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ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

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MEETING OF THE

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UNDERGROUND STORAGE TANK POLICY COMMISSION

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Phoenix, Arizona

8

July 28, 2004

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9:00 a.m.

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Location: Arizona Department of

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Environmental Quality

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Conference Room 250

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1110 West Washington

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Phoenix, Arizona

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COMMITTEE MEMBERS PRESENT:

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Gail Clement, Chairperson

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Hal Gill, Vice Chairperson

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Roger Beal
Michael O'Hara
Andrea Martincic
Amanda Stone

1 P R O C E E D I N G S

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CHAIRPERSON CLEMENT: Good morning. Welcome to
the July 28, 2004, Underground Storage Tank Policy
Commission meeting.

We are short one Commission member in terms of a
quorum, but we're going to have an information meeting

8 only as a consequence until we get another Commission
9 member, and then we will be able to vote on a few things
10 that we do have on the agenda.

11 Call to order and a roll call.

12 MS. STONE: Amanda Stone.

13 MR. O'HARA: Mike O'Hara.

14 CHAIRPERSON CLEMENT: Gail Clement.

15 MR. GILL: Hal Gill.

16 MS. MARTINCIC: Andrea Martincic.

17 MR. BEAL: Roger Beal.

18 CHAIRPERSON CLEMENT: Okay. We're going to skip
19 the first two agenda items because they do call for a
20 Commission vote, and hopefully we'll be able to get to
21 those at the end of the meeting or when we have another
22 Commission member arrive.

23 The first agenda item are the ADEQ Updates.

24 And we have Amanda Stone here from ADEQ filling
25 in for Shannon Davis this morning. And she's going to
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1 provide both the UST and a Waste Division Program update.

2 MS. STONE: Thank you. Really what I wanted to
3 talk about this morning, and I'll be very, very brief, is
4 just about two announcements that I think you already
5 heard about.

6 The first is the creation of the new Tank
7 Programs Division, effective August 2. That's next
8 Tuesday.

9 Director Owens has created a division within the
10 Agency, and it's, you know, combining all of the existing

11 UST programs that you're already familiar with: The State
12 Assurance Fund Section, the Corrective Actions Section,
13 and the Program Support and UST Section. All three of
14 those sections will be combined.

15 And Director Owens has appointed Phil McNeely as
16 our new director for the new division.

17 And Director Owens wanted to proceed with this at
18 this time mostly as a result of Senate Bill 1306.

19 As you know, we have a lot of work to do in a
20 pretty short amount of time between now and when the
21 eligibility runs out in about six years, I think.

22 And so Phil and his crew are going to be working
23 very aggressively to implement their 1006. And that's the
24 purpose of the reorg.

25 I also wanted to talk a little bit about the
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1 Waste Programs Division.

2 We're also doing a reorganization. We're sort of
3 taking advantage of the creation of the new division to
4 reorganize the remaining parts of Waste Programs.

5 We have been talking about doing this for quite
6 some time. Shannon has been talking with Director Owens
7 about this for over a year now. And we thought we would
8 take advantage of the timing now.

9 So the reorganization that we are doing in our
10 division is effective August 2nd as well. And it's a
11 functional reorg.

12 So the purpose of it is to streamline existing
13 processes and to try and get some economy in the existing
14 programs. We're going to have an Inspections and

15 Compliance Section, a Permitting Section and Mediation
16 Section. So all the remediation programs will be together
17 so that we can have better consistency and streamline some
18 of our remediation reviews.

19 One section will be outreach and the business
20 function and the other section will be just general
21 technical support. So our new division will have five
22 sections. And we'll be, you know, distributing more
23 information about that.

24 Again, that's also effective next month, August
25 2nd.

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1 The last thing I wanted to mention is, I know
2 that there's two issues that will be of interest, of
3 particular interest to the Policy Commission.

4 That's DEURs and risk assessment, our two
5 favorite topics, my two favorite topics.

6 DEURs. The process is going to stay essentially
7 the same. The only thing that's going to change is that
8 when the DEURs come up through the chain of command for
9 the technical review, instead of Shannon signing off on
10 the DEURs, Phil will be signing off on the DEURs for
11 technical completeness and everything.

12 Once that's done, all of the administrative
13 processing, putting the information in the database,
14 taking care of the money portions, all that will still
15 occur in Waste Programs.

16 We developed that whole structure and we don't
17 see any reason to really change that now. We're going to

18 work really closely with Phil to make sure there aren't
19 any gaps in the process. But I think this'll be just
20 fine.

21 The other piece is risk assessment. We talked
22 about this long and hard. And we have decided that the
23 Tier II software deployment, as you know, we're very, very
24 close to getting that out the door.

25 And that team, the Tier II team, we're going to
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1 keep together until that's done.

2 Ren Willis-Francis is going to be staying in the
3 Waste Programs Division. Jeanene Hanley is going to be
4 going with Phil over to the new Tanks Division.

5 So once the Tier II software is developed and
6 rolled out, that function will go into the new division
7 and Jeanene will go with it.

8 And Ren and the other remaining risk assessment
9 functions will stay in Waste Programs. And we're going to
10 work really closely with Phil to make sure all of that
11 gets transitioned appropriately.

12 CHAIRPERSON CLEMENT: You have a time frame
13 for when the risk assessment software will be rolled out
14 now or any sense of that?

15 MS. STONE: I hate to put Ren on the spot but Ren
16 Willis-Francis is here and, I'm sure, can give us a quick
17 update.

18 CHAIRPERSON CLEMENT: I just thought if you had
19 that. We can wait for that.

20 MS. STONE: Well, she was not going to talk about
21 that specifically but she can wait.

22 That's all I wanted to share this morning.

23 CHAIRPERSON CLEMENT: Have the section managers
24 for the new Waste Division been assigned yet for the open
25 positions?

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1 MS. STONE: Yes. We have one vacant section
2 manager position and that is the Inspections and
3 Compliance Section job. That one is currently vacant.

4 And the other ones, Don Richey has been appointed
5 as Acting Section Manager for the Remedial Project Section
6 which used to be Superfund Programs. We have renamed it.

7 So Don Richey is acting in that.

8 Peggy Guichard-Watters is the Section Manager for
9 the Permit Section. Greg Workman is the Section Manager
10 for the business and outreach function.

11 Cynthia McNulty. Some of you may not know
12 Cynthia. She's fairly new to the Agency. I think she's
13 been on about a month, and she will be the section manager
14 for the Technical Support Section. And I think that's all
15 of them.

16 CHAIRPERSON CLEMENT: Thank you. Great.

17 Any other questions or comments on that? Okay.

18 MR. GILL: And what is the Tank Programs
19 Division? Is that the name of the new program?

20 MS. STONE: Tank Programs Division?

21 MR. MCNEELY: Right.

22 CHAIRPERSON CLEMENT: Thank you.

23 And then we're going to have a brief update
24 regarding the status of the new soil remediation rules by

25 Phil McNeely, please.

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1 MR. MCNEELY: I'm Phil McNeely. The Soil Rule
2 update. I don't know if you all know that the Soil Rule
3 was established or implemented back in December of 1997.

