS. KATHY AEBISCHER: And there was a lot of 17 retirements. So not only is ECLS dealing with vacant 18 positions, they have got a lot of tenured people that 19 had -- with a lot of knowledge leaving and some young 20 ones coming in. So it's compounding. Limited staff 21 and then, you know, their long-time staff are 22 retiring. 23 CHAIRMAN JAN KUNZE: You mentioned an office 24 closing. Which office closed? 25 MR. DAVID FREEDE: Claremore.</p>	63
62	<p>1 MS. KATHY AEBISCHER: Claremore. 2 MR. DAVID FREEDE: They're coming out of 3 Tulsa now. 4 CHAIRMAN JAN KUNZE: Thank you. 5 I might like to offer, would everyone like to 6 take five minutes and we'll get back and dive into the 7 Employee Survey? 8 MORNING BREAK - 11.03 a.m. 9 (A morning break was taken, after which the 10 following occurred) 11 MEETING RECALLED TO ORDER - 11.15 a.m. 12 CHAIRMAN JAN KUNZE: I'll call us back to 13 order. 14 And I do want to mention that, at the closing 15 of our formal meeting, we will have an opportunity for 16 a public forum. If anybody wants to sign up at the 17 back table, there will be a slip to do that. 18 And with that, I'm going to move on to Item 19 Number 6, which Saba is at the podium. It's the 20 Employee Survey. 21 Quick reminder. At the end of the year last 22 year the Board spoke with Scott and we did 23 specifically request, after Scott had had a chance to 24 be in the Executive Director's chair for a couple of 25 years, we asked that the agency conduct a survey, kind</p>	64
	<p>1 of see how we're doing and see how the things stack 2 up. And I'm going to turn it to over to Saba to give 3 us that update. 4 MR. SABA TAHMASSEBI: Thank you. Folks, it 5 is my pleasure to share the results of the survey with 6 you. 7 We -- when DEQ had its new direction and new 8 management, in 2004 (sic.) we did a survey and exactly 9 two years after that -- 2014, and exactly two years 10 after that, in 2016, we did the updated survey as Jan 11 just talked about. 12 And then some of the questions, we had seven 13 anchored questions that appeared both in 2014 and 14 2016, which gives us a very good indication of how the 15 agency has been doing in the past two years. 16 We formed a team that comprised of five 17 different representatives from five different 18 divisions at DEQ. We worked on the questions. We did 19 meet with OMES and did seek their input on the 20 questions. And then tested the questions on a group 21 of 12 DEQ employees, who were a representative sample 22 of the entire population of DEQ, and tested the 23 questions on them just to make sure that what we were 24 asking is what they understood that we were asking. 25 And based on that feedback, then clarified some of the</p>	

Environmental Quality Board 9/13/2016

<p style="text-align: right;">65</p> <p>1 "My experience with other divisions within 2 DEQ has been positive." Although the responses here 3 were generally positive, there is some room for 4 improvement. 5 This question was actually inspired by Ms. 6 Kunze. "I am encouraged to provide assistance to my 7 counterparts in other divisions, and I am encouraged 8 to ask for assistance from other divisions." 9 The idea was that how are the resources of 10 different divisions shared with the other divisions, 11 and here you see the responses. 12 "I am satisfied with the flow of information 13 from my managers." 14 "I am kept well-informed of the plans and 15 progress of the agency as it relates to DEQ's mission 16 and goals." Here we were trying to gauge to see how 17 connected people were with how this ship of DEQ is 18 navigating. 19 "My job benefits the environment and people 20 of Oklahoma in a meaningful way." Very, very positive 21 response here. 22 "My efforts at DEQ are appreciated and 23 recognized." Again, a positive response with some 24 room for improvement. 25 "I am satisfied with my possibilities for</p>	<p style="text-align: right;">67</p> <p>1 of how DEQ employees are plugged into their mission of 2 protecting public health and environment. 3 Fifty-five of the responses specifically were 4 about what people do. And this is what -- that's the 5 favorite thing about DEQ is protecting public health 6 and environment and making a difference. 7 The work, flexibility. General positive 8 statements and sentiments about DEQ. We have, you 9 know, good parking. I'm not going to talk about 10 parking, but this has some history. We have gym. You 11 know, good benefits. 12 And three of the responses were not 13 analyzable. They were like, Why are you asking me 14 this question, something like that. 15 Question 15, "List specific suggestions (up 16 to three) that would make DEQ a better place to work." 17 And we cut this question three different ways. One 18 was to create some general categories and then the 19 other one was to list the bundle of comments in order 20 of decreasing frequency. And the other one was to 21 introduce just general categories where comments -- 22 comments fell into. 23 And these are several hundred, maybe even 24 more than a thousand, comments with three questions 25 and one of them has three parts that they went</p>
<p style="text-align: right;">66</p> <p>1 future advancement and promotion at DEQ." 2 And, "Salary is fair for my 3 responsibilities." These are all anchored questions. 4 You will then see how responses have changed from 2014 5 in a second. 6 "I am motivated by my manager." 7 And then we have a list of open-ended 8 questions which are going to follow. Let me just go 9 down here to the list. 10 You know, manager and staff, 23.4 percent of 11 the respondents were managers, whereas, at the time of 12 the survey, 21.3 percent of DEQ employees are 13 managers. So I think it's a bit heavy on managers, 14 the survey, but not to the extent that it would affect 15 the survey results significantly. 16 And this is the distribution of folks of 17 different divisions who participated in the survey. 18 And there is no statistical difference, significant 19 difference, between this distribution and the 20 distribution of employees at DEQ, the division 21 distribution of the DEQ. 22 So the open-ended questions. "What is your 23 favorite thing about DEQ?" And 85 of the responses 24 were about co-workers and teamwork. And then it's 25 really just looking at this, I was filled with pride</p>	<p style="text-align: right;">68</p> <p>1 through. It was fun to do, but it was also very 2 difficult to do that. I mean, we anticipate hoping 3 that somebody will come up with a software that will 4 do this for you, but we are not there yet. 5 The general category, administrative, pay, 6 longevity pay, pay for performance. That was 31 7 percent -- 31 comments on that. Better management, 8 managers lacking timely follow through, consistency, 9 and all of that. Some of the comments I didn't really 10 understand. That "management practices according to 11 modern standards." So there were 13 comments about 12 managers and management. 13 Comments about -- 11 comments about 14 opportunities for promotions. Recognition of 15 employees. Fulltime IT Staff and so forth. You have 16 a list of all of these in your packet. 17 The second category on communications, better 18 communication between divisions, breaking down silos. 19 That was 23 comments. Better working relationships 20 and communication with co-workers within the division, 21 and so forth. 22 Concerns, 16 concerns about favoritism, 23 preferential treatment, transparency in promotions, 24 preselection -- I would say that perception of 25 preselection -- and inner circle. Managers protecting</p>

