

# STATE OF COLORADO

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

4300 Cherry Creek Dr. S.      Laboratory Services Division  
Denver, Colorado 80246-1530      8100 Lowry Blvd.  
Phone (303) 692-2000      Denver, Colorado 80230-6928  
TDD Line (303) 691-7700      (303) 692-3090  
Located in Glendale, Colorado  
<http://www.cdphe.state.co.us>



Colorado Department  
of Public Health  
and Environment

February 1, 2008

The Honorable Peter Groff, President of the Senate  
The Honorable Ken Gordon, Senate Majority Leader  
The Honorable Andrew McIlhany, Senate Minority Leader  
The Honorable Andrew Romanoff, Speaker of the House  
The Honorable Alice Madden, House Majority Leader  
The Honorable Mike May, House Minority Leader  
Colorado State Capitol  
200 East Colfax  
Denver, Colorado 80203

Dear 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 (CRS 25-15-301.5(3)).

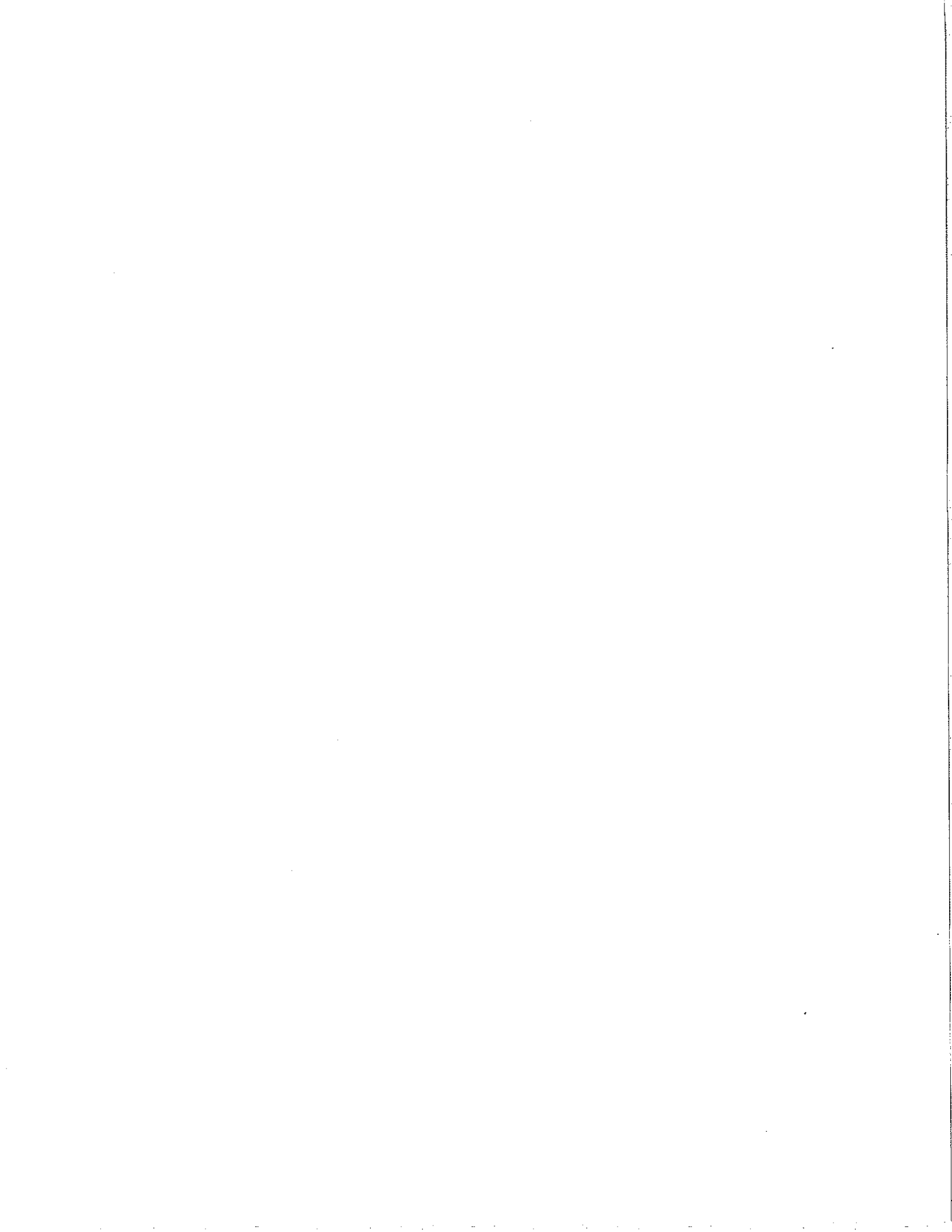
Sincerely,

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

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# STATE OF COLORADO

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Colorado Department  
of Public Health  
and Environment

**Seventh 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, 2008

## DOCUMENT INFORMATION

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

Principal Author: Joe Schieffelin, Hazardous Materials and Waste Management Division, Solid and Hazardous Waste Program Manager

Contributing Authors/  
Technical Assistance: Hazardous Materials and Waste Management Division:  
Walter Avramenko, Hazardous Waste Corrective Action Unit Leader  
Joyce Williams, Hazardous Waste Compliance Unit Leader  
Doug Knappe, Hazardous Waste Permitting and Compliance Assistance Unit Leader  
Frederick R. Dowsett, Compliance Coordinator

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.