4 So it's been seven years since we actually have
5 been using the Soil Rule. And a lot of those standards
6 have been created in '96.

7 We're trying to update with new toxicity numbers.
8 So we're in the process of rewriting the Soil Rule.

9 And the Soil Rule applies to all of Waste
10 Programs and all of ADEQ. Any cleanup in the state Soil
11 Rule applies or is applicable.

12 So things that we're talking about changing,
13 though, is we're going to change, actually update numbers,
14 go through every compound, make sure it's updated with the
15 newest data. We're going to add some compounds that
16 weren't on there before, take some off that have been
17 combined with other ones like PCPs. We'll be doing that.

18 We're doing some administrative updates.

19 Like, the VEMUR is no longer appropriate because
20 we have DEUR language. VEMURs to DEUR language. And
21 we're going to do other stuff.

22 The definition of soil, thinking about changing
23 that to include what we are doing and the porous base
24 definition. So vapor gas may be included in that.

25 Right now you have to get matrix samples. A lot
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1 of times you can't get those and they aren't as accurate
2 as vapor gas. So we're going to try to incorporate the
3 actual porous base as a definition, and then that changes

4 a little bit how the whole thing will work.

5 So we're going to work on guidance for that.

6 And then the big issue right now is indoor air.

7 That's pretty big. And Superfund with TCE and PCE, new
8 numbers coming out, how is that going to be incorporated
9 with the Soil Rule.

10 We're talking about actually enabling us or
11 giving the DEQ authority to look at that.

12 Indoor air. Right now SRLs are taken into
13 account, ingestion, dermal contact, and outdoor air.

14 So we're going to put indoor air into the numbers
15 but we're going to do the same thing we did with GPLs. We
16 got to make sure that you don't exceed a GPL now, make
17 sure you don't exceed any indoor numbers.

18 But to do that, you may say, how are we going to
19 do that?

20 There will be a new group in the fall to write
21 guidance to implement this. So in the rule you won't see
22 a whole lot about it but in the guidance you will.

23 And this technology's changing. Every year it
24 seems like there's more and new information about new
25 indoor air. That's why we want to keep it flexible so
0011 that we have the authority but keep it flexible so we can
2 actually write guidance to use it.

3 So in the fall, probably, look for some public
4 meetings in the fall. And we'll probably have some
5 technical work groups to rewrite the GPL model and to talk
6 about indoor air issues.

7 Any questions?

8 SPEAKER: Where do you find the GPLs currently?

9 MR. MCNEELY: I think they are on our web.

10 SPEAKER: I do not know.

11 MR. MCNEELY: Al, do you know?

12 MR. JOHNSON: I don't know.

13 MR. MCNEELY: That's a good question. I don't
14 know.

15 SPEAKER: The UST-related ones are in the
16 guidance.

17 MR. MCNEELY: I'm not sure about all the metals
18 and stuff. It should be on our web site. I'll check
19 that.

20 SPEAKER: There's a guidance document of 1966.
21 It's, like, out of print.

22 CHAIRPERSON CLEMENT: We'll get back with you on
23 that. Someone will.

24 MR. MCNEELY: I used to use it. It hasn't
25 changed. Anything else?
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1 CHAIRPERSON CLEMENT: Thank you.

2 Okay. We're going to go on to the SAF monthly
3 update with Judy Navarrete, please.

4 MS. NAVARRETE: Judy Navarrete from ADEQ.

5 Does everybody have their packets?

6 If you can see, from the first page where the
7 graph is, we did have 28 applications go over the 90-day
8 period last month, but the one application that's over 180
9 days, that's an electronic reimbursement so it didn't go
10 over.

11 And the backup documentation is on the last page,
12 I believe, instead of right behind this graph to show you
13 exactly where all the applications were last month at the
14 end of the month.

15 We're hoping to get some hiring done and some
16 training in the next month or so because I have been a
17 little short staffed lately. Had some problems.

18 And that happens every once in a while. You
19 know, everything kind of happens at once. So we're hoping
20 to get that straightened out in the next couple of months.

21 And the next page is the State Assurance Fund
22 appeals. We had 12 informal appeals last month filed and
23 five normal appeals filed, and we went to hearing on one
24 appeal last month.

25 Are there any questions on the applications?

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1 CHAIRPERSON CLEMENT: Commission, any questions
2 or comments on the materials?

3 Judy, the one thing that I did want to comment on
4 is a presentation from last time and the attachment that
5 you're now sending out explaining denials.

6 I just want to compliment you and your staff on
7 putting that together. That's much clearer and I think
8 it's going to be a real tool for people to use to come
9 into compliance and to move things more efficiently
10 through the process.

11 You were not here last month. And I just wanted
12 to make sure you heard that personally.

13 MS. NAVARRETE: Thank you very much.

14 CHAIRPERSON CLEMENT: Any other comments or
15 questions for Judy?

16 Okay. We'll move on, then.

17 Thank you very much, Judy.

18 And next on the agenda is the UST Corrective
19 Action Monthly Update.

20 And Joe Drosendahl was scheduled to present that
21 but he is out sick today. Excuse me. SAF Rule. Sorry.
22 I jumped ahead. Thank you.

23 Judy, I let you off the hook too quickly. We
24 need an update on the SAF Rule Update.

25 MS. NAVARRETE: We're working on updating all of
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1 the updates that need to be put in rule since '96, since
2 the last rule was implemented, and working on putting all
3 the changes from Senate Bill 1306.

4 And we're hoping to have a draft out sometime in
5 October. That's our goal. And when that draft comes out,
6 then we'll accept written comments.

7 CHAIRPERSON CLEMENT: Will there be any informal
8 working groups or anything to support your efforts in
9 October or will October be, sort of, here's a draft
10 document, now we're in a formal process?

11 MS. NAVARRETE: That's usually the rule process
12 is that the draft document comes out and then written
13 comments are accepted and answered.

14 CHAIRPERSON CLEMENT: If everything goes
15 according to the requirements of the rule development
16 process, when would a final rule, then, just looking out
17 into the future, approximately when would a final rule be

18 available?

19 MS. NAVARRETE: Well, that would depend on the
20 schedule. Maybe I'll try and pin them down to a schedule.

21 MS. MARTINCIC: Is there any way, too, maybe
22 before October, we could see from the Agency just rough
23 issues that'll be addressed in that rule, not the actual
24 language of the rule but at least to give everyone kind of
25 a heads up?

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1 I'm just thinking because everyone's on such a
2 tight time frame and we need to get that rule out as fast
3 as possible. Maybe it would help, once the rule does come
4 out in October, if people are already thinking about the
5 issues that'll be addressed in it. That's just a thought.

