

STATE OF COLORADO

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Dedicated to protecting and improving the health and environment of the people of Colorado

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Colorado Department
of Public Health
and Environment

March 3, 2004

The Honorable John Andrews, President of the Senate
The Honorable Mark Hillman, Senate Majority Leader
The Honorable Joan Fitz-Gerald, Senate Minority Leader
The Honorable Lola Spradley, Speaker of the House
The Honorable Keith King, House Majority Leader
The Honorable Jennifer Veiga, House Minority Leader
Colorado State Capitol
200 East Colfax
Denver, CO 80203

Dear Honorable Senators and Representatives:

Enclosed is a copy of the annual report to the General Assembly on the status of the hazardous waste control program in Colorado. Senate Bill 00-177 requires this report.

Sincerely,

Gary W. Baughman, Director
Hazardous Materials and Waste Management Division

Enclosure

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STATE OF COLORADO



Colorado Department
of Public Health
and Environment

**Third Annual Report to the Colorado General Assembly
on the
Status of the Hazardous Waste Control Program
in Colorado**

Submitted to the Colorado Legislature
by the Division of Hazardous Materials and Waste Management
Colorado Department of Public Health and Environment
February 1, 2004

DOCUMENT INFORMATION

Title: Third Annual Report to the Colorado General Assembly on the Status of the Hazardous Waste Control Program in Colorado

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Subject: The report describes the status of the Hazardous Waste Control Program, and efforts to streamline the program so that it can be implemented at the lowest possible cost without jeopardizing the statutory intent.

Statute: Section 25-15-301.5(3), C.R.S.

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INTRODUCTION

The state's Hazardous Waste Control Program is responsible for ensuring compliance with laws pertaining to the management of hazardous waste. The authority for this program is in the Colorado Hazardous Waste Act, 25-15-101 et seq., and the federal Resource Conservation and Recovery Act (RCRA). The U.S. Environmental Protection Agency (EPA) has authorized the Colorado Hazardous Waste Control Program, and by doing so, the authority to implement requirements for the management of hazardous waste in Colorado rests primarily with the state. Colorado was authorized for the base hazardous waste regulatory program in November 1984. In July 1989, federal authorization was granted to Colorado for significant additions to the base program that were created by the 1984 Hazardous and Solid Waste Amendments to the Resource Conservation and Recovery Act. One major element of that added authority was corrective action, which provided authority to investigate and clean up releases of hazardous waste constituents into the soil, surface water or ground water at hazardous waste facilities.

Primary elements of the Hazardous Waste Control Program include compliance assistance; compliance monitoring and enforcement; corrective action; permitting; and information management. As of December 2003, the Hazardous Waste Control Program regulates 36 treatment, storage and disposal facilities, approximately 120 large quantity generators, 1,100 small quantity generators, 105 transporters and at least 3,105 conditionally exempt small quantity generators. The true number of conditionally exempt small quantity generators is not known, as they are not required to provide any notification to the state. The ones known are a result of voluntary notifications, and complaint inspections.

The Colorado Hazardous Waste Act originally provided authority to assess cash fees only to the facilities that were required to have permits, which include all treatment, storage and disposal facilities. The revenue from these fees, combined with some grant money from EPA, provided adequate funding for the Hazardous Waste Control Program for several years. Colorado's only commercial hazardous waste disposal facility paid a large portion of these fees. However, as waste receipts at this facility declined substantially beginning in 1998, the resulting decrease in revenue to the Hazardous Waste Control Program created a serious funding shortfall.

To resolve the shortfall, the Hazardous Materials and Waste Management Division carefully analyzed the functions and structure of the program, convened a task force of stakeholders to obtain input on options to resolve the problem and pursued legislation concerning the authority to assess fees. One result of those efforts was passage by the General Assembly of Senate Bill 00-177. This legislation modified the Colorado Hazardous Waste Act by allowing the assessment of cash fees to generators of hazardous waste, not just treatment, storage and disposal facilities, and by clarifying the legislative intent regarding implementation of the program. The following report is submitted to comply with one provision of the legislation. SB 00-177 requires an annual report to the General Assembly beginning on February 1, 2002, describing the status of the Hazardous Waste Control Program and the efforts of the Colorado Department of Public Health and Environment to carry out its statutory responsibilities at the lowest possible cost without jeopardizing the intent of the statute.

ACCOMPLISHMENTS, IMPROVEMENTS AND INNOVATIONS

The Colorado Department of Public Health and Environment's Hazardous Materials and Waste Management Division has streamlined processes, improved efficiency and found innovative ways to improve the Hazardous Waste Control Program.

Compliance Assistance

A goal of the Hazardous Waste Control Program is for all regulated facilities to be in compliance with state law and regulations. The traditional inspection and enforcement program serves as a primary mechanism for reaching that goal. In recent years, the program has recognized that compliance assistance also is an integral element for maintaining compliance. The regulated industry and the General Assembly also have recognized the value and importance of compliance assistance. One of the expectations set out in SB 00-177, at Section 25-15-301.5(2)(g), C.R.S., is for the department to "establish a preference for compliance assistance with at least ten percent of the annual budget amount being allocated to compliance assistance efforts." In FY 2001 and FY 2002, the program devoted approximately 16 percent of regulatory staff time to compliance assistance. In FY 2003 approximately 20 percent of staff time was devoted to compliance assistance with several new assistance projects being undertaken.

The program has developed a broad range of compliance assistance services to assist the regulated community in managing hazardous waste. These compliance assistance services include:

- Full-time customer technical assistance phone line;
- Hazardous waste guidance documents and compliance bulletins;
- Development and maintenance of an extensive Web site;
- Compliance assistance site visits;
- Waste management training; and
- Work groups including program inspectors, technical staff and environmental managers from regulated entities who review and develop regulations, guidance and training materials.

The division continues to develop additional services as more effective compliance tools are identified.

During FY 2003, the Hazardous Materials and Waste Management Division provided 32 compliance-assistance training sessions, which reached approximately 1,485 people. These training sessions covered a variety of industries. The focus for training during the year was managing hazardous chemicals in schools and laboratories, and on training sessions jointly developed by the Hazardous Waste Program and the Hazardous Waste Roundtable, a group of environmental managers from various facilities that handle hazardous waste. Instructors for this joint training have included Colorado Department of Public Health and Environment and local agency staff, as well as members of the regulated community.