Date: February 1, 2008

Number of pages: 22

For additional information or copies:

Joe Schieffelin, Solid and Hazardous Waste Program Manager  
Hazardous Materials and Waste Management Division  
Colorado Department of Public Health and Environment  
4300 Cherry Creek Drive South  
Denver, Colorado 80246-1530  
(303) 692-3356

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

## **INTRODUCTION**

Colorado'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 Colorado to implement the 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. One major element of that added authority was hazardous waste 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 (the Program) include compliance assistance; compliance monitoring and enforcement; corrective action; permitting; and information management. Each of these program elements is discussed in the following sections. In addition, this report includes sections discussing ongoing program authorization by EPA and the status of program funding.

As of December 2007, the Hazardous Waste Control Program regulates 31 treatment, storage and disposal facilities, 10 of which are active permitted facilities, 7 are closing, and 14 have closed with hazardous waste in place and need post-closure monitoring and/or maintenance. In addition, the Program regulates 121 large quantity generators, 726 small quantity generators, 89 transporters and at least 3,267 conditionally exempt small quantity generators of hazardous waste. The true number of conditionally exempt small quantity generators is not known, as most are not required to provide any notification to the state - the ones known are a result of voluntary notifications, complaint inspections, and a 2007 rule change that requires conditionally exempt generators of four particular waste types to submit a notification. Finally, the Program regulates 364 facilities at which corrective action (remediation of environmental contamination) is required.

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 active treatment, storage and disposal facilities. The revenue from these fees, combined with grant money from EPA, provided adequate funding for the Hazardous Waste Control Program for many 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 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 additional 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 1) allowing the

assessment of cash fees to generators of hazardous waste, not just treatment, storage and disposal facilities, and 2) 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**

Since passage of SB 00-177, the Colorado Department of Public Health and Environment's Hazardous Materials and Waste Management Division (the Division) has continued to streamline processes and develop innovative ways to improve the Hazardous Waste Control Program. The Program goal is to be "Efficient and Effective". Each of our Program elements is asked to demonstrate its efficiency and effectiveness through a series of metrics, some of which are reported in the following sections.

### **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 one primary mechanism for reaching that goal. However, compliance assistance is another integral element for obtaining and maintaining compliance. The General Assembly recognized the value and importance of compliance assistance in that 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 10 percent of the annual budget amount being allocated to compliance assistance efforts." During Fiscal Years (FY) 2001 through 2006, the program devoted over 17 percent of regulatory staff time to compliance assistance. In FY 2007, approximately 19 percent of staff time was devoted to compliance assistance.

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 the following activities:

- A full-time customer assistance and technical assistance phone line (303-692-3320);
- A wide range of hazardous waste guidance documents and compliance bulletins;
- An extensive, useful and informative Web site -[www.cdphe.state.co.us/hm/index.htm](http://www.cdphe.state.co.us/hm/index.htm);
- Compliance assistance site visits through the Generator Assistance Program (GAP); and
- Waste management training to industry provided by our staff.

Program staff continue to develop additional services as more effective compliance tools are identified. For instance, we put considerable effort into developing useful and easily searched information on our website. Besides the normal access to regulations, guidance documents and policies, the website now offers up-to-date information on household hazardous waste, hazardous chemicals used around the home, data mapping capabilities that show where hazardous waste facilities are located in Colorado, compliance information about facilities, and information on upcoming hazardous waste trainings being offered by Program staff. During FY

2007, the Hazardous Materials and Waste Management Division's Internet homepage received 1,101,942 hits, a decrease in the number from last year. We believe the decrease is due to temporary accessibility issues by the big search engines.

During FY 2007, the Division provided 35 compliance-assistance training sessions to industry around the state, which reached 1,791 people. The training sessions covered a variety of topics, and included a focus on hazardous waste and other environmental regulations. These trainings included presentations by Program and local agency staff, as well as members of the regulated community. The program will be expanding its electronic materials to include training modules that can be adapted for either computer-based training or classroom presentations.

Program inspectors routinely incorporate compliance assistance and pollution prevention into the approximately 250 compliance inspections performed each year. Inspectors provide guidance documents to facilities during inspections as well as person-to-person advice and consultation. In FY 2007, the program conducted 11 site visits (discussed later under the Generator Assistance Program) that had compliance assistance as the single major focus.

The Division 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 phone line staffed during business hours to provide information for more complex or detailed regulatory guidance. Through the technical assistance phone line, Division technical assistance staff responded directly to 2,393 calls and 565 e-mails during FY 2007.

During FY 2007, compliance assistance staff found, through feedback at the trainings they conducted, that the help they provided on universal wastes, hazardous waste identification, and used oil space heaters was timely, helpful, and much appreciated.

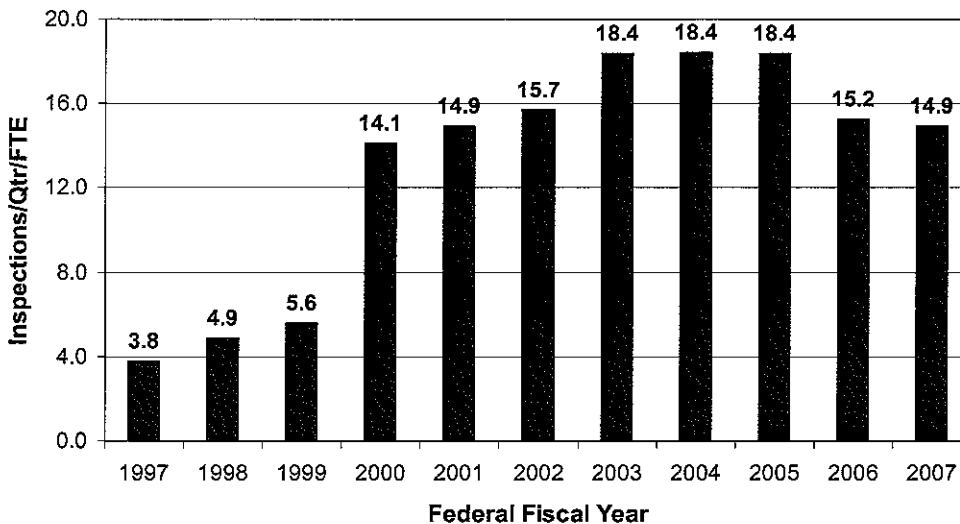
### **Compliance Monitoring and Enforcement**

