

MISSISSIPPI COMMISSION ON ENVIRONMENTAL QUALITY
OFFICIAL MINUTES
JULY 25, 2013

The regular monthly meeting of the Commission on Environmental Quality was held on Thursday, July 25, 2013, in the Commission Hearing Room, 515 East Amite Street, Jackson, Mississippi, beginning at 9:00 a.m. Commissioners present were:

Chat Phillips, Vice-Chairman
Charles Dunagin
Dick Flowers
Jack Winstead

Commissioners Martha Dalrymple, Kay Kell and Billy Van Devender were not present.

Others present were: Trudy Fisher, Executive Director; Trey Hess, Tony Caldwell, Stan Thieling, Roy Furrh and Richard Harrell, staff of MDEQ; and other staff members and visitors whose names appear elsewhere in these minutes.

The meeting was called to order by Vice-Chairman Phillips after which the following business was transacted:

Election of Officers for Fiscal Year 2014 (July 2013 – June 2014)

On a motion made by Mr. Winstead and seconded by Mr. Flowers, the Commission voted to nominate and elect Mr. Phillips to serve as Chairman of the Commission for Fiscal Year 2014. On motion made by Mr. Flowers and seconded by Mr. Winstead, the Commission voted to nominate and elect Mr. Dunagin to serve as Vice-Chairman of the Commission for Fiscal Year 2014. No other nominations were made.

Approval of Minutes

On motion made by Mr. Winstead and seconded by Mr. Flowers, the minutes of the May 23, 2013, meeting were approved and adopted as the Official Minutes.

Approval of Brownfield Consulting Firm

Mr. Trey Hess stated that staff reviewed an application from a consulting firm requesting to be listed as a Brownfield Consulting Firm and determined it to be complete and acceptable. Staff recommended the Commission approve the following firm as a Brownfield Consulting Firm:

Professional Service Industries, Inc. (PSI)
724 Central Avenue
Jefferson, Louisiana 39774

Following staff presentation and deliberation, on motion made by Mr. Dunagin and seconded by Mr. Flowers, the Commission unanimously voted to approve Professional Service Industries, Inc. (PSI) as a Brownfield Consulting Firm.

Water Pollution Control (Clean Water) Revolving Fund Loan Program,
Adoption of FY-2013 Intended Use Plan Amendment No. 1

Mr. Tony Caldwell stated the Intended Use Plan amendment included the following changes: 1) to add new projects to the Planning List for possible funding during FY-2013, 2) to incorporate the actual 2013 Title VI capitalization grant allotment, 3) to account for the unavailability of the FY-2013 capitalization grant and state match for obligation, due to the lack of adequate state match authorization during the 2013 Regular Legislative Session, and 4) to provide for the obligation of additional repayments (through March 2014) to replace the currently unavailable FY-2013 capitalization grant and state match funds. Public comments on

the draft Intended Use Plan amendment were solicited through a public comment period and a public hearing which took place on July 22, 2013. No comments were received. Staff recommended adoption by the Commission of the FY-2013 Intended Use Plan Amendment No. 1. Following staff presentation and deliberation, on motion made by Mr. Flowers and seconded by Mr. Dunagin, the Commission unanimously voted to adopt the FY-2013 Intended Use Plan Amendment No. 1.

Establishment of the Lignite Mining Fee for Liberty Fuels Company, LLC for the Liberty Mine in Kemper County for State Fiscal Year 2014;
Establishment of the Lignite Mining Fee for Mississippi Lignite Mining Company for the Red Hills Mine in Choctaw County for State Fiscal Year 2014

Mr. Stan Thieling stated that staff recommended the Liberty Fuels Company, LLC Lignite Mining Fee for the 2014 state fiscal year be set at \$125,000, which is the same as for state fiscal year 2013. He also stated staff recommended the Mississippi Lignite Mining Company Lignite Mining Fee for the 2014 state fiscal year be set at \$125,000, which is the same as for state fiscal year 2013. This amount will cover approximately 50% of the anticipated cost of administering the federally-approved coal mining program in Mississippi; the remaining approximately 50% of the cost will be covered by a federal Office of Surface Mining Reclamation and Enforcement grant. These fees will cover 100% of the anticipated cost of administering the program above the amount of the federal OSMRE grant. Staff previously provided copies of the draft orders related to these fees to the Commission for review. Staff also recommended that the Commission delegate the authority to sign the Orders to the Executive Director. Following staff presentation and deliberation, on motion made by Mr. Winstead and seconded by Mr. Flowers, the Commission unanimously voted to set the Liberty Fuels Company, LLC Lignite Mining Fee for the 2014 state fiscal year at \$125,000 and set the Mississippi Lignite Mining Company Lignite Mining Fee for the 2014 state fiscal year at \$125,000. The Commission also authorized Orders setting these fees be executed by the Executive Director.