Environmental Quality Board 9/13/2016

<p style="text-align: right;">69</p> <p>1 managers and so forth.</p> <p>2 The next category is training. Cross</p> <p>3 training across divisions, more hands-on</p> <p>4 training, more training opportunities, including</p> <p>5 advanced technical training and so forth.</p> <p>6 Physical things. New parking garage, better</p> <p>7 climate control, down to like someone wanted a</p> <p>8 relaxation station. If you ever build one, I'm going</p> <p>9 to go there and I'm not leaving. I'm just staying</p> <p>10 there until the day is over.</p> <p>11 Work. More focus on enforcement/uniform</p> <p>12 enforcement.</p> <p>13 Other suggestions, having social events and</p> <p>14 so forth.</p> <p>15 And then now these are the list of the same</p> <p>16 comments in decreasing order of frequency just to see</p> <p>17 what people think in order. And then we have the --</p> <p>18 just the categories. Thirty-three comments are about</p> <p>19 compensation, 24 about interdivisional</p> <p>20 communication/interactions. Twenty-one comments about</p> <p>21 managers and so forth.</p> <p>22 And then, "If you would tell our Executive</p> <p>23 Director one thing, what would it be?" And I know</p> <p>24 that Scott tells me that in my presentation I can use</p> <p>25 his name only once. He wants me to just talk about</p>	<p style="text-align: right;">71</p> <p>1 extent than staff do.</p> <p>2 Here, "Opportunity at work to learn and</p> <p>3 grow," again you see the distribution of both staff</p> <p>4 and for managers. Here there was no difference</p> <p>5 between the distribution of responses.</p> <p>6 "Encouraged to think of new ways of solving</p> <p>7 problems." Again here there was a significant</p> <p>8 difference between staff and managers. Managers</p> <p>9 thought that they were encouraged to think of new ways</p> <p>10 of solving problems to a greater extent than staff</p> <p>11 did.</p> <p>12 "Section working well together," there is no</p> <p>13 difference.</p> <p>14 "Experience with other divisions has been</p> <p>15 positive," there was no difference.</p> <p>16 "Providing assistance to counterparts and</p> <p>17 also asking for assistance," here there was no</p> <p>18 difference.</p> <p>19 "Flow of information from managers," no</p> <p>20 difference. So this is kind of interesting, because</p> <p>21 we identified that we need to work on the flow of</p> <p>22 information from managers to staff, but then managers</p> <p>23 also think that they are not getting adequate</p> <p>24 information or they need to improve communications</p> <p>25 with -- from their managers. So this is something</p>
<p style="text-align: right;">70</p> <p>1 DEQ and not him. But here it is quite obvious that he</p> <p>2 is very popular at DEQ and there are very kind</p> <p>3 sentiments of well, well wishes for Scott. Sixty-one</p> <p>4 comments were just wishing him well and thanking him.</p> <p>5 And then 21 percent did thank him for the raises that</p> <p>6 they got and for him being an advocate for the staff,</p> <p>7 open-door policy and so forth.</p> <p>8 And then some of the comments they want our</p> <p>9 director -- see, I can't even say Scott any more --</p> <p>10 they wanted our Executive Director to improve on</p> <p>11 favoritism, more transparent career progression, also</p> <p>12 for him to communicate more with staff and so forth.</p> <p>13 Some of the things that people wanted him to</p> <p>14 do. Some people have some advise for him. And some</p> <p>15 people have some things for him to -- just for him to</p> <p>16 consider.</p> <p>17 And we were interested in knowing how</p> <p>18 managers and staff, if their responses differed. And</p> <p>19 like here, "My work, my opinion counts. I am asked</p> <p>20 for my input to help make decisions," the purple</p> <p>21 represents manager responses and the blue is staff</p> <p>22 responses. And we had a statistical analysis on all</p> <p>23 of these questions. And here there was a significant</p> <p>24 difference between manager responses and staff.</p> <p>25 Managers feel that their opinion counts to a greater</p>	<p style="text-align: right;">72</p> <p>1 systematic that we need to improve at DEQ and we're</p> <p>2 working on it.</p> <p>3 "Being kept well-informed of the plans and</p> <p>4 progress of the agency," there was no difference</p> <p>5 between the two distributions.</p> <p>6 "My job benefits the environment and people</p> <p>7 of Oklahoma." Again, there was no difference.</p> <p>8 See how positive this is? I mean, as someone</p> <p>9 who works at DEQ, I love this graph. Just look at it.</p> <p>10 I mean, "My job benefits the environment and people of</p> <p>11 Oklahoma." Boom, boom, strongly agree, I agree. A</p> <p>12 little bit of neutral. And those are folks who were</p> <p>13 mostly in administrative-type services. And then look</p> <p>14 at the disagree and strongly disagree. These people</p> <p>15 really believe in what they do. And this is really,</p> <p>16 really wonderful.</p> <p>17 "Being appreciated and recognized." There</p> <p>18 was no difference.</p> <p>19 "Satisfied with my possibilities for future</p> <p>20 advancement and promotions at DEQ." Interestingly</p> <p>21 enough, there was a difference between manager and</p> <p>22 staff responses. And managers think that, yeah, this</p> <p>23 is -- they are more satisfied with their opportunities</p> <p>24 for advancement compared to staff.</p> <p>25 And when it comes to salary being fair,</p>