6 MS. NAVARRETE: We probably could.

7 MS. MARTINCIC: Like a bullet page or something
8 is what I'm saying.

9 MS. NAVARRETE: Let me see what I can do on that.

10 CHAIRPERSON CLEMENT: Approximate schedule and
11 the highlights of what you think are going to be those
12 issues of what people are going to be interested in.

13 MR. GILL: When they started to write last time,
14 there was work groups. There will be unhappy people if we
15 get no comments back, we write in problems, we have the
16 rule, and that's the last we hear about it. So I don't
17 think that's going to be acceptable.

18 MR. O'HARA: I think Shannon made that clear,
19 that's lasting, that they were -- it was fast tracked.
20 And I have participated in those with you. There's a lot

21 of give and take. We never got really far.

22 MR. GILL: She did say it was going to be
23 discussed during the Financial Subcommittee meetings.

24 MR. O'HARA: I think we're going to provide some
25 of our concerns to the rule writer, Joan Card.

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1 MS. MARTINCIC: If we have a list of the issues
2 that the Agency feels are going to be addressed, then
3 maybe the Technical and Financial Subcommittee can use
4 that list.

5 MS. NAVARRETE: Certainly all the changes in 1306
6 will need to be addressed in this rule.

7 MS. MARTINCIC: I know the Financial Subcommittee
8 has tried to anticipate the issues from Senate Bill 1306
9 that will likely be addressed, and I'm sure, Hal, that
10 you've done that as well for the Technical Subcommittee.

11 So that's a starting point from the regulated
12 community. But it would be nice to know more where DEQ's
13 coming from so that folks can plan it.

14 MR. GILL: There are many more issues in the SAF
15 rule because we have no idea where the department's going
16 with the SAF rule. I mean, just the issues related to the
17 old rule are -- you know, there's a lot and we don't know
18 what they are doing with it.

19 And so if we wait too long to see the direction
20 DEQ's taking, there's not going to be any time for
21 discussion. And that's -- I just know that that's going
22 to be a real problem.

23 MS. MARTINCIC: What are old issues?

24 I mean, is this, like, past -- I mean, can you

25 elaborate on that? I have mostly heard discussion about
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1 1306 and what needs to be changed within the SAF rule to
2 make that happen.

3 Does the Commission have a list of other issues
4 that have been brought up in the past related to the SAF
5 rule?

6 MR. GILL: It's been so long, two years before,
7 since we sat down with meetings to start looking at the
8 rewrite of the new rule. There was lots of problems at
9 that point.

10 MS. MARTINCIC: I'm just asking.

11 MR. O'HARA: I think you mentioned '96 but that's
12 probably the preapproval rule. The SAF rule goes back to
13 '92 and it doesn't accurately reflect the process, SAF
14 process, documentation requirements.

15 And so just to update that would be some of the
16 old things that need to be done.

17 CHAIRPERSON CLEMENT: You're going to be drafting
18 it -- this is interesting. There is a process now that is
19 not necessarily reflected in the actual rule language
20 itself.

21 So one of the things that -- really this provides
22 an opportunity not just to correct the rule to meet.
23 statutory changes but to incorporate a streamlined
24 process, potentially.

25 And that is a real issue that I think you're
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1 going to need stakeholder feedback on. So, you know, I
2 don't think we can come to a resolution here but we need

3 to be thinking about how to be more interactive in this
4 SAF process because it's not going to be black and white
5 in a lot of cases.

6 MR. GILL: I mean, I agreed with Shannon last
7 meeting, that we don't want the long, drawn-out meetings,
8 hundreds of hours that we had, but we need to know what --
9 where the language is going so we can at least start some
10 discussions

11 CHAIRPERSON CLEMENT: Roger.

12 MR. BEAL: Well, it would seem like it would be
13 one way or the other. You're going to speculate on where
14 the rule might go until you get the draft.

15 If you get the draft and there's time, then we
16 can react to it which seems to be the process that's being
17 mandated here.

18 CHAIRPERSON CLEMENT: One question.

19 MS. STONE: With all the need to come into this
20 also as a partner, not just as responding to things that
21 we receive.

22 MS. MARTINCIC: Was that done through the
23 technical committee, Hall, the prior list of issues?

24 MR. GILL: It's been so long. I'm trying to
25 separate the SAF rule because we started -- had a
0019 discussion on it but it wasn't in the subcommittee. It
1 was working groups and we had one or two.

2 MS. MARTINCIC: Separate even from the
3 Commission?

4 MR. GILL: Even at that point there was big
5 changes being proposed. Now, obviously, they are going to
6

7 be changed even more.

8 MS. MARTINCIC: Did the Agency facilitate the
9 working groups?

10 MR. GILL: Yes.

11 MS. MARTINCIC: Would you guys have records of
12 that? I'm just trying to find out how we can get that
13 list, if there's an easy way, if it's on file somewhere.

14 MR. GILL: The way it was working, the SAF --
15 well, they weren't -- the SAF group at that time came out
16 with the proposed language and we all sat down and started
17 going through the language and discussing issues and
18 problems.

19 MS. MARTINCIC: So it was never, like, a parking
20 lot issue list.

21 MR. GILL: It was being developed.

22 CHAIRPERSON CLEMENT: But it was not developed.
23 Well, I just encourage the regulated community and the
24 Commission to focus on these issues through both the
25 Financial and the Technical Subcommittee.

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1 And we can add this as an agenda item to the next
2 subcommittee meetings so we can get a little bit of the
3 focus on issues that we think need to be addressed in the
4 new rule-making process.

5 And that'll hopefully assist the agencies as they
6 come forward and move this thing a little bit further
7 along. Judy.

8 MS. NAVARRETE: There is one thing that's really
9 good about this is, Joan Card and John Alspach were

10 working on the rule before so both of them, they have a
11 lot of knowledge between the two of them.

12 And John was knowledgeable about the rule that
13 came in in 1991 and '92. So he's been through the whole
14 process. So they are very knowledgeable about what needs
15 to be changed.

16 CHAIRPERSON CLEMENT: Mr. Beal.

17 MR. BEAL: Yes. I have concerns about, you know,
18 speculating on what might be in the draft and yet, you
19 know, there's a reluctance to have a completed draft
20 before we get any information to it.

21 It seems like it would be beneficial, if any
22 parts of the draft are completed, that maybe the Technical
23 and Financial Subcommittees could look at it so we're not
24 talking about things we don't have to talk about.

25 And then we could save our comments or be
0021 1 prepared or start working on the comment to the completed
2 draft without getting it all at once.

3 I'm just really worried about thinking, well,
4 this might be here and it's not.

5 CHAIRPERSON CLEMENT: And I think that's a good
6 point. But you have to consider what your process is
7 going to be and then inform us, but certainly you can come
8 up with some issues that need to be addressed.