Efficiency and effectiveness are very important in compliance monitoring (inspections) and enforcement. Efficiency allows adequate coverage of the regulated universe - compliance assessments can be completed and deterrence of non-compliance occurs. Efficiency measures include such items as work output per employee and timeliness of inspection and enforcement activities. Effectiveness ensures that inspection and enforcement activities protect public health and the environment. Effectiveness measures include improving compliance rates within the regulated community.

An example of the improvements made in staff efficiency is presented in Figure 1 on the next page. This graph illustrates the large gains in staff inspection efficiency that occurred in years just before and after SB 00-177, and the maintenance of those high levels in recent years. This past year, our efficiency has dipped slightly due to 2 staff vacancies out of 3.6 inspectors. The vacancies have now been filled and the new inspectors are almost fully trained. This should result in higher efficiencies next year.

It should be noted that every inspection carries administrative responsibilities, such as preparation of a report, tracking and data entry, all of which are also being performed on time and effectively.<sup>1</sup>

**FIGURE 1**  
**Inspector Efficiency**

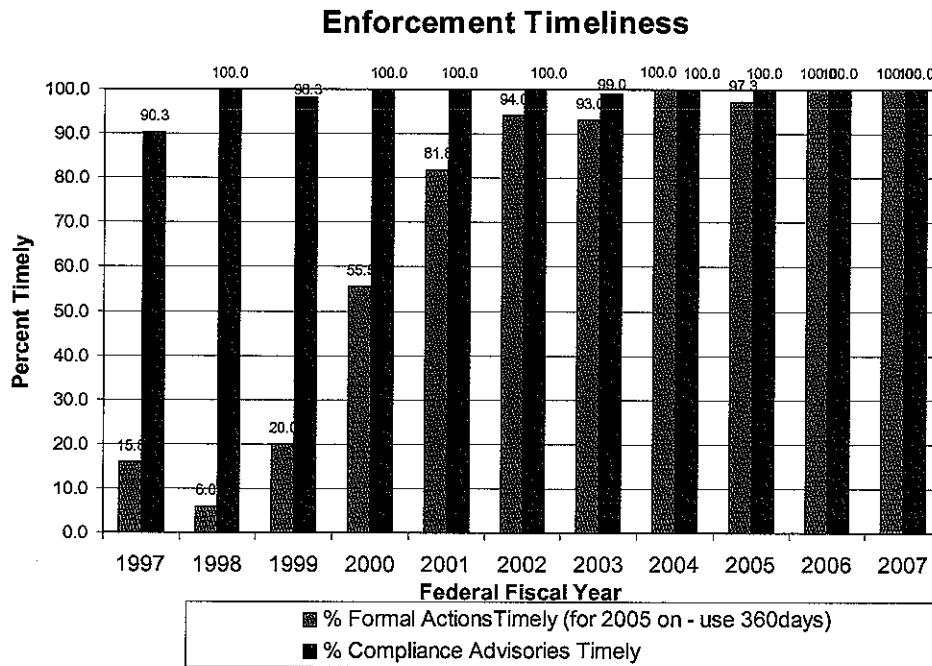


The higher number of inspections continues to result in the issuance of more formal and informal enforcement actions. Yet, as illustrated in Figure 2, even with more enforcement actions, the timeliness of formal enforcement actions, as measured against standards established by EPA and adopted by the Colorado program, has improved significantly and has been maintained at a very high level. This graph shows that timeliness for informal actions (Compliance Advisories) has remained high and that timeliness for formal actions (Compliance Orders) has improved substantially. This is an example of significant improvements made in both staff efficiency and process efficiency.

<sup>1</sup> As judged by EPA in their oversight role and recorded in their 1999 - 2006 End-of-Year Reports reviewing Colorado's Hazardous Waste Program.