Environmental Quality Board 9/13/2016

<p style="text-align: right;">73</p> <p>1 managers feel like their salary is more fair than 2 staff do. 3 "Motivated by manager," same, no difference. 4 And this is just a distribution across divisions of 5 managers and staff. 6 So now let's look at this. Let me make this 7 a little bit smaller here. Right there. 8 Now these are the stacked responses. The 9 blue represents the strongly agree responses, followed 10 by red which was agree and so forth. The number at 11 the right is the weighted average of the responses. 12 So here we have ranked the questions in order of 13 employee satisfaction. 14 For example – actually it is not an example. 15 This is, "The job benefits the environment and people 16 of Oklahoma." This question generated the highest 17 level of employee satisfaction. And this is a 4.3 on 18 a scale of 1 to 5. 19 The next category of satisfaction is the 20 section, "Works well together." That is 4.1. The 21 next is, "Opportunity to learn and grow." This is a 22 4. If you want to convert this to like a college 23 course grade, the top one, 3.3, is a B plus. And then 24 the bottom one, the 3.1, is between C and C plus. So 25 the responses varied from, you know, between C and C</p>	<p style="text-align: right;">75</p> <p>1 comparison of the responses, there is overwhelming 2 evidence that at 2016 you're doing better than we did 3 in 2014. And when you run an analysis with each of 4 the categories, there is, again, overwhelming evidence 5 that for each of these categories the difference is 6 very significant. 7 On the section of "working well together," 8 where we were 4.08, now we are 4.07, that is not 9 significant. So statistically we didn't change there. 10 But for the rest of these, for the rest of these 11 categories, we overwhelmingly improved the 12 satisfaction of the employees. 13 This is the last page that we wanted to share 14 with you. We have done more analysis and we have done 15 these comparisons for each of the divisions. And also 16 we have for each of the questions, we have done 17 analysis on the percentage of employees who responded 18 who strongly agreed and agreed to each of the 19 questions. And you can see per question how the 20 divisions rank and also how or where improvements are 21 needed. 22 And we came up with two pages of 23 recommendations for future work for the divisions to 24 improve based on – we really don't need to improve, 25 because we did well in every category. But still, we</p>
<p style="text-align: right;">74</p> <p>1 plus to a B plus. 2 And when we showed this to people at OMES, 3 they were so surprised as to how satisfied DEQ 4 employees are. And they are very, very surprised and 5 they are really encouraged by this. 6 Just last week I was reading an article about 7 how 70 percent of American workers are dissatisfied 8 with their work. Seventy percent of them are 9 dissatisfied, they don't like it. And then you see 10 this here, it's like, whoa, we are doing something 11 right at DEQ. 12 The question that generated the least level 13 of satisfaction is the opportunities for advancement 14 and promotions. Next to the last is salary being 15 fair. 16 And then the comparisons. Ut-oh. Didn't 17 want to do that. I can make it a little bit bigger. 18 Not so much. Okay. 19 The blue columns on the left represent the 20 2014 results and the red columns on the right are 21 2016. And as you can see, in the seven responses, 22 with the exception of "Section works well together", 23 2016 we did better than 2014. 24 And we ran a statistical analysis as a whole 25 and also by category. As a whole, when you do a</p>	<p style="text-align: right;">76</p> <p>1 have this information. And then if you want to hit a 2 target of having 80 percent of our employees be agree 3 or strongly agree in every category, some work needs 4 to be done. 5 And then we met with the directors and 6 assistant directors on two separate occasions. We had 7 four hours of meetings and we also had some informal 8 talks and came up with a list of action items on what 9 we can do to improve in the areas that needed a boost. 10 I'd like to just add very briefly that on 11 some of the areas where we have seen the greatest 12 level of improvement, and that is on how the different 13 divisions work together and how resources are being 14 shared, we have monthly brown bags where people from 15 each division are able to meet and they talk about 16 what they do. And these are very popular events. We 17 serve popcorn and everybody shows up. Really I mean 18 until there are no seats available. It is a very 19 popular, popular meetings. 20 We have formed facility teams, because we 21 realize that divisions are not talking to each other. 22 For some of our major facilities we have a team of the 23 various divisions that regulate the facility and they 24 meet regularly and they compare notes so everybody 25 knows what's going on.</p>