Program inspectors incorporate compliance assistance and pollution prevention into compliance inspection activities. Inspectors routinely provide guidance documents to facilities during

inspections. In FY 2003, the program conducted 41 site visits that had compliance assistance as a major focus and also provided compliance assistance during 201 inspections.

The program maintains a system of guidance information for regulated parties through both print and electronic media. This includes an automated technical assistance telephone line for common waste management questions and a technical assistance line staffed during business hours to provide information for more complex or detailed regulatory guidance. Program guidance documents and compliance bulletins are available both in printed form and as electronic copies on the Hazardous Materials and Waste Management Division's Web page. The program will be expanding its electronic materials to include training modules that can be adapted for either computer-based training or classroom presentations.

During FY 2003, the Hazardous Materials and Waste Management Division's Internet homepage was revised and received 351,425 hits, a greater than 50 percent increase over the number from the previous year. Division technical assistance staff responded directly to 3,367 calls on the Customer Technical Assistance telephone line.

The compliance assistance staff also works on development of regulatory reforms that lessen the regulatory burden while maintaining environmentally effective controls. During FY 2003, the compliance assistance staff spent considerable time dealing with issues related to the management and recycling of hazardous waste electronics. Training during the year included emphasis on new rules for the management of electronic devices and components under the provisions for universal wastes so as to encourage recycling and reuse. The universal waste requirements are designed to be more flexible and less burdensome than full hazardous waste regulation.

Compliance Monitoring and Enforcement

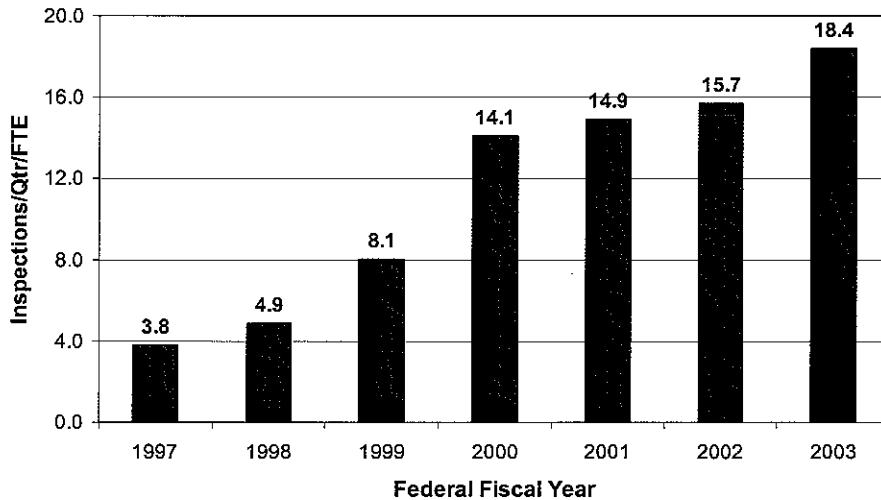
The Division believes that a high quality compliance monitoring and enforcement program should be able to demonstrate that it is both efficient and effective. Efficiency measures include such items as work output per employee and timeliness of activities, while effectiveness measures include improving compliance rates within the regulated community, decreasing waste generation rates, and increasing recycling and reclamation rates. Examples of these results are presented below.

As an example of the improvements made in staff efficiency, please refer to Figure 1. This graph illustrates the large gains in staff inspection efficiency that have occurred in recent years. The figure shows that current inspection efficiency is almost 94 percent higher than in 1999, and over 400 percent higher than in 1997. It should be noted that every inspection carries administrative responsibilities, such as preparation of a report, tracking or data entry, all of which are also being performed on time and effectively.¹

¹ Per 1999, 2000, and 2001 End-of-Year Reports prepared by EPA upon review of Colorado's Hazardous Waste Program.

FIGURE 1

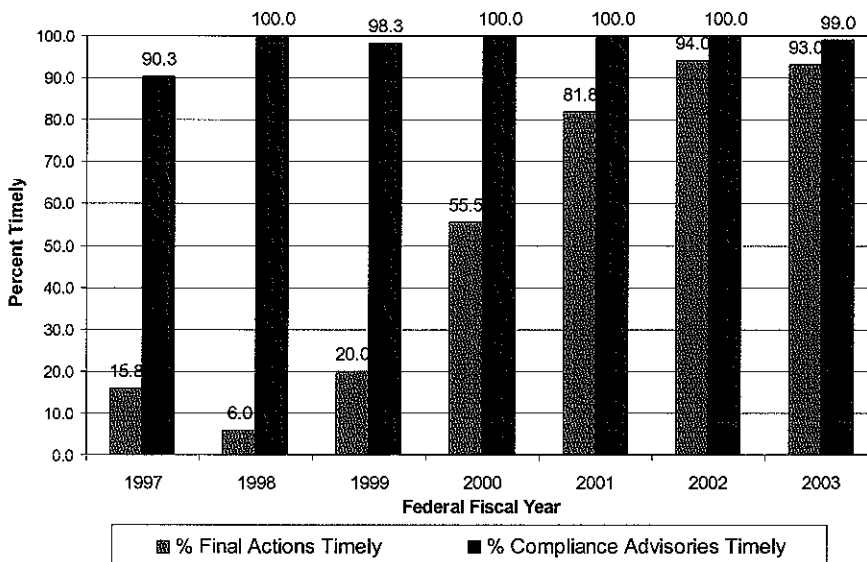
Inspector Efficiency



The higher number of inspections continues to result in the issuance of more formal and informal enforcement actions. Yet, as illustrated in Figure 2, even with more enforcement actions, the timeliness of formal enforcement actions, as measured against standards established by EPA and adopted by the Colorado program, has improved significantly. This graph shows that timeliness for informal actions has remained high and that timeliness for formal actions has improved substantially in the last few years. This is an example of significant improvements made in both staff efficiency and process efficiency. The very slight declines in timeliness indicated on Figure 2 resulted from 2 cases, one informal and one formal, which were complicated and difficult to resolve.