**FIGURE 2**

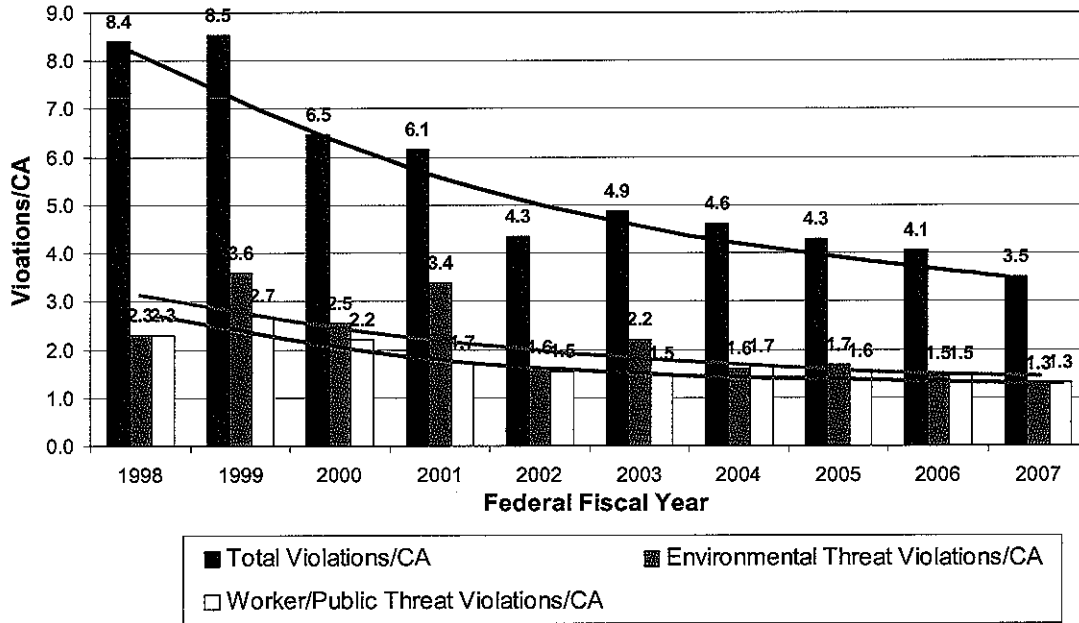


Program inspectors perform between 200 and 275 on-site inspections each year. In FY 2007, 212 inspections were conducted. This included inspections at 21 of the 34 facilities that treat, store, or dispose (TSDs) of hazardous waste, inspections at 42 of the 111 Large Quantity Generators (LQGs) of hazardous waste, inspections at 58 of the 769 Small Quantity Generators (SQGs), and 61 inspections that resulted from citizen complaints.

The compliance monitoring and enforcement program can also show that it is effective. SB 00-177 requires that the Program's inspections "focus on major violations of regulations that pose an immediate and significant threat to human health and the environment." To accomplish this, an annually updated inspection priority system has been developed and is being used to schedule inspections for the 111 large quantity generators of hazardous waste. As can be seen in Figure 3, this prioritized emphasis on Colorado's 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. We are finding fewer problems at these important facilities. In addition, Figure 4 demonstrates that violations of regulatory requirements that have a direct relationship to environmental impacts and/or worker and public health impacts have also declined on a per-inspection basis.

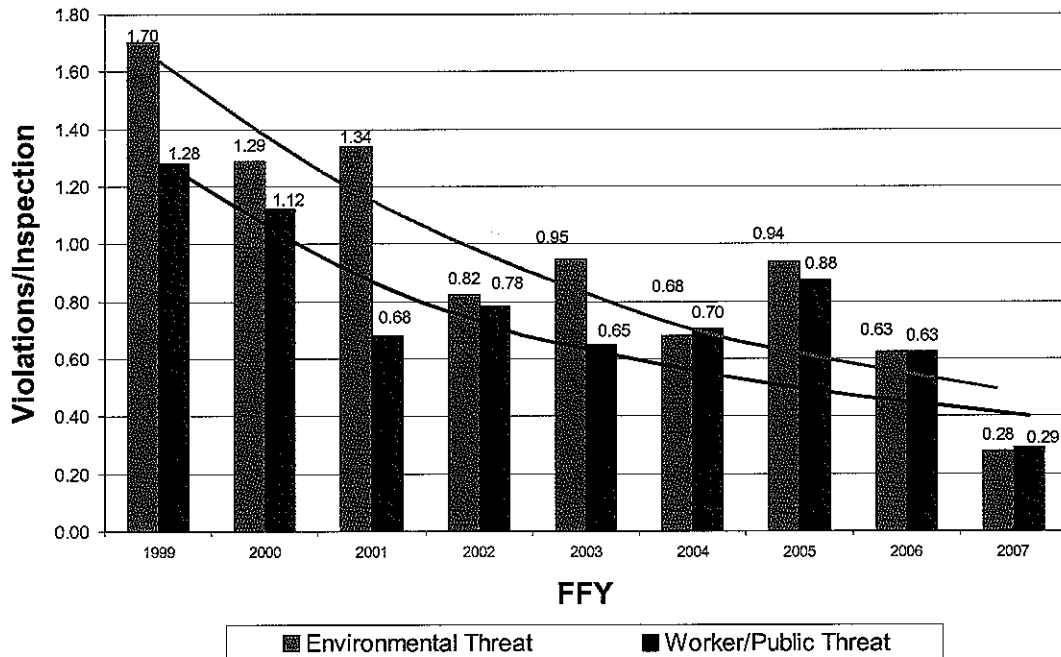
**FIGURE 3**

**LQGs - # of Violations Per Compliance Advisory**



**FIGURE 4**

**Environmental Threat Violations and  
Public/Worker Health Threat  
Violations per Inspection  
at LQGs - 1999 to 2007**



For the 769 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 ineffective manner. There are too many facilities in the universe to be effectively regulated in an inspection/enforcement mode with a small inspector staff. To solve this problem, we implemented two pilot projects to test potentially better regulatory methods. The first of these projects was called the Compass Project, undertaken in 2002. 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*.