Reformatted and Renumbered Regulations

Mr. Roy Furrh presented reformatted and renumbered Commission regulations for the Commission's adoption and approval. The Commission's regulations have been reformatted and renumbered pursuant to the Administrative Procedures Act and as required by the Secretary of State. A public hearing was held related to the reformatted and renumbered regulations on June 4, 2013. Copies of the transcript of the public hearing and accompanying exhibits, other written comments and a proposed order adopting and approving the regulations, were previously provided to the Commission for review prior to consideration of the reformatted and renumbered regulations. Staff made suggested typographical corrections to the regulations, but did not make any substantive changes as this rulemaking is being proposed to merely reformat and renumber existing Commission regulations and not to change content. Staff recommended that the Commission adopt and approve the reformatted and renumbered regulations and the order which was revised to incorporate typographical corrections. Following staff presentation and deliberation, on motion made by Mr. Winstead and seconded by Mr. Flowers, the Commission unanimously voted to adopt and approve the reformatted and renumbered Commission regulations and the prepared Order.

Briefing on Denbury Well

Mr. Richard Harrell stated on August 9, 2011, Denbury Onshore, LLC recognized that fluid (oil, drilling mud, and saltwater) and gas was releasing from what was suspected to be the old well bore of the Lank Smith #3 well in tract 31-2 of the Tinsley Oil and Gas Field in Yazoo County. Denbury began emergency operations such as establishing a safety perimeter and checkpoint; notifying state and local emergency officials; mobilizing resources; shutting in the CO2 injection well and opening nearby producing wells to relieve the pressure on the formation. On August 10, 2011, emergency operations continued along with the addition of well control companies, air monitoring, spill containment and a full incident command system. Other efforts and accomplishments included waters sampling, wildlife assessment, ground water sampling, placement of a well control at the top of the well bore and a relief well at the

bottom. The significant release of CO2 and VOC's in the air resulted in areas of oxygen deficiency, which was believed to have caused wildlife deaths which were documented in the area. The fluids release resulted in the release of fluids through the water aquifers to the surface. The release lasted for 37 days. Denbury was cited for several violations and assessed a penalty for each day of occurrence which totaled \$662,500.00. Denbury has recovered all of the well fluids and mud which have been properly disposed and a final settlement has been reached. Denbury has since investigated, reentered and properly plugged 30 old wells, removed any contaminated soils and joined MDEQ's VEP program for continued groundwater monitoring around the site. Mr. Phillips asked Mr. Harrell if he was comfortable with Denbury's response. Mr. Harrell stated that Denbury's response was more than adequate. Mr. Dunnigan stated that Denbury was active in Pike and Lincoln counties and asked if there had been any incidents there. Mr. Harrell responded that there had been no such incidents of this type. Executive Director Trudy Fisher thanked the emergency response staff for their hard work. This briefing was for informational purposes only, requiring no action by the Commission.

Briefing on Phoenix Awards

Mr. Trey Hess stated that MDEQ staff was recognized for their work on 2 Phoenix Awards at the National Brownfields Conference held in May in Atlanta, GA. The National Brownfields Conference is held every other year and there is 1 winner from each of EPA's 10 Regions. Mississippi, part of Region 4 which consists of 8 states, was the only state to win 2 Phoenix awards. The goal of the Phoenix award is to recognize successful revitalization projects, honor project participants, and encourage project participants to share their knowledge and techniques so these model projects can be replicated across the country. The judging criteria included the magnitude of problems and the project; use of innovative techniques; cooperative efforts of multiple parties; positive impact on the environment, conservation or sustainability; and the project's general and long-term economic and/or social impacts on the community. The Gautier Oil Site in Gautier, Mississippi received the 2011 Phoenix award and the Jackson Federal Courthouse in Jackson, Mississippi received the 2012 Phoenix award. Mr. Hess recognized Tony Russell for his active roles in these projects and Executive Director Trudy Fisher congratulated staff for their hard work and for working together as a team. Mr. Phillips congratulated staff on behalf of the Commission. This briefing was for informational purposes only, requiring no action by the Commission.