FIGURE 2

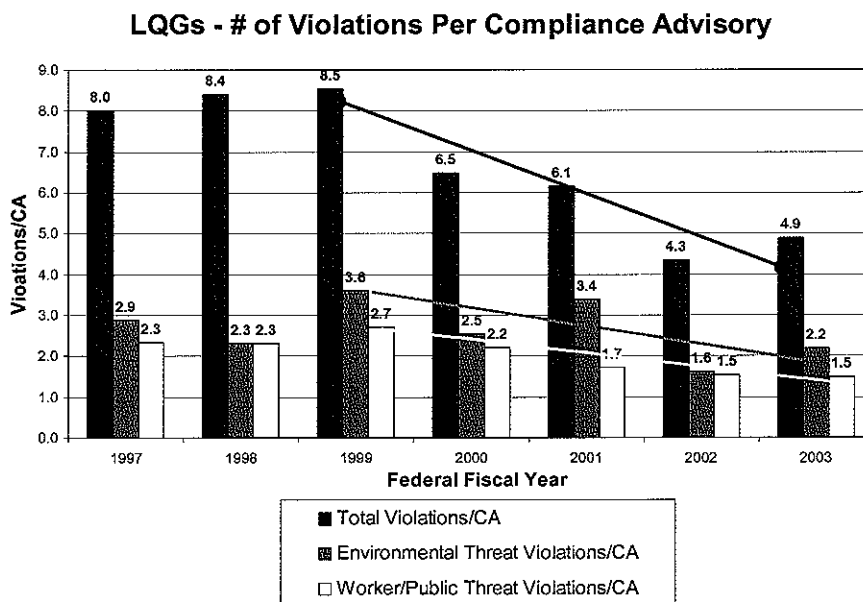
Enforcement Timeliness



Substantial improvements to the division's data management systems and to operating procedures have greatly improved the division's management efficiency. The program is now collecting more useful management and project tracking data than was possible before 1999. Routine review and evaluation of the management reports that now can be generated has resulted in significant process streamlining.

The compliance monitoring and enforcement program can also show that it is being effective. For instance, for the 120 large quantity generators of hazardous waste, an annually updated inspection priority system has been developed and is being used to schedule these significant inspections. So far, the priorities are based on compliance history, but additional factors will be added to the system this year to include waste generation volume, waste type and waste toxicity. As can be seen in Figure 3, this prioritized emphasis on Colorado's Large Quantity Generators (LQGs) is having a demonstrable effect. Figure 3 shows that, for those LQG facilities where violations are discovered, the total number of violations has steadily decreased over the last several years. In addition, violations of regulatory requirements that have a direct relationship to environmental impacts and/or worker and public health impacts have also declined.

FIGURE 3



For the ~1100 Small Quantity Generators of hazardous waste in Colorado, we cannot show a similar improvement in compliance rates. We believe the reason for this is that we have been regulating these facilities in an inefficient manner. To solve this problem, we have designed 2 pilot projects that are testing potentially better regulatory methods. The first of these projects was called the Compass Project. Within the Compass Project, the Division tested whether direct mailings to facilities of a comprehensive and facility-specific set of compliance assistance materials had any measurable effect on improving compliance rates. The results of the Compass Project show that, with very few exceptions, direct mailings were *ineffective*.

The second project, called SCORE, was much more successful, although the results are just being finalized. The SCORE project tested whether self-certification and reporting of compliance by Small Quantity Generators to the Division was an effective and accurate method

of measuring and improving compliance. Participants in the SCORE project were asked to fill out a compliance checklist, certify its accuracy, and submit it to the Division. Within 30 to 45 days of receiving a facility's self-certification, the Division sent its inspectors to the facility and they completed an identical checklist. The results of the facility's responses and the inspectors' responses were compared. Preliminary results suggest that there was a very large amount of agreement between the responses. In cases where the facility reported they were compliant, but the Division did not, the primary reason seems to be ignorance or misunderstanding of the regulatory requirement, not purposeful miss reporting. The Division intends to finish evaluating data collected by SCORE and, if preliminary results persist, expand the SCORE program to all SQGs.

Lastly, the Division has implemented a new program, called the Generator Assistance Program, or GAP. This program is aimed at small businesses, although any business may participate. GAP offers businesses an on-site evaluation of their hazardous waste management practices and suggests ways to improve and/or come in to compliance. In addition, GAP offers assistance with waste minimization and pollution prevention opportunities. Any findings of non-compliance during a GAP site visit are given enforcement amnesty so long as the facility expeditiously corrects the problems and no immediate danger to human health or the environment is being caused by the violations. The GAP program has a website:
www.cdphe.state.co.us/hm/gap/gaphom.asp

Corrective Action

Corrective action has been a substantial part of the workload in the Colorado Hazardous Waste Program. It has required an increasing proportion of the department's resources compared to several years ago. Many improvements in the areas of efficiency and process streamlining continue to be implemented in the corrective action portion of the program as well. These improvements have been the result of a combination of regulatory and statutory changes, development of new guidance, improvements in the design of staff performance plans and increased management emphasis on process times.

The most significant process improvement continues to be the use of the Corrective Action Plan process, a relatively new regulatory mechanism for initiating corrective action at facilities. Previously, oversight of environmental clean-up activities under the corrective action program required either a hazardous waste permit or a compliance order. Both of these processes are lengthy and resource-intensive for facilities that only need to conduct clean-up activities. Under the new provision, a facility may submit a "Corrective Action Plan" to the Hazardous Waste Control Program. Once approved, the Corrective Action Plan works very much like, and is enforceable as, either a permit or an order. However, since using this approach is voluntary for the facility, it can be implemented much more quickly than either of the other mechanisms, and requires fewer resources. It continues to be a popular mechanism among industries that are regulated by the department and it has streamlined the program substantially.

In conjunction with the Corrective Action Plan (CAP) mechanism, guidelines were put in place for level of effort and total elapsed time associated with reviewing documents submitted under Corrective Action Plans. These guidelines have been useful to both managers and staff in assessing our efficiency and the program has been successful in meeting its targets. Figure 4

shows the average total elapsed time as compared to the target levels for various types of documents. Figure 5 shows similar information for the actual review time.