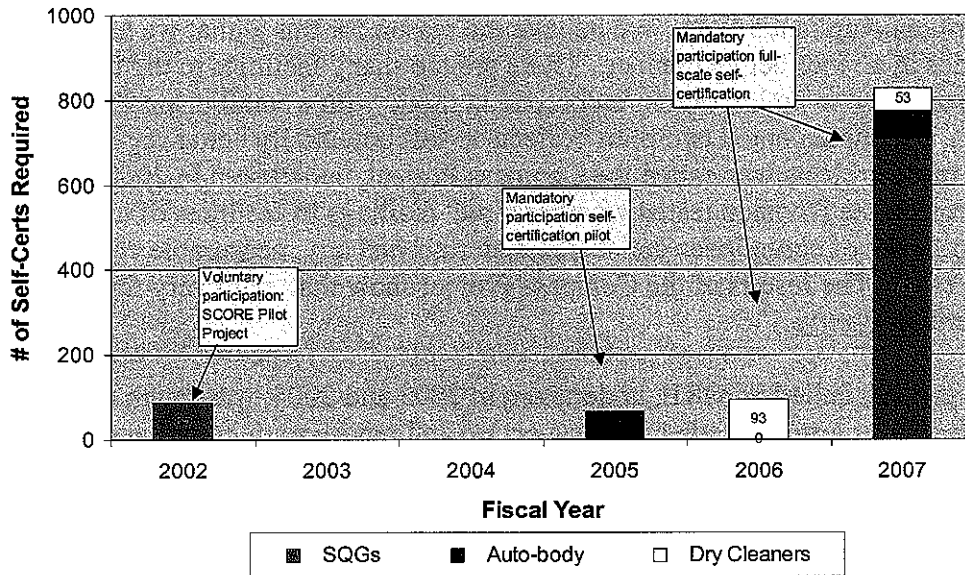
The second project, called SCORE, undertaken in 2003 and 2004, was much more successful. The SCORE project tested whether self-inspection and reporting of compliance by Small Quantity Generators to the Division through a self-certification was an effective and accurate method of measuring and improving 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 facility's responses and the inspectors' responses were compared and suggest that there was a very high level 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 a misunderstanding of the regulatory requirement, not purposeful mis-reporting.

Because of the success of the SCORE project, the Division developed and implemented a "SCORE 2" Project in 2005 that expands the self-certification program. The SCORE 2 Program, also called the Self-Certification Pilot Program, required self-certification of Denver-area Small Quantity Generators in the auto-body repair business sector – 65 small businesses around the metro area. The Division performed 15 follow-up inspections of these facilities. The results of this program showed that businesses that self-certify their compliance had a significantly better compliance rate than those that did not.

Because of this success, the Division expanded the Self-Certification Program into another business sector in FY 2006. Early in FY 2006, we ran a small Denver-area self-certification program for dry cleaners. In FY 2007, we expanded that effort and undertook a major self-certification expansion to all remaining Small Quantity Generators that were not already included in the dry-cleaner and auto-body sectors – about 700 additional facilities. This represents a huge step forward. The self-certification data has now all been returned to the Division. In FY 2008, we will be performing follow-up inspections at these facilities to statistically check several items: 1) how accurately and honestly the facilities are completing their self-certification checklists; 2) whether we can measure an improved compliance rate in these sectors; and 3) whether we can isolate problematic regulations and target assistance for those requirements to the regulated community. In FY 2008, we will ask these same facilities to self-certify again and expand our program into the remaining dry-cleaners in Colorado. Figure 5, below, presents the history and expansion of our use of the self-certification mechanism.

**FIGURE 5**

**Self-Certification Program**



As a side-note: the self-certification process is entirely internet-based and electronic for those facilities that want to self-certify over the internet. This is a time saver for them, and allows us to directly download their submittals into our database.

The advantages of the Self-Certification program are that 1) we get 100 percent coverage of those groups that are required to participate rather than the 14 percent coverage we get through traditional inspections, 2) each facility in that group gets “re-trained” and re-acquainted with the regulatory requirements each time they certify their compliance (and lack of familiarity with the regulations has been a major problem), 3) we can target compliance assistance to problem areas, and 4) compliance rates improve.

It should be noted here that, while we believe self-certification will allow us to better regulate all of our facilities, it has required a significant investment of our very limited resources. We have assigned 1.5 FTE to the self-certification projects. A full 1.0 FTE of that amount has come from reassignment of inspection and enforcement staff. This is equivalent to a 22 percent reduction in the number of inspectors in the field.

In addition to the self-certification program, the Division has continued 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. This program is increasingly popular with the regulated community, as it becomes more widely known. The Division performed 11 GAP compliance assistance site visits in FY2007. The GAP program has its own website: [www.cdphe.state.co.us/hm/gap/gaphom.asp](http://www.cdphe.state.co.us/hm/gap/gaphom.asp)

## **Corrective Action**

Corrective action, which is the environmental remediation and clean up arm of the Hazardous Waste Program, continues to be a substantial part of the Program's workload. Many improvements in efficiency and effectiveness have been implemented in the corrective action portion of the program since 2000. These improvements include: 1) regulatory changes implementing Corrective Action Plans, or CAPs, which are much more expeditious cleanup plans than traditional corrective action plans, 2) development of new guidance, 3) improvements in the design of staff performance plans, and 4) increased management emphasis on internal process times. The result of these improvements has been a very tightly managed program that has performed significantly better than the national average.