Environmental Quality Board 9/13/2016

<p style="text-align: right;">77</p> <p>1 And then also the chief engineers of the 2 divisions meet regularly also and talk about projects 3 and about what is going on. 4 Do I need to -- okay. I think I'm getting 5 cues from people that I need to speed up, so I'm going 6 to do that. 7 So and we also have more -- and you were 8 smiling at me. Usually -- I don't know. I just was 9 -- 10 CHAIRMAN JAN KUNZE: I thought smiling was a 11 good thing. Okay. 12 MR. SABA TAHMASSEBI: I respond well to this 13 gesture here, like cut the neck, you know. 14 And then we also have formed several 15 interdivisional work groups that address issues, such 16 as session planning, training, customer service and 17 events. And Jimmy, he has also started this, extra 18 meetings, he calls them the conflag meetings, where we 19 meet in locations other than DEQ, we have lunch and we 20 have a free flow of information amongst the division 21 directors. I think that's it. 22 Recently somebody sent me a copy of a CIA 23 memo. This is a memo that is a field manual that CIA 24 published in 1944. And the title of the field manual 25 is Simple Sabotage.</p>	<p style="text-align: right;">79</p> <p>1 or discussions of relevant findings that we've gained 2 from this. 3 MR. DAVID GRIESEL: Out of the number of 4 participants in this survey, how many did we have the 5 last time? 6 MR. SABA TAHMASSEBI: We had less 7 participants. We did, yes. We had a little bit over 8 60 percent participation rate in 2014, we had a little 9 bit over 50 percent now. 10 MR. JOHN WENDLING: This is John. I had a 11 few questions. Just out of curiosity, how many 12 supervisors do you have? I know how many answered the 13 survey, how many, what you would consider managers/ 14 supervisors, do you have? 15 MR. SABA TAHMASSEBI: Well, as of yesterday, 16 we have 118. 17 MR. JOHN WENDLING: One hundred eighteen. 18 Okay. 19 MR. SABA TAHMASSEBI: Yes. But it changes. 20 Actually in preparation for this I asked for a count 21 and that's what it was. 22 MR. JOHN WENDLING: All right. So you had 50 23 percent participation from all of DEQ? 24 MR. SABA TAHMASSEBI: Yes. 25 MR. JOHN WENDLING: Is the participation in</p>
<p style="text-align: right;">78</p> <p>1 And then the idea was to make this available 2 to folks in Nazi Germany who were supportive of the 3 Allies. And it tells -- it just it enumerates what 4 you can do administratively to bog things down, what 5 you can do to stop progress. 6 So I love that memo. I shared it with Scott 7 and we went over it. And he said, oh, we do that, oh, 8 we do this, we do that. So and other government 9 agencies do the same. I liked it so much I sent it to 10 Secretary Teague. I also send it to the Corps of 11 Engineers Commander in Tulsa. It's like just look at 12 this. I mean, we all do things out there that are in 13 the Simple Sabotage manual. So we are also looking at 14 that to see how we can stop sabotaging our own 15 progress administratively. 16 Anyway, if you are interested in the other 17 analysis that we have done, you can either ask me or 18 Scott and we'll be pleased to share them with you. 19 Thank you. 20 CHAIRMAN JAN KUNZE: This was in response to 21 our request. And I know the Board members have had a 22 few days. It has come out, the information, in our 23 packet. So you have had a few days to look at that, 24 in addition to the information that Saba just 25 presented. So I will throw it open to any questions</p>	<p style="text-align: right;">80</p> <p>1 the survey from the managers different from the 2 participation from the non-managers? 3 MR. SABA TAHMASSEBI: Yeah. We actually have 4 actual data on that, so I don't have to talk from the 5 top of my head. I can just give you the actual 6 answer. Yeah. Twenty-three point something percent 7 of the -- see here. Managers were 23.42 percent. 8 Staff were 71.75. And we put the other category 9 because there are always some people who say, well, I 10 am a manager, but I don't manage anyone. What am I, 11 Or they say that I am not a manager, but I manage a 12 couple of temps. What am I. So we put the "other" 13 there for people who thought this was ambiguous for 14 them to choose other. 15 MR. JOHN WENDLING: Thank you. Now I 16 interpret this as the percent of managers that 17 participated in the survey. 18 MR. SABA TAHMASSEBI: Yes. 19 MR. JOHN WENDLING: Of the people that 20 answered the survey. But the question I have is what 21 is the percentage of managers that participated in the 22 survey compared to your total population of managers? 23 Is that percent different than the non-managers? 24 MR. SABA TAHMASSEBI: Well, I'm going to 25 answer the question differently, but it's going to</p>

Environmental Quality Board 9/13/2016

81	<p>1 answer your question. Twenty-three point four percent 2 of the participants were managers, 21.3 percent of DEQ 3 employees are managers. So these are the two numbers 4 you can compare, 21.3 and 23.4, which is the 5 percentage of folks who took the survey. 6 It was more manager heavy than the DEQ 7 population, but not by much. It wasn't -- the 8 difference wasn't significant enough for us to want to 9 get into the weeds on it. I mean, 23.4 and 21.3, we 10 said, okay, that's fine. 11 MR. JOHN WENDLING: Okay. From the -- when I 12 looked at the report, there is a lot of good 13 information there and I see a lot of positive aspects 14 of it and that you have highlighted. But the summary 15 sections you used, I was trying to connect those 16 sections to the individual questions. And I was 17 wondering if there is a way in the future to show us 18 how an individual question compared to -- I'll use '14 19 as an example, to see the trend on individual 20 questions versus a grouping. So just out of 21 curiosity, I was -- it's not something you have to do 22 now, but it sounds like if you had wanted it you have 23 that information. 24 MR. SABA TAHMASSEBI: Well, this might be it, 25 because maybe we didn't present this in a more</p>	83
82	<p>1 understandable way. But this is in fact what you're 2 talking about. 3 Like the first set of columns that says 4 "Opinion Counts," this is the responses to question 5 number 1. So instead of writing, "At DEQ my opinion 6 counts," blah, blah, I just took a couple of keywords 7 or a phrase, instead of writing the whole question. 8 Maybe I should have written there "Question 1." 9 Let me see here. No, I didn't write down the 10 questions. So this one here, "Opinion Counts," that 11 was Question 1. "Opportunity to learn and grow," that 12 was Question 2. "Being innovative," I have it right 13 here. Let me. I see your point, John. I think it is 14 a good -- it would have been a good idea to do that, 15 just because -- 16 MR. JOHN WENDLING: The reason why I was 17 asking the question, it seemed like there were 15 18 questions in the survey. 19 MR. SABA TAHMASSEBI: Yes. 20 MR. JOHN WENDLING: And I was curious if any 21 of the questions, even though the summary shows 22 positive, I was curious if any of the questions went a 23 different direction. And sometimes you can -- you 24 might see that there. 25 MR. SABA TAHMASSEBI: Well, the only question</p>	84
	<p>1 that went different is the question that said, "At my 2 section, my section works well together." It went 3 from 4.08 to 4.07, but this difference was not 4 statistically significant. 5 See, remember that not all of the 15 6 questions were asked in 2014, only seven of them. 7 There were seven questions that were anchoring 8 questions that were asked in both 2014 and 2016. And 9 those seven questions that were asked both times are 10 represented here. 11 MR. JOHN WENDLING: Okay. Well, that clears 12 that up for me. 13 MR. SABA TAHMASSEBI: Yes, very good. 14 MR. JOHN WENDLING: That helps. 15 MR. SABA TAHMASSEBI: Very good. 16 MR. JOHN WENDLING: But I do have another 17 question. Maybe this is more for Scott. Now that I 18 realize those are the initial seven questions, which 19 is good, have you guys talked to, what is it, OMES? 20 MR. SABA TAHMASSEBI: Yes, we did. 21 MR. JOHN WENDLING: Is there -- is there a 22 way -- you're looking internally within the 23 organization, which is good. I mean, I think you need 24 to keep doing this. 25 Is there a way to move towards an external</p>	