FIGURE 4

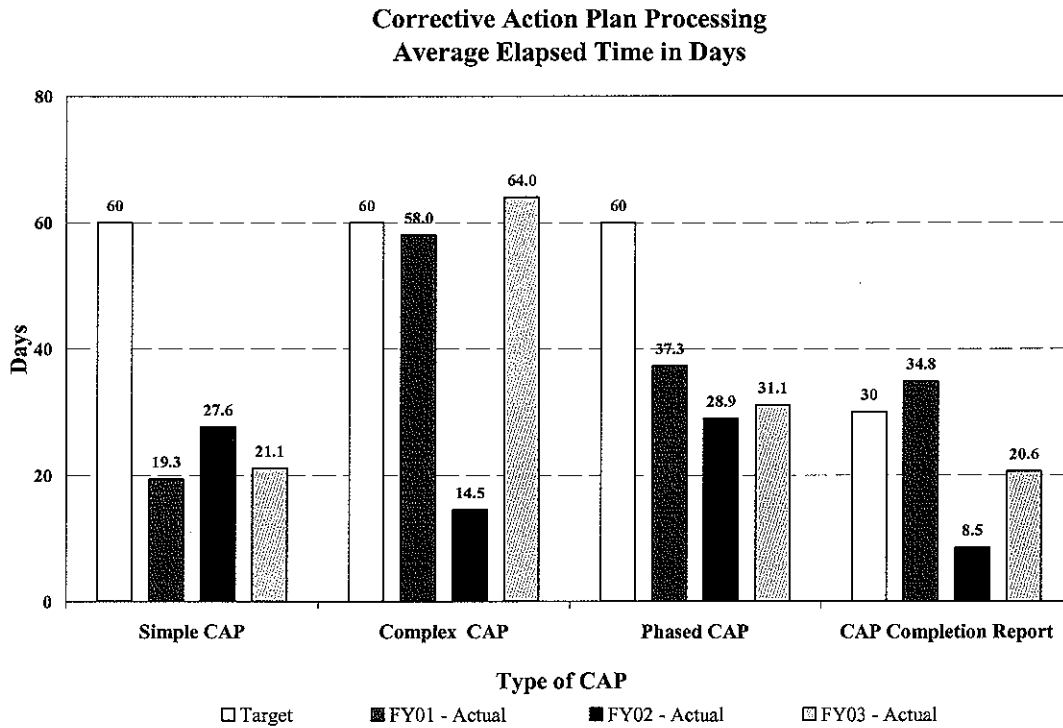
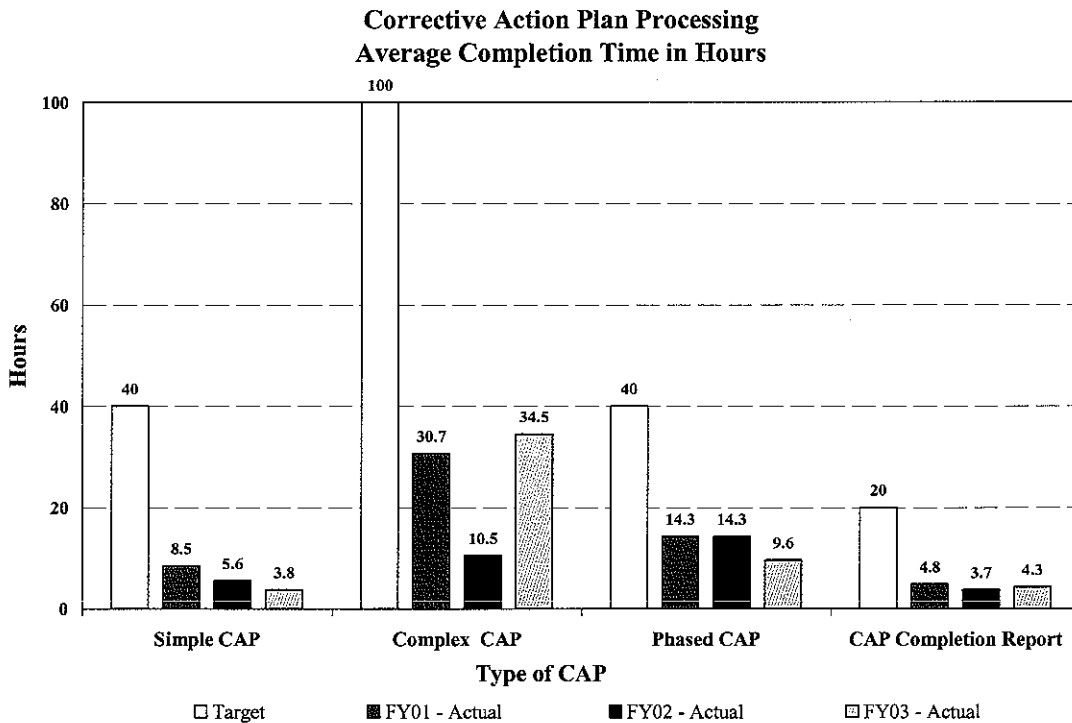


FIGURE 5



The data for FY 2003 show that process improvements continue to improve the efficiency of the program and have streamlined the clean-up process. Staff reviews of documents were all completed well within the targeted timeframes. The total time that staff spent working on the reviews was well under the target time for all categories of documents, indicating that very little time elapses between receipt of a document and our issuance of a reply back to the facility. Also, a comparison of review times between FY 2002 and FY2003 show that efficiency improvements have further reduced the amount of time staff spend working on and completing document reviews for the most common types of documents – simple CAPs and phased CAPs. The increase in time spent on complex CAPs between FY2002 and FY2003 is attributable primarily to activities at the Redfield Rifle scope indoor air remediation site. Additional time was necessary to provide the public in the affected community the opportunity to review and comment on the long-term remedy for the off-site ground water contaminant plume.