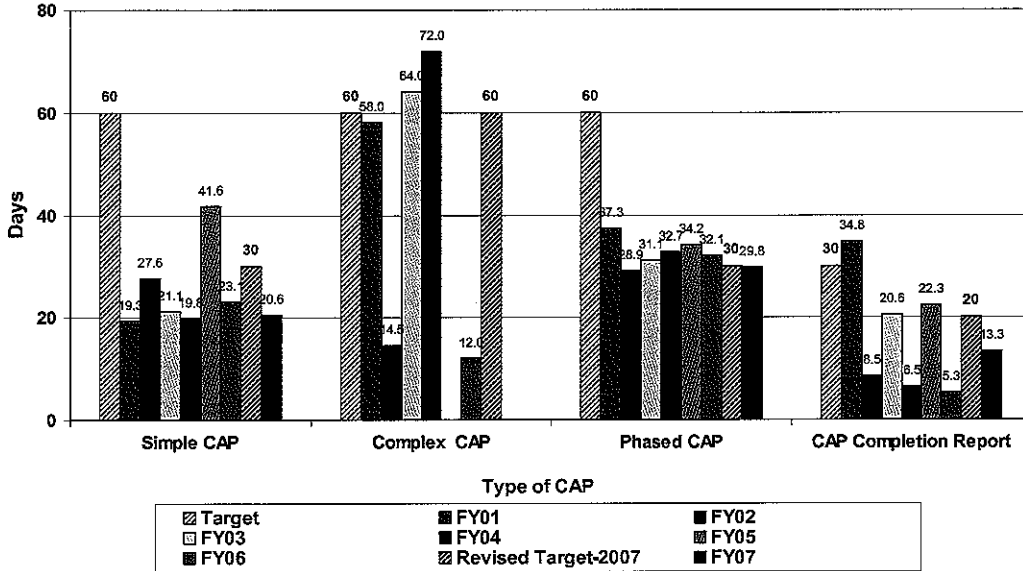
The most significant process improvement continues to be the use of the Corrective Action Plan process, a relatively new regulatory mechanism for initiating corrective action at facilities where it is needed. Previously, oversight of environmental clean-up activities under the corrective action program 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 6 shows the average total elapsed time (from document submittal by a facility to Division review and feedback to a facility) as compared to the target levels for various types of documents. Figure 7 shows similar information for the actual review time (actual hours spent by Division staff reviewing each document).

The FY 2007 data on Figures 6 and 7 show that Program staff continue to perform at high efficiency – both compared to the targets in each category, and when compared to past years. In fact, on both of these graphs, we have presented revised targets for FY 2007 and beyond. Most of these revised targets are substantially less than the original targets. In FY 2004 and FY 2005 the corrective action staffing decreased faster than the workload decreased, causing a temporary increase in workloads and response time for remaining staff. It is important to note that this staffing decrease will be permanent as the Program completes cleanups at more and more sites. Workloads have again decreased slightly such that performance goals are again being met.

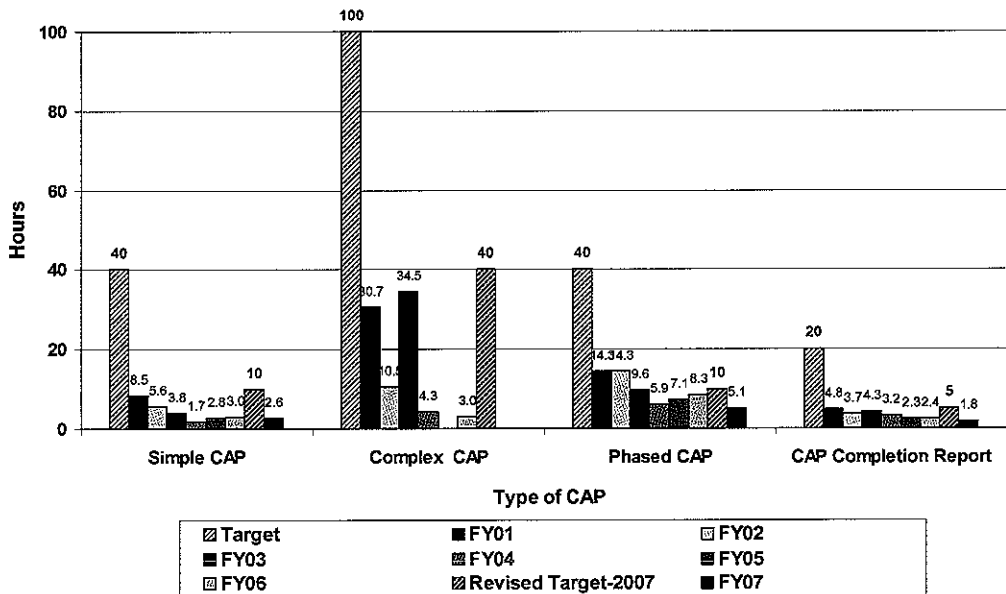
**FIGURE 6**

**Corrective Action Plan Processing  
Average Elapsed Time in Days**



**FIGURE 7**

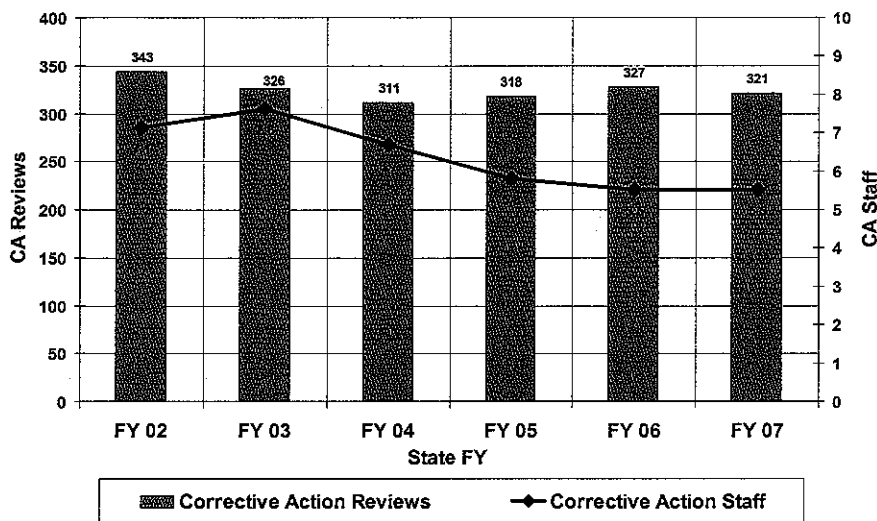
**Corrective Action Plan Processing  
Average Completion Time in Hours**



Workload and staffing peaked in FY 2003, and a decline in staffing began in FY 2004 and continued up until this past year. Figure 8 compares the number of corrective action reviews completed with the number of corrective action staff, and Figure 9 shows the number of plan or report approvals per FTE over several years. When Figures 8 and 9 are considered together, the information demonstrates that staff efficiency continues to be very high. The workload seems to have leveled out and is no longer declining. Therefore, no decreases in staffing levels occurred in FY 2007 and none are anticipated in FY 2008.