Solid Waste Assistance Grants and Waste Tire Grants

On previous authority delegated to the Executive Director, MDEQ, the Commission was provided a listing by staff of the following solid waste assistance grants have that been awarded to local governments:

<u>County/Municipality</u>	<u>Grant Amount</u>
Adams County Board of Supervisors	\$ 63,534
Alcorn County Board of Supervisors	31,214
Bolivar County Board of Supervisors	17,286
Choctaw County Board of Supervisors	27,060
City of Canton	25,000
City of Clinton	25,000
City of Moss Point	25,000
City of Olive Branch	25,000
City of Picayune	25,000
City of Winona	14,695
Claiborne County Board of Supervisors	32,104
Clarke County Board of Supervisors	14,740
Copiah county Board of Supervisors	73,211
Harrison County Board of Supervisors	25,460
Holmes County Board of Supervisors	15,008
Humphreys County board of Supervisors	25,978
Issaquena County Board of Supervisors	7,236
Jefferson County Board of Supervisors	38,536

Leake County Board of Supervisors	33,771
Leflore County Board of Supervisors	50,000
Lincoln County Board of Supervisors	80,770
Madison County Board of Supervisors	35,000
Marion County Board of Supervisors	17,420
Marshall County Board of Supervisors	19,832
Monroe County Board of Supervisors	19,296
Neshoba County Board of Supervisors	18,760
Newton County Board of Supervisors	15,946
Pearl River County board of Supervisors	25,728
Pike County Board of Supervisors	23,592
Pontotoc County Board of Supervisors	17,018
Sharkey County Board of Supervisors	8,844
Simpson County Board of Supervisors	17,956
Tishomingo County Board of Supervisors	14,606
Tunica County Board of Supervisors	12,864
Wilkinson County Board of Supervisors	11,122
Winston County Board of Supervisors	14,874

On previous authority delegated to the Executive Director, MDEQ, the Commission was provided a listing by staff of the following waste tire grants have that been awarded to local governments:

<u>County/Municipality</u>	<u>Grant Amount</u>
Bolivar County Board of Supervisors	\$ 46,544
Humphreys County Board of Supervisors	50,000
Lamar County Board of Supervisors	30,000
Quitman County Board of Supervisors	21,500
Warren County Board of Supervisors	54,000

Asbestos Certifications

On previous authority delegated to the Head, Office of Pollution Control, the staff reported that 306 asbestos certifications had been issued since the last report.

Emergency Clean-Up Expenses

On previous authority delegated to the Executive Director, the staff reported the Emergency Clean-Up Expenses incurred since the Commission's last meeting. A list of these expenses is made a part of these minutes and is filed in the Official Minutes File.

Lead Paint Certifications

On previous authority delegated to the Head, Office of Pollution Control, the staff reported that 93 lead paint certifications had been issued since the last report.

Underground Storage Tank (UST) Certifications

On previous authority delegated to the Head, Office of Pollution Control, the staff reported that 2 certifications to those who install, alter, or remove underground storage tanks had been issued since the last report.

Administrative Orders

On previous authority delegated to the Executive Director, DEQ, the staff reported that 34 Administrative Orders had been issued since the Commission's last meeting. A list of these orders is made a part of these minutes and is filed in the Official Minutes File.

Approval to Enter into Executive Session

Executive Director Fisher stated that there was another matter to be discussed in anticipation of litigation and the Commission needed to consider going into Executive Session. Since this would be a briefing, the Commission would not be taking or reporting any action. Mr. Flowers made the motion for the Commission to enter into Executive Session, seconded by Mr. Winstead and the motion was unanimously approved. Everyone left the meeting room except the Commission and appropriate MDEQ staff. After the Executive Session was held, the Commission came back into open session and stated that no actions were taken during the Executive Session.

Setting of Meeting

It was the decision of the Commission to meet next on Thursday, August, 22, 2013, beginning at 9:00 a.m., in the Commission Hearing Room, 515 East Amite Street, Jackson, Mississippi.

Adjournment

There being no further business to come before the Commission, the meeting was adjourned.



CHAIRMAN

ATTEST:



EXECUTIVE DIRECTOR