9 Let's give them --

10 And I agree with Amanda. Let's give them a month
11 to come back. There are a lot of things right now in the
12 program and a lot of things have to be done.

13 They can address this. But I think in the

14 meantime, in the next subcommittee meetings we can put
15 some issues on the table also.

16 Okay. Thank you very much, Judy.

17 Now we'll go on to the next agenda item.

18 Was there any other discussion?

19 I'm sorry. I didn't mean to cut anybody off.

20 UST Corrective Action Monthly Update.

21 Joe Drosendahl is not available today. He's out
22 sick. So I believe that Phil McNeely is going to provide
23 that discussion.

24 MR. MCNEELY: You have the handout. I think it's
25 back there. I'll stand up again. It's pretty self

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1 explanatory. First page is CAPs. We have 23 active CAPs.
2 Just read it. We had one approved this month and it looks
3 like we didn't receive any. So just flip through the
4 whole thing.

5 Cumulative LUST statistics, LUSTs closed, if you
6 look -- and this is a statistic I actually like to see.

7 We had 2182 open LUSTs, LUST sites. And back
8 when I was in UST, back in '98, '99, we were up to 3 on
9 this range. So we have closed --

10 We have a third or two-thirds less than we used
11 to have or a third less than we used to have. That's
12 pretty impressive if you think about it.

13 In four years a third of our sites have been
14 closed, counting all the ones that we reopened or new
15 ones. That's impressive.

16 And the total statistics, we have closed 5,900

17 out of 8,000 sites. That's significant.

18 The risk assessments, I think Ren's going to do
19 that next. I'll skip over that.

20 State Lead sites. You know, we have --

21 The history of the program, 90 sites in State
22 Lead. 34 have been closed, 34 to 90, which is about
23 average for the whole program, actually, when you think
24 about the one you heard, and then 15 or still in --

25 41 have active remediation going which is a
0023 1 significant amount too.

2 And the ones that are not the ones under
3 characterization, I'm not sure if they require active or
4 not. Closure requests. 3 requests in June. That's good
5 too. So closures are going up. Requests are going up.
6 We have reviewed 10 of them. Is that right? Yes.

7 Received 10 of them and closed 3. The last one,
8 we have 44 active Site Characterization Reports. We
9 received 8 and we closed 6.

10 And that's one thing we will focus on is trying
11 to streamline this process to get all these in and out as
12 quickly as possible, definitely before the 120-day mark
13 but hopefully before that.

14 Andrea.

15 MS. MARTINCIC: I had a question about the active
16 closure requests. There's a large portion of them that
17 say reviewed pending approval.

18 Does that just mean they are waiting for a
19 signature? Next to that last page there, that bottom
20 graph, kind of like only 12 of the 13 are currently being

21 reviewed, it looks like, but then there's, like, 21 that
22 have been reviewed.

23 MR. MCNEELY: Al, why don't you answer this.

24 MR. JOHNSON: Okay. What that means is if they
25 are received pending approval, it means we have received
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1 them and they haven't been closed. They are somewhere in
2 the process. That's basically what that means.

3 MS. MARTINCIC: Well, what's the difference
4 between under review versus -- I mean, if it says reviewed
5 slash pending approval, that means --

6 MR. JOHNSON: Under review means, like, a letter
7 hasn't gone out yet; okay?

8 MS. MARTINCIC: A letter to the operator?

9 MR. JOHNSON: Right. And those pending approval
10 means a letter's gone out and it's somewhere in the
11 process, they are waiting, between the two.

12 MR. MCNEELY: And that's why that 33 there, you
13 may say you have a 33 backlog, but the way I would look at
14 it is, 21 of those 33, we're waiting for a response back
15 from the owner-operator, so the backlog is 12. We're
16 actually trying to send 12 letters out. These numbers are
17 not as high as they may look.

18 MS. MARTINCIC: Is there something that the
19 Agency needs from the regulated community to get that --

20 You know, I mean, are people just delayed in
21 getting information back to the Agency or -- I mean --

22 MR. MCNEELY: If you look from September '03, 32,
23 it's consistent. So there's always probably some other

24 information. You know, probably next month a lot of these
25 21 or 22 will respond.

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1 MS. MARTINCIC: So it's just normal --

2 MR. MCNEELY: Out of the 2,000 sites, it's not
3 that many that are going back and forth. And 5,000
4 closures. That's just a process back and forth.

5 I would like to streamline the process if we can
6 but that's what we'll work on in the next couple months.

7 MS. MARTINCIC: Okay. Thank you.

8 CHAIRPERSON CLEMENT: Any other questions or
9 comments? Thank you, Phil.

10 And then the last DEQ update is the Risk
11 Assessment Update with Ren Willis-Frances.

12 MS. WILLIS-FRANCES: I'll go through some of this
13 with you today. This is part of the handout. There are
14 31 total active risk assessments. Those are 9 under
15 active review in the Rules and Risk Assessment Unit.

16 The remaining 22 could be in any number of phases
17 if any one of them could have been reviewed and are going
18 through some other aspect of the review by the project
19 manager like the hydrology, that sort of thing.

20 So we haven't yet received it because they are
21 going through that sort of review or we have reviewed it
22 and we're working with the consultant to refine the risk
23 assessment to make sure that it's usable for making
24 decisions.

25 So that's what's going on with those other 22.

0026

1 We have completed the review of 17 risk
2 assessments since March.

3 If you compare that to the closure numbers, that
4 means there's 12 that are still going over some sort of
5 post risk assessment processing.

6 The project managers are handling some other
7 issues that's not risk related on the site.

8 Do you have any questions over that part of it
9 yet?

10 MS. MARTINCIC: Are we just looking at one page?
11 I'm confused by the numbers you're talking about.

12 Like, I don't see 17.

13 MS. WILLIS-FRANCES: I'm explaining those to you.
14 They are not on there.

15 MS. MARTINCIC: I don't understand.

16 MS. WILLIS-FRANCES: What happens is we get a
17 closure request and of the closure requests, some involve
18 risk and some don't. The ones that don't involve risk,
19 the UST project manager handles it.

20 The ones that involve risk come to my unit. My
21 unit logs them in. My unit reviews them and logs them
22 out. We have logged out 17 of those since March.

23 So on this graph this is --

24 MS. MARTINCIC: Explain how this relates on this
25 graph because I see from March to June, like, March it
0027
1 looks like there were 29 received; April, 26; May, 28;
2 June, 21. So am I supposed to add up all those numbers
3 and then 17 is what's --

4 MS. WILLIS-FRANCES: They don't correlate very
5 well on a one-to-one basis. You could be comparing apples

6 to oranges, the reason being that those 17 might have been
7 sites back here that were closed or they might have been
8 sites that have been processed since or that are under
9 process.