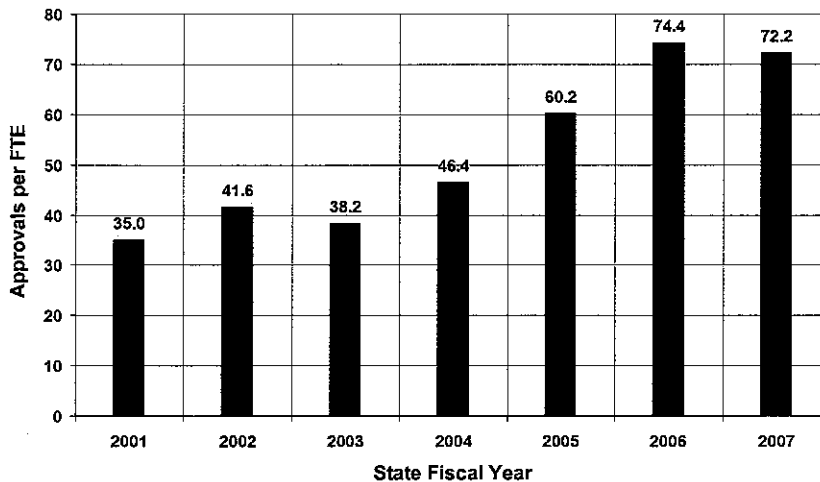
**FIGURE 8**

**Corrective Action Reviews and Staff Levels**



**FIGURE 9**

**Corrective Action Program  
Plan and Report Approvals**



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 dependent on several factors. The first is the regulated community's use of the Department's 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 waste to a solid waste, thereby reducing disposal costs and promoting more thorough cleanups. The second improvement involves early and more frequent communication between Program staff and the regulated community, resulting in the resolution of difficult issues before they have the opportunity to become obstacles that 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 38 sites on the registry, with 6 of those being hazardous waste sites, 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.
- In 2006, Program staff and staff from the Attorney General's Office (AGO) developed a policy describing when the covenant should be finalized within the cleanup process so that remedies cannot be compromised through subsequent property transactions.

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

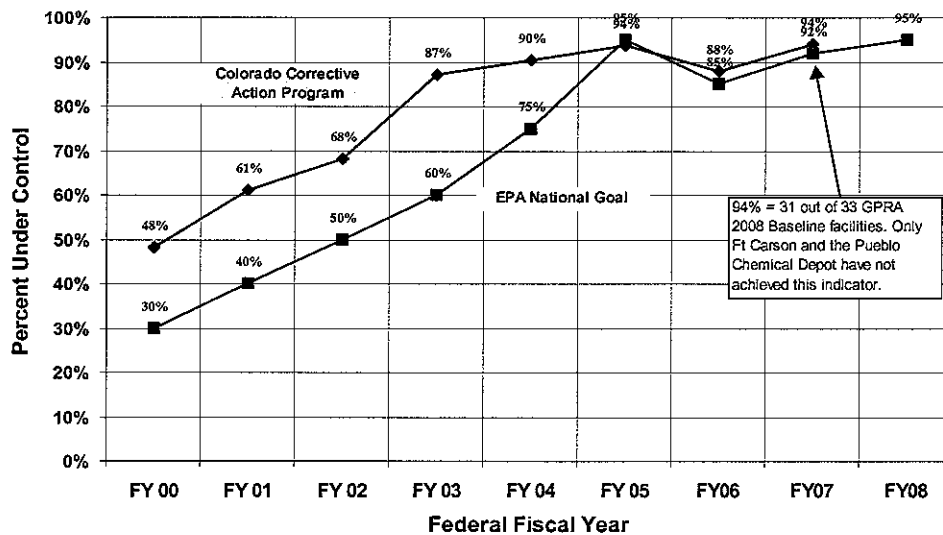


state regulators with the purpose of streamlining the regulatory process associated with approving the use of innovative technologies in cleaning up environmental contamination.

To measure corrective action effectiveness, the U.S. Environmental Protection Agency established two national environmental indicators in FY 1999. These indicators measure progress of the hazardous waste corrective action program toward risk containment at contaminated facilities. This approach was established as part of the Government Performance Results Act (GPRA), 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 33 of these high priority facilities. Although EPA’s efforts to measure progress on these two indicators officially ended in FY 2005, Figures 10 and 11 show the Department’s efforts and progress. Because these indicators are useful for showing risk mitigation at our sites, our program will continue to measure progress on these indicators.