Environmental Quality Board 9/13/2016

85	<p>1 But then we considered using their survey, 2 but then we mutually agreed that, since we were going 3 to ask these seven anchored questions, there was a lot 4 to be gained by DEQ doing its own survey, as opposed 5 to having OMES do it. 6 And then some of the DEQ folks, some of our 7 team members, we also had some concerns about how 8 confidential this would be, because there is always a 9 way to track back and figure out who said what. But 10 then at DEQ we keep that very closely guarded so that 11 we can guarantee that no one will have the capability 12 of going there and tracking about who said what. 13 But if we do that with an outside agency, we 14 lose that ability. So and this was something that 15 came up when we did our small survey of DEQ employees, 16 that confidentiality was very important to them. 17 MR. JOHN WENDLING: Just one last question 18 was have you guys presented this to the agency yet, 19 the results of the survey? And if you have, how did 20 that -- how did that go? 21 MR. SABA TAHMASSEBI: Yeah. We have done 22 that at different tiers. This very same report was 23 distributed to the entire agency. So they saw all of 24 the open-ended comments and all of this. 25 But then the higher tier reports that have</p>	87	<p>1 themselves, as opposed to management or staff or 2 someone else. I don't know how you even convey that, 3 But is there a, so to speak, remedial step in 4 place to take this and go forward across the 5 organization so that everybody can -- everybody in the 6 organization can use this to their future benefit? 7 MR. SABA TAHMASSEBI: Yeah. We actually -- 8 to answer to your question in two tiers, one is that 9 we ran an analysis to see if there were a group of 10 people who are so disgruntled that they answer 11 disagreed or strongly disagreed to every question and 12 then these are the folks that bring down the average. 13 But in today's terms, we wanted to check and see if we 14 have a basket of deplorables or not. And then we -- 15 we did that. 16 We -- we ran the -- we ran the analysis and 17 then if it showed that people who strongly disagreed 18 or disagreed, the range goes from zero to like 40 19 something percent and then there is no -- the numbers 20 are all over the place. So we don't have that. We 21 don't have. Or I guess if we do, it's not something 22 that is reflected in the results, that we have a group 23 that always say disagree. That didn't come out. 24 But then when we -- when we met with the 25 directors and assistant directors, we talked about</p>
86	<p>1 division-specific information, that was shared only 2 with the directors and assistant directors. 3 One thing that we're trying to avoid is to 4 give enough information to people that they can say 5 that, oh, this division, people are happier than the 6 other division overall, so we want to work for this 7 division. Or people who -- we don't want people who 8 interview for DEQ positions to have that bias. So for 9 that reason, we kept that information only for 10 internal consumption of managers just for a way for 11 them to improve practices. 12 MR. JOHN WENDLING: All right. Thank you. 13 MR. HOMER NICHOLSON: Saba, I see this is a 14 very nice report card and a very well-written survey. 15 You put a lot of work and time and effort into it. 16 Thank you for that. 17 In some of these responses, it appears to me 18 that people, some of the employees, need to do a 19 little bit of self-diagnosis. There is opportunities 20 for them to help themselves, as opposed to wanting 21 somebody else to help or do something for them. 22 I don't know how that can be conveyed. But 23 people have a tendency sometimes to be a little 24 dependent instead of being independent. But some of 25 these questions, they are in control of them</p>	88	<p>1 how or what we can do to be the best that we can be 2 and what we should do not to be the worst that we 3 could be. So we can address of how to -- we talked 4 about how we can bring up the lowest responses a bit 5 higher and at the same time how to -- how to improve 6 on the upper end. 7 Does that answer your question sort of? 8 MR. HOMER NICHOLSON: Yes. It sure does. 9 And thank you much. I think you may be referring to, 10 in the municipal government, what we call CAVE people. 11 Citizens Against Virtually Everything. 12 MR. SABA TAHMASSEBI: Yes. 13 MR. HOMER NICHOLSON: You have some of those 14 folks in every organization. You can never please 15 them, whatever it is. You just have to work with 16 them. 17 But good report. Some strong, significant 18 positive changes there, which I think starts at the 19 top. 20 MR. SABA TAHMASSEBI: Thank you, sir. 21 CHAIRMAN JAN KUNZE: Any additional questions 22 or discussion? If not, thank you very much, Saba. 23 MR. SABA TAHMASSEBI: Thank you. 24 CHAIRMAN JAN KUNZE: And that gets us to -- 25 Martha, I'm going to turn it over to you.</p>

