

DRAFT HAZARDOUS WASTE USER CHARGE (HWUC) STAKEHOLDER WORKGROUP MEETING SUMMARY

March 22, 2012

Meeting Time and Location: 1:00-4:00 p.m., Rachel Carson Conference Room, Constitution Hall, Lansing, Michigan

Meeting Attendees: 9 stakeholders at table (Mike Takacs represented Scott Maris); 2 stakeholders on the telephone (Bill Chem Council, Allison Harrison for Terry Burns MI Auto Dealers, Sharon Stahl Gage), and 7 Department of Environmental Quality (DEQ), Resource Management Division (RMD), staff at the table including Fred and Nadine. Jim Sygo joined. 4 absent: Eric W (Vesco), Pat Z (Consumers), Julie Valenski (Gage), Jason (Chamber), Andy Such.

Members received handouts: Future Hazardous Waste Program Changes, Benefits and Consequences. Handout of State Fees Summary.

Liane Shekter Smith, DEQ, RMD welcomed the workgroup around the table as well as via telephone and gave an overview of the agenda for the day's meeting.

Handout: Jack gave an overview of the chart and Liane explained the DEQ's objective in capturing the data. The ORR was included as it could impact the program. Net increase of SEEPs to three raised a question from Bill Lievense about the driver of that increase. Jack responded. No change was made on inspection frequency on the chart as a discussion of that topic is on the table.

Liane gave some detail information on what is reflected on the handout and the savings that were included. Future electronic biennial report idea was included but the IT costs to accomplish that is an unknown.

Lenora Strohm commented that program increases is fundamentally inappropriate with the universe of hazardous waste decreasing. Fred responded with corrective action details and LIW cuts that are at rock bottom. Question on the backlog of correction action was asked. De replied with details on the turnaround process and the various unknown factors. A question was asked by John Cannon about the options. De responded about the EPA assignments and responsibilities. GPRA for 2011 has DEQ at 29% for construction complete and 46% at end of 2013 leaving 54% of the GPRA priorities. 2020 goal of 90% will not be met with the current structure. MI has turned over several projects to EPA as they have more staff in MI than DEQ but EPA has only completed 13% to-date. There are also non-GPRA facilities needing attention. De explained that another team of staff could bring DEQ closer to its goals.

Lenora asked for clarification on the workplan statistics compared to the handout. Staff replied that the retirement staff are represented on the handout. Liane stated that the workplan does not reflect an adequate program need but rather the staff assigned to complete the work for the fiscal year.

Staff added that grant money will decrease by 10%. The two year patch was received to cover expenses while the workgroup met and reached a program plan. The handout was based on where the program is today – 56 FTEs. The Dow work is covered by separate funding.

John Cannon asked if the dollars were separate – yes. It is a ballpark number.

Lenora asked if DEQ was performing more inspections than mandatory? Liane answered about TSD adjustments which are up for discussion. LQG is 20% and is being done. SQG 6-7 year inspection schedule, approx. 12% but the group may wish to discuss. Nadine added that SQG and CESQG sites require more staff time from her experience over 20 years and have more waste issues. John added that a lack of communication between Part 121 and Part 111 is a problem. He suggested that inspection frequency could reduce if the facility is provided more information and knowledge during a visit. Nadine replied that inspection staff may not be trained in other programs and cannot always assist a company at a visit. Fred added that some companies do not wish to deal with more than one program at a time at an inspection.

Yellow shirt asked if staff's point is that the current number of staff is inadequate and three more bodies would be beneficial and get all the savings? Yes. Bowling shirt Art wondered if companies that are stable and organized and experienced may not need as many routine inspections so staff may visit companies needing more assistance and oversight such as SQG/CESQG. ISO 14000 facilities were discussed. Jim Clift MI Envir Council added that violation levels may need to be reviewed. Nadine added that DEQ database cannot be revised to add more columns for more violation details as it would affect the transfer of data to EPA. Lenora had a concern that staff felt that corrective action/licensing were the deficient areas but the table seems to feel that inspections are a deficiency. John clarified his comment and stated that more efficient inspections does not necessarily mean more bodies to inspect. Nadine added that webinars are being provided and have been popular.

Bowling shirt asked how many staff went out with the retirements? Liane replied that from 2007 7 full time staff are no longer in the program any longer (have not been replaced). De added 9 staff retired in Dec. 2010 FY11 but a geologist started Monday to replace a death not a retirement. Ronda explained staff's thinking of why three staff was used: an engineer/geologist/EQA (possibly a toxicologist). To make an entire new team. Lenora asked for the number counts to be re-explained so 56 is the current number of staff including SEEPs. Jim Clift added that IT costs are going to eat up most of the savings being proposed.