10 We were working on aligning the two track
11 systems, and of course now there's a reorg so we're not
12 going to be aligning the two track systems because we're
13 not going to be doing your risk assessments any more.

14 And by having your risk assessments in the UST
15 division, I think you're probably going to get numbers
16 that are more aligned. But right now I don't have those
17 numbers.

18 MS. MARTINCIC: But this page represents the ones
19 that have gone to your group. So you had 29 in March that
20 were received.

21 MS. WILLIS-FRANCES: No. That's the total that
22 have been received in the department as a whole.

23 The 31 is how many cumulative --

24 MS. MARTINCIC: Over the beginning of the
25 program.

0028

1 MS. WILLIS-FRANCES: That are in the Underground
2 Storage Tank Program considering closure right now.

3 MS. MARTINCIC: These graphs, maybe just having
4 it in a word format would make more sense. I honestly
5 like --

6 MR. O'HARA: It's also the number of active. 31
7 currently active.

8 MS. MARTINCIC: We can't compare it. We can't do
9 anything with it.

10 MS. STONE: Ren was just trying to, you know,
11 clarify that there's a lot of different --

12 We wanted to give you one number so that you
13 could look at all risk assessments that are in the Agency
14 that we are responsible for at any one point because it
15 matters how we're doing on getting things out of the
16 Agency, not how each unit is performing.

17 And so Ren was just suggesting that there's
18 different steps in the processes.

19 You know, it comes to the project manager; it
20 goes to the risk assessment unit; it goes back to the
21 project manager. That's why she provided those additional
22 numbers.

23 MS. MARTINCIC: The top one is not necessarily
24 only UST risk assessments?

25 MS. STONE: It's UST risk assessments but they
0029 1 might be different stages of review, so they might be in
2 different units in the Agency.

3 But the reason that we provide you one number is
4 so that the Commission can have a comprehensive view of
5 how many risk assessments are within the Agency for
6 review.

7 CHAIRPERSON CLEMENT: For the LUST program.

8 MS. MARTINCIC: They are all LUST.

9 MS. STONE: 31 of them are all LUST.

10 CHAIRPERSON CLEMENT: That's a clear number.

11 What's not clear is if you look at the risk
12 assessments approved or site closed, it looks like you've

13 only processed since March, if you read the March number,
14 5, but you said 17 have been processed.

15 And that's what I don't get.

16 MS. WILLIS-FRANCES: That means that there's 12
17 that are going through some post risk assessment review
18 that the project manager is tying up loose ends on and
19 that should be closed pretty soon because of that.

20 MS. STONE: Getting risk assessment approval of
21 the risk assessment doesn't necessarily mean the site's
22 ready for closure.

23 CHAIRPERSON CLEMENT: And that's the confusing
24 statistic that I see on this because you almost have two
25 numbers. One is risk assessment that have been approved
0030
1 and that's a precursor for the site closed.

2 And so even though this gives a misleading number
3 in terms of the productivity of the risk assessment group,
4 because what you're really writing here is site closed.

5 So you may want to pull that out, I think, a
6 little bit. Mr. Gill.

7 MR. GILL: And as Ren said, it may be easier to
8 track the different components once it's separated.

9 But I think what the Commission is interested in
10 is -- I mean, we want to see how many are finalized but we
11 are interested in where the different reports -- I mean,
12 where the report is -- it's in this section -- because
13 what we're trying to determine here is where the problems
14 are. And that would --

15 You know, I would think that's what DEQ would
16 want to see too, if there's one area, for whatever reason,

17 is taking long to get information through, that's
18 important information.

19 And if you find out it's staying a while in this
20 section and you find out we're not getting responses from
21 the owner-operators when we send out letters, then that's
22 what we want to know.

23 That's what I'd like to see is, rather than just
24 a final number, this is how many are in the process, where
25 in the process are we.

0031

1 MS. WILLIS-FRANCES: You'd have to make a time
2 line for each individual case which would be possible but
3 very onerous. If you did that, I think you would see
4 that, on average, the completion of the risk assessment
5 review would be about two-thirds to three quarters of the
6 way through the process which is how we can complete our
7 part of it and yet them not be reflected on here as
8 closure.

9 CHAIRPERSON CLEMENT: If you could pull out those
10 two numbers, I think that's going to be helpful because
11 it'll tell you what at least the risk assessment group has
12 been able to complete.

13 It won't tell you what problems may be present
14 between the risk assessment and final closure but it'll
15 give us a handle on what the productivity of that unit is.

16 MS. STONE: We'll be transitioning with Phil to
17 get him all the numbers and we can try to work together to
18 separate those out.

19 CHAIRPERSON CLEMENT: And I think we also need to

20 be very explicit, think about what other information we
21 would request regarding risk assessments and how we can
22 better get that information so it's clear to the
23 Commission what we're looking at.

24 MS. WILLIS-FRANCES: So far as transition, I
25 think that's going to go fairly easily.

0032

1 The UST file, believe it or not, is a big part of
2 that, and we are tracking the location of the files and
3 making sure everything goes with the new division.

4 I do not know --

5 And please don't read anything into my
6 uncertainty. I can't speak to whether or not Jeanene will
7 continue as risk assessor or in some other capacity. It's
8 not my job to determine that. And her new division will
9 have to decide.

10 What I do know is that there are a lot of
11 resources available to do the closure reviews.

12 CHAIRPERSON CLEMENT: I have a couple questions
13 regarding risk assessments.

14 In addition to this, where are you in terms of
15 the time frame for release of the software for the program
16 that's been in process for some time?

17 MS. WILLIS-FRANCES: Right now we're awaiting and
18 we have been expecting an alpha version. We have broken
19 our review into two parts, alpha and beta.

20 When we get the alpha version, that'll be a
21 working program that works for the contractor on their
22 computers. We will take it and review it to make sure
23 that it is compatible with our network and our web site.

24 And that will be the alpha review taking place
25 within the department, working very closely with our IT
0033
1 people to make sure the product we produce will work, you
2 know. At that time we will also be checking, of course,
3 the formulas and making sure that everything comes out
4 number-wise. The beta review, we will be sending it out
5 to some external people who volunteered to review this.

6 CHAIRPERSON CLEMENT: And is an external meeting
7 part of the UST regulated community or academics or what?

8 MS. WILLIS-FRANCES: All of the above. We have
9 tried to get a real broad range. We even have an EPA
10 person looking at it.

11 CHAIRPERSON CLEMENT: When will the reviews be
12 expected to be complete?

13 MS. WILLIS-FRANCES: It's hard to say. We have
14 been working real close with the contractor to make sure
15 that there aren't any problems but if they should come
16 up --

17 CHAIRPERSON CLEMENT: The question I'm asking is,
18 what is the time frame you've given to review both alpha
19 and beta reviews? What is the drop-dead date for your
20 reviews?