Implementation of the review time targets has resulted in increased staff and management attention to this issue, and has resulted in higher productivity. Figure 6 shows the number of corrective action reviews completed per FTE, and Figure 7 shows the number of plan or report approvals per FTE over several years. Figure 6 actually shows a decrease in the number of reviews completed per FTE from FY 01 to FY 02 and FY 03. When considered together with Figure 7, which shows an increase in report approvals per FTE, the information demonstrates that there are fewer reviews necessary for each report approval. That information indicates that the quality of documents being submitted for review is improving, possibly as a result of better guidance and communication Department staff are providing the willing participants of the corrective action process.

FIGURE 6

Corrective Action Reviews

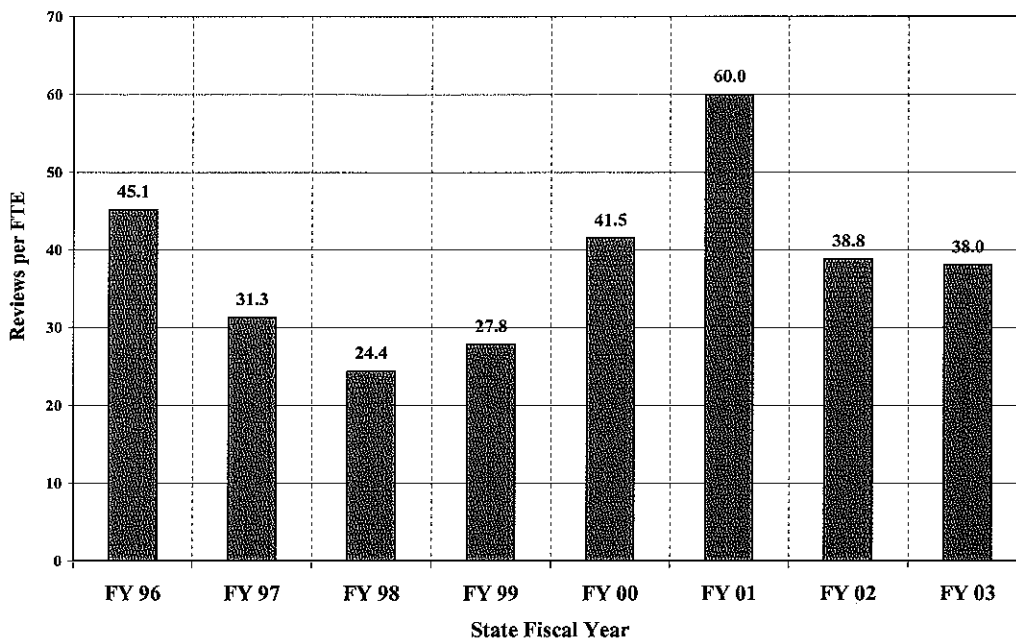
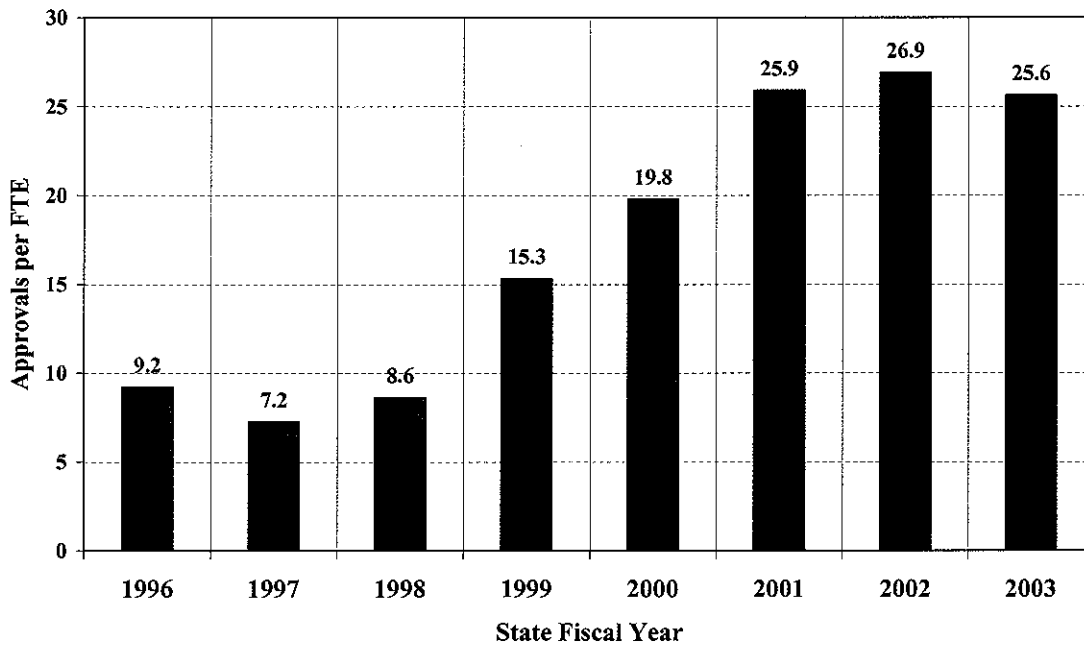


FIGURE 7

Corrective Action Program Plan and Report Approvals



Because review data was not collected previously on a document-specific basis, the division does not have specific data to show how the review time for specific documents has improved for prior years. However, the improvement in overall productivity indicates that time spent on each document has been reduced. The division now is tracking document-specific review times and has begun applying the specified review timeframes established under the Corrective Action Plan process to all sites, including those regulated under different mechanisms.

A significant factor in the time that it takes staff to review a clean-up document is the overall quality of the document that is submitted for review. This appears to be the result of several factors. The first is the regulated community's use of the Department's May 2002 Corrective Action Guidance Document in which clear corrective action goals, expectations and strategies that focus on flexibility and environmental results are presented. One of the most often used elements of this guidance is a description of a process whereby risk-based methods allow for the reclassification of contaminated media from a hazardous to solid waste, thereby reducing disposal costs and promoting more thorough cleanups. The second improvement involves early and more frequent communication between the Department and regulated community, resulting in the resolution of difficult issues before they have the opportunity to become obstacles that may stand in the way of completing necessary work. Improved communication leads to a trust relationship that promotes a collaborative approach to cleaning up sites. Striving for common objectives leads to the development of work plans that are more easily approved.