Environmental Quality Board 9/13/2016

<p style="text-align: right;">89</p> <p>1 We have a requirement to do employee 2 disclosures every year. It usually happens here at 3 our September meeting. And the Board has to be 4 notified of any employees with a financial interest. 5 Martha. 6 MS. MARTHA PENISTEN: Right. Employees 7 involved in certain -- certain employees involved in 8 permitting have to make financial disclosures pursuant 9 to the Environmental Quality Code. And then annually 10 DEQ is required to report to the Board and make it 11 part of the minutes. 12 So this year four employees submitted new 13 disclosures. And they are David Pollard from Air 14 Quality, and he earns royalty income from Linn Energy; 15 Ellis Fischer, also with Air Quality, is a stockholder 16 in DCP Midstream Partners, Heather Sessing, also Air 17 Quality, is a stockholder in Chesapeake Energy, 18 Conoco-Phillips, Devon Energy, Halliburton and 19 Schlumberger; and Jordan Caldwell with Land Protection 20 Division is a stockholder in Boeing, Chesapeake Energy 21 and General Electric. 22 And in order for these people to avoid 23 conflicts of interest, the director of each of the 24 divisions has been notified of the employee's 25 disclosure to ensure that they're not involved in</p>	<p style="text-align: right;">91</p> <p>1 the retirements and current staff taking on a heavier 2 workload, we feel that by next year we're really going 3 to be in a critical time that these staff will be 4 tired. And so we're requesting that amount to be able 5 to fill those four positions. 6 We also would like to request a million for 7 the DWSRF Loan Maximization. This fund can multiply a 8 dollar to \$10, so it would make 10 million dollars 9 available. These funds are for small communities and 10 rural water districts to help them with their 11 infrastructure. 12 So the total request for FY-18 which begins 13 July 1 of next year, is 1.3, 1,316,844. 14 CHAIRMAN JAN KUNZE: Do we have any questions 15 or any discussion by the Board? 16 Do we have any questions or discussion from 17 the public? 18 At that point, I will ask Quiana to do a roll 19 call vote. 20 Oh, I guess we need a motion first. 21 MR. DAVID GRIESEL: So move. 22 MR. SHANNON FERRELL: Second. 23 CHAIRMAN JAN KUNZE: I have a motion and a 24 second and we'll do a roll call. 25 MS. QUIANA FIELDS: Mr. Blankenship?</p>
<p style="text-align: right;">90</p> <p>1 permitting for these various companies. 2 That's all I've got. 3 CHAIRMAN JAN KUNZE: Thank you, Martha. 4 Item Number 8, the budget request for the 5 Fiscal Year 2018, has to be submitted to the 6 governor's office by October 1st of this year. And it 7 goes through OMES, but ultimately ends up with the 8 Governor. And at this point I am going to turn it 9 back over to Kathy. As a Board we have an obligation 10 and a duty to review that and approve it. 11 MS. KATHY AEBISCHER: This is our proposal. 12 Is that better? Yeah. 13 After speaking with the management, what I'd 14 like to preface is this is not all of DEQ's needs, 15 but, in this environment, this is what we feel is 16 critical for DEQ. So we would like to submit -- this 17 shows the current distribution of appropriation. We 18 look at the FY-2017 column. 19 Currently three divisions uses the 20 appropriations, and that's ECLS of 2.7 million, the 21 Lab is 1.7, Water is 1.4. That's how the current 5.9 22 is distributed. 23 We would like to request additional 316,844 24 for ECLS for them to be able to fill the four 25 positions that we eliminated this year. Because of</p>	<p style="text-align: right;">92</p> <p>1 MR. DANIEL BLANKENSHIP: Yes. 2 MS. QUIANA FIELDS: Mr. Ferrell? 3 MR. SHANNON FERRELL: Yes. 4 MS. QUIANA FIELDS: Mr. Griesel? 5 MR. DAVID GRIESEL: Yes. 6 MS. QUIANA FIELDS: Dr. Hammon? 7 DR. TRACY HAMMON: Yes. 8 MS. QUIANA FIELDS: Mr. Kinder? 9 MR. JAMES KINDER: Yes. 10 MS. QUIANA FIELDS: For the record, Steve 11 Mason has left the meeting. 12 Mr. Munson? 13 VICE CHAIRMAN TIM MUNSON: Yes. 14 MS. QUIANA FIELDS: Mr. Nicholson? 15 MR. HOMER NICHOLSON: Yes. 16 MS. QUIANA FIELDS: Ms. Turner? 17 MS. LORETTA TURNER: Yes. 18 MS. QUIANA FIELDS: Mr. Wendling? 19 MR. JOHN WENDLING: Yes. 20 MS. QUIANA FIELDS: Ms. Kunze? 21 CHAIRMAN JAN KUNZE: Yes. 22 MS. QUIANA FIELDS: Motion passed. 23 CHAIRMAN JAN KUNZE: Thank you. On Item 24 Number 9, and this information is in the Board 25 packets, but it's to set the Board meeting dates and</p>


Environmental Quality Board 9/13/2016

<p style="text-align: right;">93</p> <p>1 locations for the calendar year of 2017. I will ask 2 everybody to take a good look at that. Think of 3 potential conflicts that you might have with your 4 schedule. 5 We do try to limit the number of meetings we 6 have and the business that we carry. So it's really 7 important that we all be able to attend as much as 8 possible. 9 The agency has recommended those locations. 10 What we do try to make sure that we rotate throughout 11 the state, with two meetings a year being outside of 12 -- with one or two meetings a year being outside of 13 Oklahoma City to give the public a chance to 14 reasonably attend our meetings and address the Board. 15 And you can see that we have Friday, February 16 17th is the meeting that we recommend be held in 17 Oklahoma City at the agency. The Tuesday June 13th 18 meeting also in Oklahoma City. History has said that 19 sometimes, depending on the business that is up for 20 Board discussion, we can hold that meeting and 21 sometimes, due to state budgets and being responsible, 22 we do cancel it. 23 The Tuesday, September 12th meeting is 24 recommended for Enid. And on Tuesday, November 7th a 25 meeting in Durant.</p>	<p style="text-align: right;">95</p> <p>1 Norman, the June in Oklahoma City, September in Durant 2 and November in Enid. I'll open it up for discussion. 3 MR. DANIEL BLANKENSHIP: I would -- we have 4 recently had Enid in 2012, and we've been there a 5 couple of times. Would there be any consideration for 6 maybe possibly Tahlequah or Claremore in lieu of Enid? 7 MR. DAVID GRIESEL: I would modify my motion 8 for that. 9 CHAIRMAN JAN KUNZE: I had circled that 10 quadrant of the state. There were many stars 11 indicating that we had just met in the areas outside 12 of Tulsa one time and recently so apparently. 13 Personally, I would see that as a good addition. 14 MR. DAVID GRIESEL: I will modify the motion 15 for November 7 to be in Tahlequah. 16 CHAIRMAN JAN KUNZE: Okay. Is that seconded? 17 MR. JAMES KINDER: I'm going to agree with it 18 and second. 19 CHAIRMAN JAN KUNZE: Okay. We have a motion 20 and a second with the modified plan. Does -- any 21 other discussion? 22 With that, let's do the roll call. 23 MS. QUIANA FIELDS: Mr. Blankenship? 24 MR. DANIEL BLANKENSHIP: Yes. 25 MS. QUIANA FIELDS: Mr. Ferrell?</p>
<p style="text-align: right;">94</p> <p>1 I believe Scott has mentioned some work that 2 DEQ has done down there helping new businesses with 3 permitting and stuff, that that might be an 4 appropriate location for the Board to go see some of 5 the DEQ work. 6 And I'll open that up to any discussion or 7 pros or cons on the recommended dates and locations or 8 any other alternatives. 9 MR. DAVID GRIESEL: I actually have a motion. 10 I'd like to make a motion that February 17th be in 11 Norman, June 13th in Oklahoma City, September 12th in 12 Durant and November 7 in Enid. 13 MR. JAMES KINDER: Would you mind saying that 14 again for me so I can get this? 15 MR. DAVID GRIESEL: February 17, Norman, 16 June 13, Oklahoma City. September 12, Durant. And 17 November 7, Enid. 18 CHAIRMAN JAN KUNZE: We have the as-proposed 19 and then David has suggested an alternate plan. Do we 20 have any -- and, David, if you want to make any 21 comments? 22 MR. JAMES KINDER: I'll second that, the 23 motion. 24 CHAIRMAN JAN KUNZE: Okay. We have a motion 25 and second for the alternative plan of February in</p>	<p style="text-align: right;">96</p> <p>1 MR. SHANNON FERRELL: Yes. 2 MS. QUIANA FIELDS: Mr. Griesel? 3 MR. DAVID GRIESEL: Yes. 4 MS. QUIANA FIELDS: Dr. Hammon? 5 DR. TRACY HAMMON: Yes. 6 MS. QUIANA FIELDS: Mr. Kinder? 7 MR. JAMES KINDER: Yes. 8 MS. QUIANA FIELDS: Mr. Munson? 9 VICE CHAIRMAN TIM MUNSON: Yes. 10 MS. QUIANA FIELDS: Mr. Nicholson? 11 MR. HOMER NICHOLSON: Yes. 12 MS. QUIANA FIELDS: Ms. Turner? 13 MS. LORETTA TURNER: Yes. 14 MS. QUIANA FIELDS: Mr. Wendling? 15 MR. JOHN WENDLING: Yes. 16 MS. QUIANA FIELDS: Ms. Kunze? 17 CHAIRMAN JAN KUNZE: Yes. 18 MS. QUIANA FIELDS: Motion passed. 19 CHAIRMAN JAN KUNZE: Thank you for the 20 discussion. It's important that we get those set and 21 go around the state. 22 With that, I will ask if there's any new 23 business? Any new business? 24 Our next meeting is scheduled for November 25 9th in Ponca City. We're going to go see Homer.</p>