21 MS. WILLIS-FRANCES: I have not developed those
22 because I don't know what kind of problems will kick up in
23 the alpha review. But if we have a compatibility problem
24 at that point, I don't know when the beta review would
25 begin.

0034
1 CHAIRPERSON CLEMENT: So they are sequential, in

2 other words?

3 MS. WILLIS-FRANCES: After the Beta review
4 begins, it'll be a two- to three-week -- and we haven't
5 hammered that down. That'll depend on how late we are on
6 the project Attachment II or three-week review.

7 Once that's done, there will be another --
8 probably around, I would hope fairly short period, where
9 we would incorporate those funds, comments, and
10 incorporate any problems that come up then.

11 It would take a day if there are no problems. If
12 there are big problems it could take a month.

13 CHAIRPERSON CLEMENT: In terms of the alpha
14 review, have you begun the alpha preview or do you have a
15 date for its starting?

16 MS. WILLIS-FRANCES: We have been reviewing
17 pieces of it as we go, trying to work real close with the
18 contractor but making sure that the whole program --
19 because we have been looking at small segments of it once
20 it is tied in.

21 Remember, we are trying new three different
22 programs; the GPL model, the Johnson-Ettinger model or
23 indoor air, and the -- indoor air, leaching and proceed
24 UCL, the statistical package. And these are all packages
25 that our contractor did not build.

0035

1 So what they are doing is building a ladder or a
2 network that'll make these all connect and produce the
3 report. So we haven't reviewed the big picture which,
4 when all three of those have been hooked in the same
5 thing -- and we have been coming up with some interesting

6 little glitches.

7 There was one program, I believe it was the GPL,
8 where it runs halfway through the computer program and I
9 hit enter, which means that we have to build the Tier II
10 software so that it would hit enter, that kind of thing.

11 And if we missed any of that and we have been
12 trying real hard not to, they are going to have to go back
13 after the alpha review and do some more work.

14 CHAIRPERSON CLEMENT: The alpha review has begun
15 or is about to begin soon?

16 MS. WILLIS-FRANCES: Officially it will begin
17 upon receiving the working copy that connects them, all
18 three. We're expecting it this week. Actually we
19 expected it last week.

20 CHAIRPERSON CLEMENT: The contractor's delivery
21 due date is expected this week. Your alpha review should
22 then immediately begin?

23 MS. WILLIS-FRANCES: 10 days.

24 CHAIRPERSON CLEMENT: Should take approximately
25 10 days. Then a Beta review, large group of experts and
0036
1 the regulated community, you're going to give them a due
2 date for your review, and then, depending on what is found
3 from this review, the corrections that may or may not be
4 necessary. That's why you can't give us a due date for
5 when this software will actually be available.

6 Any other questions on that? Mr. Gill.

7 MR. GILL: No.

8 CHAIRPERSON CLEMENT: And any other input on that

9 particular piece of the risk assessment process?

10 MS. WILLIS-FRANCES: I will be seeing that
11 project through to acceptance.

12 There is a three-month period where the
13 contractor will continue on contract on maintenance. And
14 I won't be working on that part but I will be here and
15 there will be continuity.

16 CHAIRPERSON CLEMENT: Mr. Gill.

17 MR. GILL: Yes. How is the department going to
18 incorporate any changes in the Soil Rule into the model?

19 MS. WILLIS-FRANCES: We have actually thought of
20 that and they have set us up in the administration page.
21 That'll allow us to make minor changes. If they add more
22 than 20 chemicals, we will have to go out for another
23 contractor at a later time.

24 MR. GILL: You mentioned the GPL already being a
25 problem and with possible changes in the GPLs.

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1 MS. WILLIS-FRANCES: Right. It should tie in the
2 same when they rewrite the GPL. We have been real careful
3 with that sort of stuff and we have been watching this
4 column, how this software correlates to that column on
5 that software.

6 And as long as we continue that correlation, we
7 can change the numbers and the formulas pretty much the
8 way we want.

9 If any brand new formulas are developed, it would
10 have to go back to a contractor, but we don't expect that.

11 CHAIRPERSON CLEMENT: The third question that we
12 had, just regarding the overall risk assessment status is,

13 you were working on developing the QAQC requirements for
14 risk assessments in the UST program.

15 And where are you with that?

16 MS. WILLIS-FRANCES: Actually I was working on
17 the QAQC for the entire UST program which included some
18 risk assessment QAQC. And I stopped working on that when
19 I found out there was going to be a new division.

20 Mike and I agreed to that because we didn't know
21 what new management might want out of that.

22 CHAIRPERSON CLEMENT: I think we have said this
23 before as a Commission. I'm certainly glad to be
24 articulated. It is imperative that the regulated
25 community understands what is required of them so they can
0038
1 meet the Agency's needs and requirements.

2 And one of the key missing gaps I see still
3 continuing in this program for an extended length of the
4 program has been the minimum QAQC requirements to meet the
5 UST risk assessment process.

6 And people are still flailing in the wind on
7 this. And I just want to emphasize from my personal
8 perspective and I assume the regulated community's
9 perspective, that this needs attention and is an easy
10 thing to resolve and should take priority because you have
11 to inform people what's required of them. You can't just
12 expect them to know. They don't.

13 I probably said that fairly emphatically.

14 We will be talking to you frequently about this
15 issue until it's resolved. Mr. Gill.

16 MR. GILL: I had one other question. We waited
17 for quite a while, as did the department, for a new
18 individual to be hired in this section. And we finally
19 are seeing some movement on review of risk assessments.

20 Now what's going to happen now that we are
21 separating? Is the UST back down to one person because
22 there was only two overall?

23 And so now I'm concerned that, is the new tank
24 program section looking at hiring another risk assessment
25 person or are you just going to have one person?

0039

1 MS. STONE: We still have the same researchers in
2 the department that we have always had.

3 We're just separating Jeanene out so that her
4 resources can be concentrated on UST.

5 If we need to share resources between waste
6 programs and the tanks program, we certainly will.

7 Also the administration of the interagency
8 service agreement with DHS will stay with waste programs.

9 So there's obviously going to be a lot of
10 resource sharing and data sharing and sharing of
11 management responsibilities.

12 And we'll be working closely with Phil to make
13 sure, if he needs resources, we'll provide that in the
14 interim as he's developing his capacity.

15 CHAIRPERSON CLEMENT: Also would ask the Agency
16 to consider whatever contract dollars you need to expend
17 to get this moving forward. I think this is a priority.

18 MS. WILLIS-FRANCES: The department does have two
19 risk assessment contractors. I'm working to bring as many

20 as eight additional toxicologists.