One of the expectations expressed by the General Assembly in SB 00-177, as part of streamlining the corrective action process, was that the Hazardous Waste Control Program

should use enforceable institutional controls and consider such controls in determining clean-up standards. A serious concern for the program at the time was lack of an authority to enforce institutional controls. That problem was resolved with the passage of Senate Bill 01-145. This bill created an environmental covenant, which provides a mechanism for property owners to establish certain restrictions or conditions for their properties, and for those restrictions or conditions to be enforceable by the Colorado Department of Public Health and Environment. Since then, the Hazardous Materials and Waste Management Division has begun to approve long-term clean-up plans that rely on environmental covenants to manage risks associated with residual contamination, thereby avoiding the difficulty and expense of remediating sites down to unrestricted use levels. To date, accomplishments include:

- A registry of sites has been created as required by the statute; currently, there are nine sites on the registry and several others are likely to be added soon.
- Staff of the Colorado Attorney General's Office has developed model covenant language.
- The Hazardous Materials and Waste Management Division's Geographic Information System (GIS)-based map Web page has been implemented, the sites with covenants have been included, with a link to the covenant. This allows the public to have access to the information.
- After meeting with several local governments to discuss communication and implementation issues, the Hazardous Materials and Waste Management Division has drafted and made available to the public a guidance document on what covenants are, the opportunities they offer, what is needed to create a covenant, and the tracking and notification responsibilities of the State and local governments. This guidance document, along with other covenant related support documents, is presently available on the Division's Web site.

The Hazardous Waste Control Program also continues to be a leading contributor to national efforts to streamline the corrective action process through active participation in the Interstate Technology and Regulatory Cooperation Work Group. This is a national organization led by state regulators with the purpose of streamlining the regulatory process associated with approving the use of innovative technologies in cleaning up environmental contamination.

The Program has not only accelerated the movement of sites towards remediation and closure, efficiency improvements have also provided staff with the time necessary to manage the historic backlog of sites either requiring clean-up or that simply need to be administratively closed. Program staff is actively engaged overseeing clean-up activities at all sites subject to corrective action, regardless of whether they are of high or low priority. New sites brought to our attention are addressed promptly. Staff has also had the time to research historic sites that were identified in the system databases as still being "open" and active, when in reality corrective action has long been completed. Files for these open cases have been reviewed and the tracking system updated to correctly reflect the fact that clean-up process has been terminated at many of them. This database clean-up exercise has also identified a small number of sites that require additional work before a no further action determination can be made, prompting us to contact the facility and resume the clean-up process with the goal of being able to make such a determination at a later date.

The U.S. Environmental Protection Agency has established two national environmental indicators to measure progress of the hazardous waste corrective action program. This approach

was established as part of the Government Performance Results Act, and measures “Human Exposures Under Control,” and “Ground Water Releases Under Control” at a defined group of high priority facilities around the country. In Colorado, there are 31 of these high priority facilities. The Department continues to exceed the national targets for progress in both indicators as shown in Figures 7 and 8.

FIGURE 8

Human Exposures Under Control

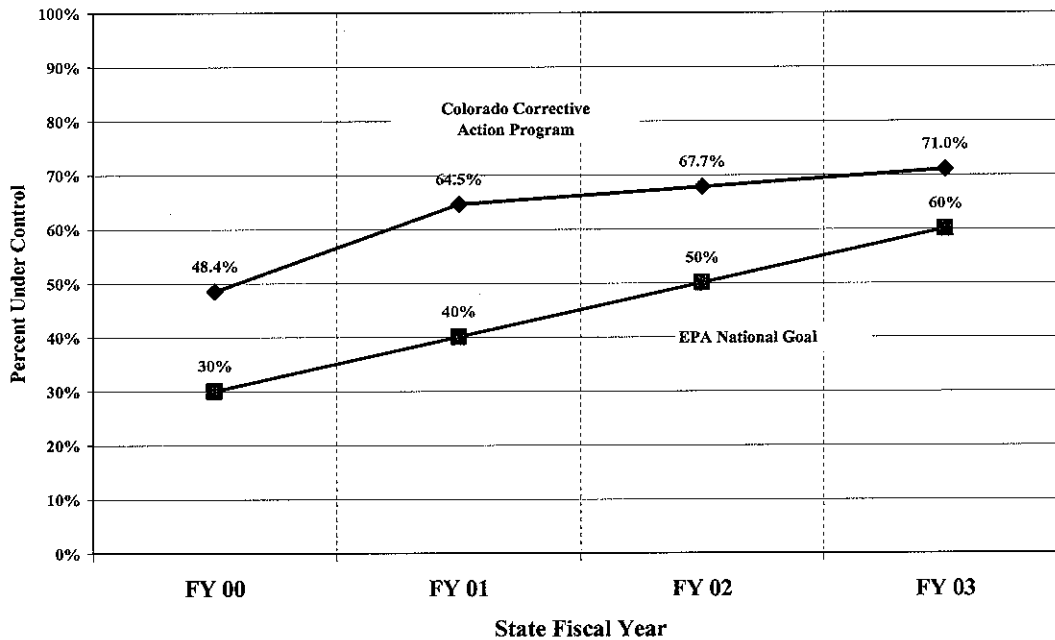
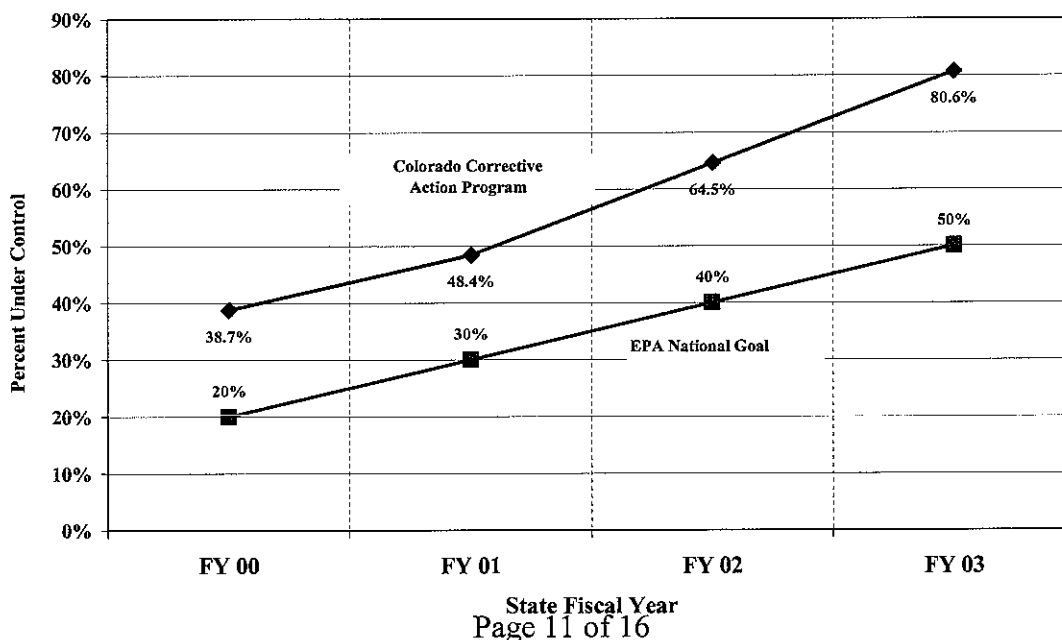