Liane told that the database rewrite was funded by vacancies as there were no funding set aside. Bill L asked Jim Sygo about the building space. He responded that cubicles will be smaller at 8x8 and DNR will be brought over from Mason building making restacking of the floors will be needed. Cost allocations will be smaller after these changes when the office space in Constitution Hall is at full capacity however savings will be used to pay back the \$7 m loan to accomplish the task so budget savings will not be seen in Division budgets until FY2015.

Break 10 minutes: 2:30-2:40 p.m.

Funding by Jack. Handout of State Fees Summary. 47 other states have a fee system in place. It was noted that some states ask for inspections to be paid. MI is not the only state to charge for Site ID and manifests. Biennial report fee was noted. Jack gave an overview of the various fees used by other states. John C added that Canada reduces a fee if the material is recycled. Jack read the guiding principles based on the 1998 workgroup concepts. He mentioned the deficiency of the Site ID form that the data is important but there is no legislative mandate to provide it to the state. Rick Yellow shirt supplied historical background regarding fees. Rick asked if the group's mandate is to incorporate the ORR recommendations. Liane answered that it would be good. Jim Clift added that the ORR is only guidance, not a mandate.

The group wished to revised item 3. as "positively intended to change behavior" is the desire. MI's waste universe has shrunk and will be a part of the discussion. Fred wondered if a multiple prong approach in cooperation with surrounding states/Canada? John C replied with Canadian Ontario process and fees – a movement document is required (site id type form or official Bill of Lading) and paid on a web site by credit card. John feels the TSDFs have an overwhelming amount of tasks/responsibilities already on their plate. John suggests a per unit fee structure. Rick Yellow shirt thinks a three part fee where out of state and out of country would be a separate part. Baseline fee on in state generator; a fee on out of state based on straight allocation flat fee to avoid inter-commerce rules. Third part comprised of "Other" fees such as something off the list. He proposes every other year perhaps tied to the biennial report. Lenora feels that a fund set up (surcharge) would be complicated. The group is not set on a two year fee collection. John does not wish to have a double dip. Yellow shirt says self funding on a 2 year cycle or use manifests. John is not in favor of several fees – ala carte. DEQ wishes a simple system. Rick is not in favor of TSDFs being a subcontractor. John asked how many commercial TSDFs are in MI – 24. Transfer station situations were discussed. The group asked if the waste shipped out of MI would be captured – maybe not. Having a Volume or quantity charge was discussed. Rick feels those that use the system need to pay. The idea of a cap was discussed. Yellow shirt likes a fee based on volume or weight which would force recycling and waste elimination and would be equitable. Have waste activities exempt from fees – cleanup efforts? The group

asked if FTEs are used for cleanup. Yes if a cleanup activity. Rick supports using the existing database as the hazardous waste universe has been relatively stable the past few years.

Lenora thinks the big question is how important is it to collect from out of state generators. Liane explained how the solid waste program operates without invoicing. The group calculated FTEs and arrived at \$1.4 million. Trans-ship issues were discussed. Rick feels landfills would be exempted from the type of fee that he is proposing. Rick suggests that the fee needs to be based on generation including TSDFs with a simple fee on that generation and increase the fee amount per weight to reach the magic number.

Lenore is not in favor of the SQG and CESQG generators paying for the hazardous waste program.

Capturing transportation waste was discussed. A sample of \$10/ton was used by John to reach a target amount.

Liane asked the group about which items on the ala carte list are the ones to be discussed? Rick asked if the members could think about their recommendations and send them to Jack S.

Rick's second fee would be for inspections in a two part breakdown of commercial and others. Part three would be a flat rate on SQGs for example the current \$100.

Liane says invoicing is expensive and there is no current mandate to notify. Also the back looking system is challenging on the businesses that go out of business. She reminded the group that going with something similar to the existing user charge would again lose the out of state and transporter money.

Rick stated that the system needs to include transporter aspects. Increasing transporter application fees would not reach these companies.

Staff will come up with some scenarios and members are welcome to submit their ideas too and then they will be distributed for future discussions.

Next meeting is set for April 12, 2012 from 1-4:00 p.m. in the Rachel Carson room, Lansing.

Adjourned 4:00 p.m.