Environmental Quality Board 9/13/2016

<p style="text-align: right;">97</p> <p>1 MR. HOMER NICHOLSON: Yes.</p> <p>2 CHAIRMAN JAN KUNZE: If we're -- no other</p> <p>3 discussion, I'm going to ask for a motion to adjourn.</p> <p>4 MR. DANIEL BLANKENSHIP: So move.</p> <p>5 MR. DAVID GRIESEL: Second.</p> <p>6 CHAIRMAN JAN KUNZE: Okay. We have lots of</p> <p>7 motions to adjourn and lots of seconds. So roll call?</p> <p>8 MS. QUIANA FIELDS: Mr. Blankenship?</p> <p>9 MR. DANIEL BLANKENSHIP: Yes.</p> <p>10 MS. QUIANA FIELDS: Mr. Ferrell?</p> <p>11 MR. SHANNON FERRELL: Yes.</p> <p>12 MS. QUIANA FIELDS: Mr. Griesel?</p> <p>13 MR. DAVID GRIESEL: Yes.</p> <p>14 MS. QUIANA FIELDS: Dr. Hammon?</p> <p>15 DR. TRACY HAMMON: Yes.</p> <p>16 MS. QUIANA FIELDS: Mr. Kinder?</p> <p>17 MR. JAMES KINDER: Yes.</p> <p>18 MS. QUIANA FIELDS: Mr. Munson?</p> <p>19 VICE CHAIRMAN TIM MUNSON: Yes.</p> <p>20 MS. QUIANA FIELDS: Mr. Nicholson?</p> <p>21 MR. HOMER NICHOLSON: Yes.</p> <p>22 MS. QUIANA FIELDS: Ms. Turner?</p> <p>23 MS. LORETTA TURNER: Yes.</p> <p>24 MS. QUIANA FIELDS: Mr. Wendling?</p> <p>25 MR. JOHN WENDLING: Yes.</p>	<p style="text-align: right;">99</p> <p>1 We also ask that you not use the forum to</p> <p>2 advertise or publicize commercial products or</p> <p>3 services.</p> <p>4 Because of the nature of the issues that are</p> <p>5 appropriate for the forum, you may not receive an</p> <p>6 immediate response to your comments. The Department</p> <p>7 Staff and/or the Board generally will need some time</p> <p>8 to evaluate those comments and respond to them.</p> <p>9 At this time, I'm going to invite Mr. Bud</p> <p>10 Ground to step to the podium. He is with EFO, the</p> <p>11 Environmental Federation of Oklahoma.</p> <p>12 MR. BUD GROUND: So thank you for the</p> <p>13 opportunity to address the Board. I am Bud Ground. I</p> <p>14 am the President of the Environmental Federation of</p> <p>15 Oklahoma.</p> <p>16 I prepared a short, 20 minute presentation,</p> <p>17 but I guess I will cut it down to five minutes, since</p> <p>18 that's all you are giving.</p> <p>19 The EFO is a non-profit organization that is</p> <p>20 dedicated to helping its members with advocating at</p> <p>21 the legislature, regulatory agencies, training, as</p> <p>22 well as keeping them informed of issues going on.</p> <p>23 And I want to take this time really to talk</p> <p>24 to you about something that we talked about -- that</p> <p>25 you talked about earlier, and that is the legislature</p>
<p style="text-align: right;">98</p> <p>1 MS. QUIANA FIELDS: Ms. Kunze?</p> <p>2 CHAIRMAN JAN KUNZE: Yes.</p> <p>3 At the conclusion of our formal meeting,</p> <p>4 we're now going to move to the public forum. And if</p> <p>5 there's anybody here that has not signed up that would</p> <p>6 like to, please, raise your hand.</p> <p>7 I will say welcome to this public forum of</p> <p>8 the Environment Quality Board. Public input is</p> <p>9 valuable to the Board and the Department and we</p> <p>10 welcome your participation.</p> <p>11 If you desire to make comments at today's</p> <p>12 forum but did not sign in on the information table</p> <p>13 when you came in, please, raise your hand.</p> <p>14 We're going to ask that you limit your</p> <p>15 comments to five minutes. I will advise you when five</p> <p>16 minutes have passed and we will ask you to complete</p> <p>17 your presentation.</p> <p>18 Forums allow you to make suggestions or</p> <p>19 express concerns about environmental laws, rules or</p> <p>20 policy. However, concerns with an action or decision</p> <p>21 in a specific case or matter, such as a particular</p> <p>22 permit application or enforcement case, should be</p> <p>23 communicated directly to the Department. The Board</p> <p>24 cannot and does not intervene in those case-specific</p> <p>25 decisions.</p>	<p style="text-align: right;">100</p> <p>1 taking the fees that industry, which are my</p> <p>2 membership.</p> <p>3 Approximately 85 companies across the state,</p> <p>4 from some of the smallest manufacturers to the</p> <p>5 largest, they're taking these fees and using them for</p> <p>6 other purposes, which we feel is absolutely wrong.</p> <p>7 We have worked with the DEQ these last couple</p> <p>8 of years on this issue. We don't know exactly what to</p> <p>9 do, but we feel that the legislature taking fees that</p> <p>10 we've put in for a specific purpose, we think that's</p> <p>11 wrong.</p> <p>12 We don't feel up to this point that the DEQ</p> <p>13 has not provided the service that we feel like we've</p> <p>14 paid for, but, in listening to your discussion, that</p> <p>15 could happen very soon. And so then the legislature</p> <p>16 is actually reducing services for what we've already</p> <p>17 paid for.</p> <p>18 I don't know how we adjust this. I actually</p> <p>19 don't share the Executive Director Thompson's optimism</p> <p>20 that they won't try again. I believe first hand that</p> <p>21 they will try again.</p> <p>22 They passed two bills this last year that</p> <p>23 took one state agency that automatically takes any</p> <p>24 money left at the end of the year and puts it into the</p> <p>25 Revolving Fund, the State General Fund, State General</p>