FIGURE 9

Ground Water Releases Under Control



Permitting

The permitting workload for the Colorado Hazardous Waste Program has declined over the past several years as the corrective action workload increased. Facilities that manage hazardous wastes in a manner that requires permitting by the Colorado Hazardous Waste Program are referred to as treatment, storage or disposal facilities (TSDFs). At present, there are 36 of these facilities in Colorado and only 12 of those have a permit. The remainder are in the process of closing the activities that would require permits if they were to continue. Much of the closure work is being done in conjunction with the corrective action work at these facilities.

Colorado has operating permits in place at all facilities that currently require them. The state is ahead of EPA's national targets for having "operating controls in place," which targets that 100 percent of the needed permits be issued by 2005. In addition, there are 14 facilities in Colorado that require post-closure controls. The division has taken advantage of some flexibility afforded by EPA nationally by adopting a provision that allows certain orders to substitute for post-closure permits. For those facilities that do not require permits for any other aspects of their facility, the "post-closure order" is a more efficient approach. Again, Colorado has moved ahead of EPA's national targets for having post-closure controls in place with 86 percent completed, as compared to the national target of 74 percent by this time.

The department's participation in the national Interstate Technology and Regulatory Cooperation Work Group, mentioned above regarding the corrective action program, supports streamlining the permitting process. Again, the purpose of that effort is to reduce regulatory barriers associated with approving the use of innovative technologies to clean up contaminated sites. The approval of these technologies typically involves some version of a permitting process.

Information Management

The division has made a substantial effort over the past few years to improve management information. Internally, the division has been able to develop a data management system that has helped to track effectively all inspections and any following enforcement actions; and to retrieve reports that provide managers with an up-to-date overview of cases. This information allows the division to be more effective in the use of program resources, in order to accomplish the highest priority activities.

The division also is able to track how much time and effort is spent on different aspects of work. Improvements in the billing system allow tracking of staff time spent on review of a specific document. This improves managers' ability to identify areas that are consuming significant amounts of time, and allows management to take steps to make appropriate improvements. It also improves the division's ability to be accountable to those paying fees by better identifying how the money they pay is used.

Management of data is an important issue for EPA in the national hazardous waste program. Because most states are authorized to implement most of the hazardous waste program, managing data regarding the status of the program nationally is complex. Colorado's capability with these data systems was acknowledged by EPA's invitation to participate on the National

Design Team for EPA's national hazardous waste data system (RCRAInfo). Because of this, Colorado has advanced beyond many states in the division's ability to manage such information.

Maintaining Authorization

One of the key values held by the regulated community, and one of the legislative directives from SB 00-177, was that Colorado "maintains program authorization by the federal government." When EPA goes through the process of authorizing a state for the hazardous waste program, it carefully reviews the state's authorities, regulations, funding and staffing, both quantitatively and qualitatively. Once the state is authorized, EPA monitors the state program to ensure that it is being implemented in a manner that satisfies the federal program requirements.

When the fee revenues to the Colorado Hazardous Waste Program dropped substantially in 1998, EPA initiated a capability assessment of the program to review whether the resources to implement the program were adequate to maintain authorization. EPA issued a report in April 1999, which stated that the resources available to the Colorado program, both in funding and in number of staff, were not adequate. A significant basis for this finding was a comparison of the Colorado resources with those in Utah and North Carolina, two other states with comparable numbers of hazardous waste facilities. At the time, cash revenues had dropped to the point where, without an increase in revenue, the division would not have been able to maintain a viable program. The passage of SB 00-177 created a new fee for generators of hazardous waste. A significant amount of program resources is devoted to inspecting and providing compliance assistance to generators, yet they were not paying a fee to the program.

EPA updated its capability assessment in a capability status report dated May 3, 2001. In this report, EPA stated that Colorado's program had made significant progress since April 1999 in its ability to meet commitments made to EPA in the annual work plan. However, EPA expressed concern about the overall pace of the corrective action program, and it noted continuing concern that the available financial and staff resources may not be sufficient to maintain an adequate program.

Hazardous Waste Control Program managers felt that the resources available with the new generator fee were adequate, and asked EPA to shift more focus to performance rather than comparisons to other states. EPA agreed to use that approach, and focused its review on performance in the year that ended September 30, 2001. Based on the results of that review, EPA issued a new capability assessment report dated April 2002. This report concluded that Colorado's program has made significant program improvements and realized considerable resource increases since the 1999 capability assessment, and declared that Colorado is capable of operating a fully authorized hazardous waste program. The report also noted that additional revenue would be necessary in the future due to inflation, and that it is unlikely that EPA will be able to provide increased funding to the program.