21 I want to get at least one munitions expert in
22 and a lot of the just general risk assessment people.

23 CHAIRPERSON CLEMENT: The UST division would have
24 access to these other contractors and it would be
25 agency-wide contractors --

0040

1 MS. WILLIS-FRANCES: Yes.

2 CHAIRPERSON CLEMENT: Additional resources
3 potentially in that direction. Good.

4 Any other questions on the risk assessment?

5 Thank you very much, Ren.

6 Okay. Let's jump to the commissions and the
7 Technical Subcommittee Update.

8 Mr. Gill will provide that.

9 MR. GILL: Okay. We met two weeks ago today.
10 Basically there was two primary issues that we were
11 discussing in the meeting. One is not --

12 Unfortunately, I was unable to make the Financial
13 Subcommittee meeting the week prior to that.

14 And so we basically went through the list of
15 issues that the Financial Subcommittee had come up with in
16 response to the Senate Bill 1306.

17 And what we did is we went through A through J
18 and determined which ones had technical components. And I
19 believe there were handouts. The draft minutes for that
20 meeting, I believe, are on the table there.

21 And we went -- because, as I said, we went
22 through and identified, for those 10 overall issues, which

23 ones have technical components. And I believe we came up
24 with about six of them.

25 And so we didn't have any discussion on those
0041
1 issues. We just wanted to identify which one of the
2 issues had technical components so we could start
3 discussion in the next meeting.

4 Since then I have prioritized just by low,
5 medium, or high priority, which ones, I believe, of those
6 issues we need to start discussing. First sent those out
7 to the people that were in that meeting.

8 And we'll wait for any comments, questions,
9 concerns on those issues and that prioritization that I
10 set up prior to the next meeting which is two weeks from
11 today.

12 And it's always the second Wednesday of the
13 month. And we'll be meeting in the fourth floor
14 conference room.

15 So basically, other than that, there's nothing to
16 discuss. The issues have been identified, as I said, in
17 the draft minutes for that.

18 And you can see which ones we're going to have
19 the discussion of. And hopefully you'll be able to make
20 it to the meetings.

21 The other main subject that was discussed is --

22 Well, again, there was no discussion because DEQ
23 handed out in that meeting the UST release confirmation
24 verification and LUST number assignment process. And this
25 should be on the table as well.

0042

1 I asked the people in the meeting to possibly get

2 comments back to me or directly to DEQ on this by this
3 meeting for discussion at the meeting.

4 So we basically want to get -- detect any
5 comments prior to the next subcommittee meeting so we can
6 have a meaningful discussion. It's kind of difficult to
7 discuss it when it's handed out right there.

8 But at the same time we don't want to just show
9 up at the next meeting and say, here are our concerns and
10 then expect a good discussion with DEQ.

11 We need to get them any comments on concerns that
12 we have with the new LUST number assignment process prior
13 to the next subcommittee meeting in two weeks.

14 So what I ask is that the people in this meeting
15 and I guess the one -- because this isn't on the web or
16 anything. It's in draft. The only way that you can get
17 it is to either contact me or, you know, pick it up.
18 Hopefully people here can get a copy.

19 But I would like everyone that can and -- that
20 can get this information out to other consultants.

21 And I'll try sending out, if I can get a copy of
22 it. If I can send out to consultants for them to look at
23 it, I will.

24 And then try to get your comments back within a
25 week at a minimum to the DEQ so they have some time to
0043
1 look at any comments and questions and concerns so we can
2 have a good discussion in the next subcommittee meeting.

3 And that was primarily -- actually we had a
4 pretty good meeting but that was basically all that we

5 discussed. We didn't have any --

6 The two action items were indeed to get comments
7 to DEQ on this, the new LUST number process, and also the
8 list and prioritization of the issues for the Senate Bill
9 1306. That was it.

10 CHAIRPERSON CLEMENT: Yes. Andrea.

11 MS. MARTINCIC: I wasn't at the Technical
12 Subcommittee meeting, unfortunately, but looking at the
13 minutes, it doesn't clarify which of the items A through J
14 that the Technical Subcommittee selected.

15 Could you just very quickly give the letter and I
16 can go back -- because I know that at the last UST
17 Commission meeting they wanted to make sure that we aren't
18 duplicating efforts.

19 MR. GILL: It does say, like, A it says
20 "Technical issues, including those related to re-opening a
21 LUST under ADEQ's proposed release confirmation policy,
22 will be addressed through the Technical Subcommittee."

23 There's some language in there that says which
24 one and which will not.

25 MS. MARTINCIC: I need to read A through J and
0044 1 it'll be clear.

2 CHAIRPERSON CLEMENT: Could you just, while we're
3 here and while we have the regulated community here, could
4 we just read which ones are going to be handled by the
5 Technical Subcommittee?

6 MR. GILL: A is the "No Further Action" letter
7 language. The only issue in regards to that one, again,
8 this is a new release of some number assignment process

9 which is part of that or everything is interrelated in
10 this program. So that's basically where we come into that
11 component.

12 The letter language will actually be under the
13 SAF or the Financial Subcommittee but there is a component
14 of that that will have a technical discussion.

15 That was A.

16 With B, which is MNA, there will be components of
17 that that will be discussed under the Technical
18 Subcommittee.

19 C. Changes to the State Assurance Fund Cost
20 Ceilings will be -- I think we decided that would be
21 totally under SAF although already --

22 There are technical components, obviously, of the
23 cost ceilings but that'll be addressed when we start
24 discussing the cost ceilings.

25 D was confusing because it says "Various issues
0045 1 surrounding the Regulated Substance Fund."

2 This one, we figured that most of these will be
3 addressed on the Financial Subcommittee.

4 E. "What aspects of the bill can be implemented
5 immediately and what should wait for rule."

6 What we have to do on that one is we have to come
7 up with those issues, which ones do need to be addressed
8 immediately and which ones can wait for the rule.

9 And until we know exactly which ones those are,
10 we put that down under probably both subcommittees.

11 F. "Process for reviewing SAF submittals denied

12 due to lack of Financial Responsibility."

13 Any of these issues will probably be addressed
14 through the Financial Subcommittee."

15 G. "SAF payment for technical reports not
16 required by rule."

17 That one was going to be under both financial and
18 the Technical Subcommittee.

19 H. "SAF Co-payment obligations" was Financial
20 Subcommittee. Only I read it was Financial Subcommittee
21 only and ADEQ was also in the Financial Subcommittee.

22 CHAIRPERSON CLEMENT: Thank you, Hal.

23 MS. MARTINCIC: Thanks.

24 CHAIRPERSON CLEMENT: Any other comments,
25 questions for Hal on the Technical Subcommittee?

0046

1 Then let's move on to the Financial Subcommittee
2 update with Andrea Martincic.

3 MS. MARTINCIC: Okay. We met July 1st, and
4 basically we tried to get more detail from that list of A
5 through J that Hal just went through at the request of the
6 Commission at our last meeting.

7 And in doing so, we basically identified three
8 main issues out of Senate Bill 1306 which we saw as
9 needing to be part of the new SAF rule.