Environmental Quality Board 9/13/2016

<p style="text-align: right;">101</p> <p>1 Fund. 2 So I believe that this will happen. I 3 believe that's their intent. I believe the intent of 4 the Senate A and B chair is, if there is anything 5 left, it's fair game for them. 6 So I don't know what we do to fix this 7 problem if it's a -- and we have gone through 8 variations in how we invoice through the years. If 9 it's a change in the way we invoice, if it's having 10 the company put that money into an escrow account that 11 is available to the DEQ so that it doesn't show as 12 being excess cash at whatever time that is, whatever 13 we need to do, we're -- we want to work on this 14 problem so this does not continue to happen. 15 EFO has been around for 25 years this year. 16 We're 25 years old. Many of our members helped put 17 together DEQ from the various agencies and we're very 18 involved in working with the agency. We appreciate 19 that. We appreciate that working opportunity, that 20 good working relationship. So whatever we need to do 21 to solve it, we'd like to work on that this year. 22 Thank you. 23 CHAIRMAN JAN KUNZE: Thank you, Bud. 24 With that, we've wrapped up. I again thank 25 everybody for their attendance and interest today and</p>	<p style="text-align: right;">103</p> <p>1 ** CERTIFICATE ** 2 STATE OF OKLAHOMA)) SS: 3 COUNTY OF PAYNE) 4 5 I, Lynette Wrany, a Certified Shorthand Reporter 6 within and for the State of Oklahoma, do hereby 7 certify that I reported all of the foregoing meeting, 8 and that I later reduced it to typewritten form, as 9 the same appears herein. 10 I further certify that I am not a relative of, 11 nor attorney for, nor clerk or stenographer for any 12 party to this meeting, and that I am not otherwise 13 interested in the event of the same. 14 I further certify that the above and foregoing 15 typewritten pages contain a full, true and correct 16 transcript of my stenographic notes so taken during 17 said meeting. 18 WITNESS my hand and seal this the 19th day of 19 September, 2016. 20 21  22 23 24 LYNETTE WRANY, C.S.R. Oklahoma Certified Shorthand Reporter Certificate No. 1167 Expiration Date: December 31, 2016 25</p>
<p style="text-align: right;">102</p> <p>1 we'll meet again then November 9th. Thank you. 2 ADJOURNMENT - 12:15 P.M. 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p>	



ENVIRONMENTAL QUALITY BOARD

Attendance Record

September 13, 2016

Stillwater, Oklahoma

NAME and/or AFFILIATION

Address and/or Phone and/or E-Mail

Quiana Fields	DEQ
Cindy Probst	DEQ
Martina Teniston	DEQ
Paul Torres	DEQ
DAVID FREED	DEQ
Richard McDaniel	DEQ
Bruce Vandellune	DEQ
CM Sharp	DEQ
Kathy Aebischer	DEQ
Bad Ground	EFO
Erin Anfield	DEQ
Jimmy Givens	DEQ
Edie Terrell	DEQ
Homer Nicholson	DEQ
Tyler Powell	OSEE
Jan L Kunze	EQ
R. FENTON ROOD	DEQ
CHRIS ARMSTRONG	DEQ
Tracy Hammon	EQB
James Kanda	DEQ
Lloyd Kirk	DEQ
JEFF FRANKLIN	DEQ
Shannon L. Ferrell	EQB
Scott Thompson	DEQ
TIM MIVINSON	DEQ
Saba Tahmassibi	DEQ



ENVIRONMENTAL QUALITY BOARD

Attendance Record

September 13, 2016

Stillwater, Oklahoma

NAME and/or AFFILIATION

Address and/or Phone and/or E-Mail

<i>John W. Wadley</i>	EQB
DAVE GAMBIE	PHILLIPS 66
Skylar McGlenny	DEQ
Clayton Eubanks	OAG
Dan Blankenship	Board
Blayne Arthur	4-H Foundation
Jim Evers	PSO
Loretta Turner	DEQ BRD
Tom Coon	OSU - Agr. & Nat. Res.