Another difficulty with regard to authorization was Colorado's Self Audit Law. EPA was concerned about that law, and suspended the processing of updated authorization packages from Colorado. EPA and the state were able to resolve their differences over that law with HB 00-1481 and a subsequent memorandum of agreement that was signed in May 2000. As a result of the five years in delays in processing Colorado's authorization materials, EPA processed five applications to update the division's authorization together. In November 2003, EPA published

a notice in the Federal Register adding most of the backlogged regulatory provisions to Colorado's authorized program.

Program Funding

Cash fees and an annual grant from EPA fund the Colorado Hazardous Waste Control Program. The cash revenues funded the largest portion of the program costs for a number of years until 1998. The fee structure resulted in Colorado's only commercial hazardous waste landfill paying a large portion of the fees. In 1998, that landfill experienced a significant decline in business, which resulted in a significant decline in fees to the program. The annual grant from EPA has continued; however, the amount of funding remained essentially unchanged after 1995, until 2001, when it was increased by about 15 percent. Costs of implementing the program have continued to increase, primarily due to rising personnel costs.

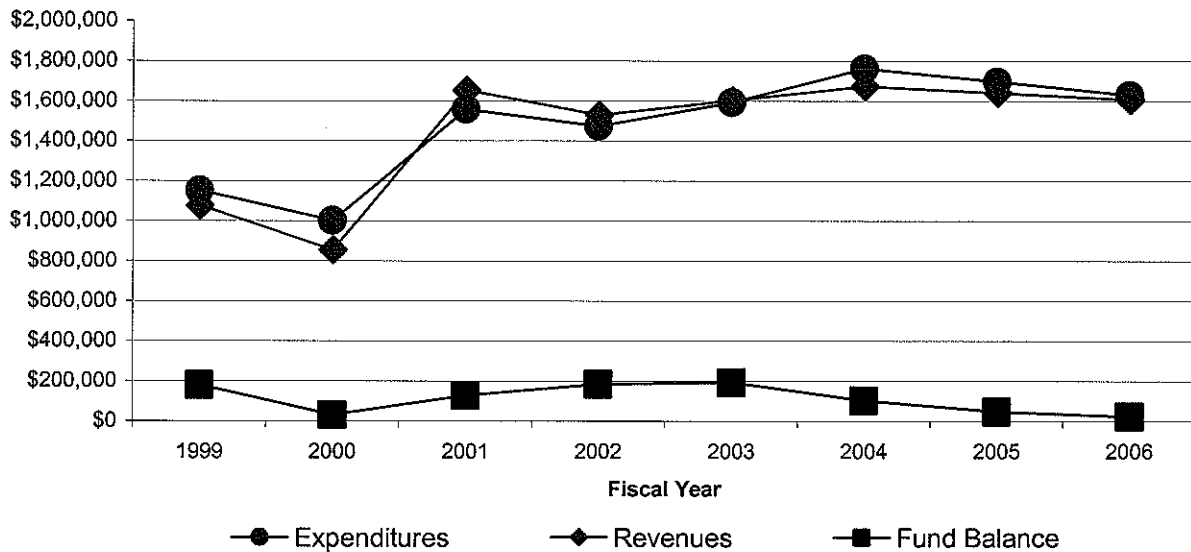
As described in this status report, several changes have been made to streamline the Hazardous Materials and Waste Management Division's processes and to improve efficiency, and SB 00-177 created a generator fee to broaden the funding base for the program. Those changes, together with further modifications to the programs fee structure that were approved by the Colorado Hazardous Waste Commission in February 2003 have provided funding for the program.

Figure 10 illustrates the cash revenue, the cash spending and the balance of cash in the Hazardous Waste Service Fund from 1999 through 2006. This figure shows that the program is striving to balance revenues and expenditures and maintain a small fund balance. The present fee structure is expected to fund the program adequately through FY 2006, which was the objective of the changes made last February.

The Hazardous Materials and Waste Management Division will continue its efforts to improve efficiency and reduce costs. However, increases in costs have occurred and are projected to continue, as a result of inflation. The projections presented in Figure 10 do account for inflationary cost increases, though the existing fee structure does not compensate for cost increases as a result of inflation.

FIGURE 10

Hazardous Waste Control Program
Cash Revenues, Expenditures, and Fund Balance



CONCLUSIONS

As discussed in this report, the Hazardous Materials and Waste Management Division has implemented changes to the Hazardous Waste Control Program in conformance with the expectations set out at Section 25-15-301.5, C.R.S. These expectations include that the program will maintain its authorization by the federal government; that it is credible and accountable; that it is innovative and cost-effective; that it will develop level-of-effort guidelines for inspections, enforcement, and corrective action; that it will streamline the corrective action process; that it will prioritize activities based on risk; and that it will emphasize compliance assistance efforts. These statutory expectations have all been met.

As a result of the efforts undertaken by the Hazardous Waste Control Program, both the effectiveness and cost efficiency of the Hazardous Waste Control Program have been significantly improved. Major program accomplishments include the following:

- Compliance assistance was emphasized by devoting approximately 20 percent of regulatory staff time for activities such as assistance during inspections and providing training to the regulated community;
- Adopted rules and provided training allowing the management of electronic devices and components under the provisions for universal waste to encourage recycling and reuse;
- Increased inspection efficiency in FY 2002 by 127 percent over that in FY 1999, and more than 480 percent over that in FY 1997;
- Improved timeliness of enforcement actions substantially in the last three years;
- Implemented new systems which prioritized inspections, and improved the consistency of penalty assessments;
- Streamlined the corrective action process using the Corrective Action Plan provision;

- Developed and met level-of-effort and total time guidelines for reviewing corrective action submittals;
- Significantly improved the efficiency of corrective action staff;
- Implemented a means of using enforceable institutional controls using the new environmental covenant provision of SB 01-145; and
- Achieved national goals set by the U.S. Environmental Protection Agency for corrective action and permitting.

The Hazardous Waste Control Program has successfully demonstrated to the U.S. Environmental Protection Agency that the current levels of staff and funding are adequate for Colorado to maintain an authorized hazardous waste program.

Further efforts will continue in order to improve the Hazardous Waste Control Program. The generator fees authorized by SB 00-177, and adjusted by the Colorado Hazardous Waste Commission in 2003, have stabilized revenue to the program. When combined with the efficiency improvements, these fees will provide adequate funding for the program through FY 2006.