10 And those are the implementation of changes to
11 the SAF cost ceilings.

12 The second one had to do with technical reports.

13 And the third one had to do with no further
14 action letters.

15 And I think that it's, from the minutes, we have

16 listed specific questions related to the concerns that
17 folks had at the meeting on those issues.

18 And then the second point, the second phase rule
19 issues, in talking to ADEQ, they felt that the regular
20 substance fund, they are thinking of it kind of in
21 Attachment II process, deal with the rule so those issues
22 would not be addressed in the SAF rule. Later rule making
23 probably for those.

24 So that's why that's kind of separated out.

25 And then issues that we were going to hear back
0047
1 from ADEQ on, we're going to hear how the Agency's going
2 to hear the re-review applications that were denied due to
3 the insurance issue, the insurance.

4 And they'll know by August.

5 And then we talked about the co-payment
6 certification requirements under Senate Bill 1306 for
7 volunteers. And the Agency said those will be handled in
8 the same way they currently are for owner-operators.

9 So that was pretty much what we discussed at the
10 meeting. And our next meeting will be next week; right,
11 Al?

12 MR. JOHNSON: Yes.

13 CHAIRPERSON CLEMENT: Next meeting is when and
14 where for both subcommittees so we can make sure
15 everybody's aware.

16 MS. MARTINCIC: Thursday.

17 MR. JOHNSON: Thursday at 2:00 o'clock.

18 CHAIRPERSON CLEMENT: That'll be in this room.

19 MR. JOHNSON: Fourth floor conference room next
20 Thursday. And that's August 5th.

21 And then the next Technical Subcommittee.

22 MR. GILL: The second Wednesday, the 11th of
23 August in the fourth floor conference room, 9:00 to noon.

24 MS. MARTINCIC: I know we weren't sure of the
25 Financial Subcommittee, whether we should have a meeting
0048
1 because I don't think we have anything back from ADEQ yet
2 to talk about in terms of the issues.

3 But I don't know if the Commission wants to talk
4 about that. I mean, I'm glad to have the meeting. It's
5 just, if we're really not having any new information to
6 discuss, it may be a waste of time.

7 CHAIRPERSON CLEMENT: Judy, you had your hand up.

8 MS. NAVARRETE: I wanted to answer some numbers
9 and this'll address one of the questions that you have for
10 the Financial Subcommittee meeting.

11 And that has to do with how we're going to handle
12 the insurance denials. And we will be sending out letters
13 to those that have had denials and asking them to sign
14 something for us to re-evaluate their application.

15 And I have got numbers. There are 57 total.
16 There was 40 that were denials for insurance that, you
17 know, we haven't settled in an appeal or something like
18 that that held, and 17 that were waiting in ranking at the
19 time we had ranking at that time that we denied payment
20 for.

21 So those 57 applicants will be sent letters
22 explaining and asking, filling out a form for us to

23 re-evaluate which will be very, very simple so that we can
24 get them their money as soon as possible.

25 And then you had asked me how many were in
0049
1 appeal. And there are 16 applications in either informal
2 or formal appeal. We'll issue that informal determination
3 after August 25th or informal determination because they
4 had asked to be held in that.

5 MS. MARTINCIC: So is this in addition to the 57
6 that are in appeal?

7 MS. NAVARRETE: 16 are in appeal. 40 were denied
8 outright. 17 were waiting in ranking. So there's 57 that
9 we'll send out the re-evaluation letters on and 16 that
10 we'll just send out that were in appeal.

11 And we'll go ahead and send out the letters with
12 payment, if applicable.

13 CHAIRPERSON CLEMENT: Anybody here today from
14 DEQ -- I mean, Ms. Martincic's question is, will you be
15 prepared with enough material, in responses to some of
16 these questions, to have a Financial Subcommittee next
17 week or is there other work that the subcommittee needs to
18 be moving forward on?

19 MS. NAVARRETE: The two issues were cost ceilings
20 and the letters.

21 MS. MARTINCIC: Right, or if you guys will have a
22 list by then, a bullet list of issues related to the SAF
23 rule.

24 MS. NAVARRETE: We have got a lot of issues to
25 deal with before we can start on those issues.

0050

1 MS. MARTINCIC: So we may postpone until
2 September for the Financial Subcommittee meeting.

3 CHAIRPERSON CLEMENT: Just so we can tell the
4 people that are in the audience.

5 MS. MARTINCIC: Unless there's other issues that
6 the regulated community feels need to be addressed, we're
7 sort of on hold until we get, you know, a little more
8 guidance from where the rules are going and that sort of
9 thing.

10 CHAIRPERSON CLEMENT: So we are going to now
11 postpone the August Financial Subcommittee meeting?

12 MS. MARTINCIC: First Thursday of September.

13 CHAIRPERSON CLEMENT: And if DEQ could get a
14 notice out to folks on that so they are made aware.

15 And then I really encourage people to participate
16 in these subcommittee meetings because a lot of
17 discussion, a lot of work, a lot of compromise gets done.

18 And it is really the working areas that this
19 Commission can be most effective in this. So we really
20 encourage participation.

21 Andrea, did you have anything else?

22 MS. MARTINCIC: No.

23 CHAIRPERSON CLEMENT: Okay. Thank you very much.

24 Okay. Discussion of agenda items for the next
25 Commission meeting. I think we have our regular agenda

0051

1 items. Are there any new agenda items we want to talk
2 about now or we'll continue to do the process that we have
3 followed which is, get out an early agenda, any new items
4 that we want to add to it, please provide those to me now

5 and then we'll also have to bring in the two items that we
6 did table because we don't have a quorum today for a
7 decision-making process.

8 So those two items were the approval of the June
9 meeting minutes and then the review and approval of the
10 2003 Policy Commission Annual Report to the legislature.

11 That report is completed. The Commission has had
12 an opportunity to review it. Hopefully next time we'll
13 have a very brief discussion and approval of that. And we
14 can get that out to the legislature.

15 Okay. Now we go on to the general call to the
16 public. Are there any public comments today?

17 I guess that's a good sign. No comments from the
18 public. And we're just about ready to adjourn.

19 The next Policy Commission meeting will be August
20 25th, 2004 at 9:00 a.m. at the Arizona Department of
21 Environmental Quality in this room, Room 250.

22 And with that, I will take a motion for
23 adjournment.

24 MR. BEAL: I move that we adjourn.

25 MS. MARTINCIC: Seconded.

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1 CHAIRPERSON CLEMENT: Adjourned. (10:30 a.m.)

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I HEREBY CERTIFY that the proceedings had
upon the foregoing hearing are contained in the shorthand
record made by me thereof and that the foregoing pages

12 constitute a full true and correct transcript of said
13 shorthand record all done to the best of my skill and
14 ability

15 DATED at Phoenix, Arizona this 18th day of
16 August, 2004.

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Clark L. Edwards
Certified Court Reporter
Certificate No. 50425