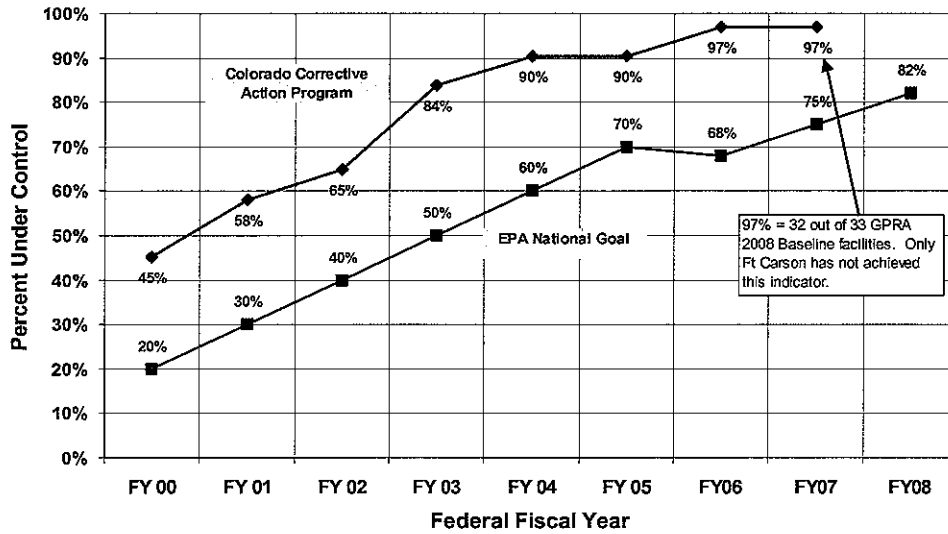
**FIGURE 10**

**Human Exposures Under Control - CA725**



**FIGURE 11**

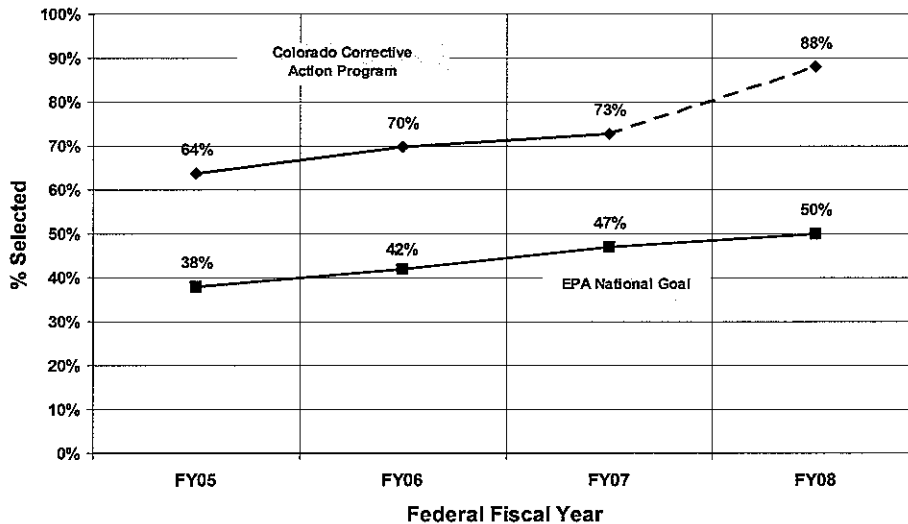
**Ground Water Releases Under Control - CA750**



Beginning in FY 2006, EPA has established two additional GPRAs indicators to measure progress toward completing cleanups: the first is the percent of high priority sites where a final remedy has been selected; the second is the percent of high priority sites where the final remedy has been completely constructed. As shown in Figures 12 and 13, our Corrective Action program is running well ahead, and is projected to remain well ahead, of the national targets for these two new measures because of the good work that staff and management has performed over the last few years.

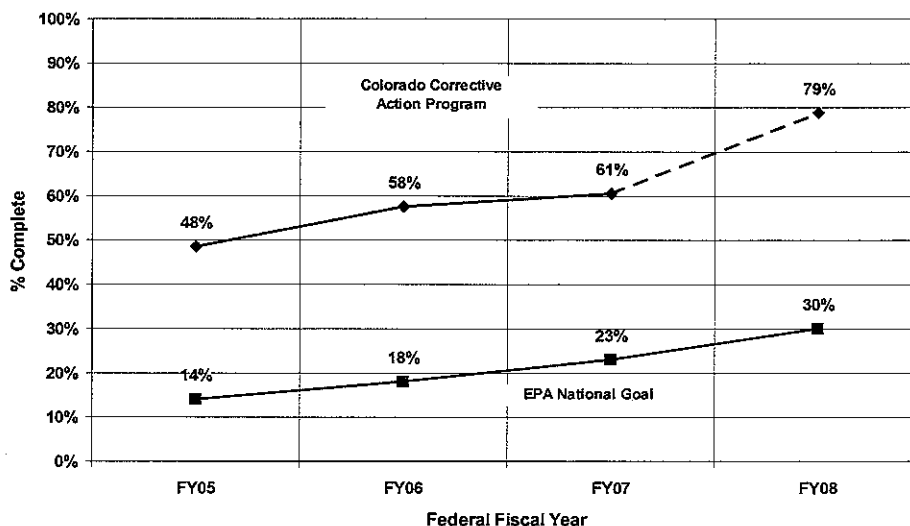
**FIGURE 12**

**Remedy Selected - CA400**



**FIGURE 13**

**Remedy Constructed - CA550**



In the first part of FY 2006, our staff worked with EPA to develop a baseline of high priority facilities that we will track toward completion of cleanup by the year 2020. This is a national effort by EPA called the “2020 Baseline.” In next year’s report, we will give a complete presentation of the 2020 Baseline, our status, and our progress. Already, because of really good work by Program staff, we believe we will be significantly ahead of EPA’s targets.

**Permitting**

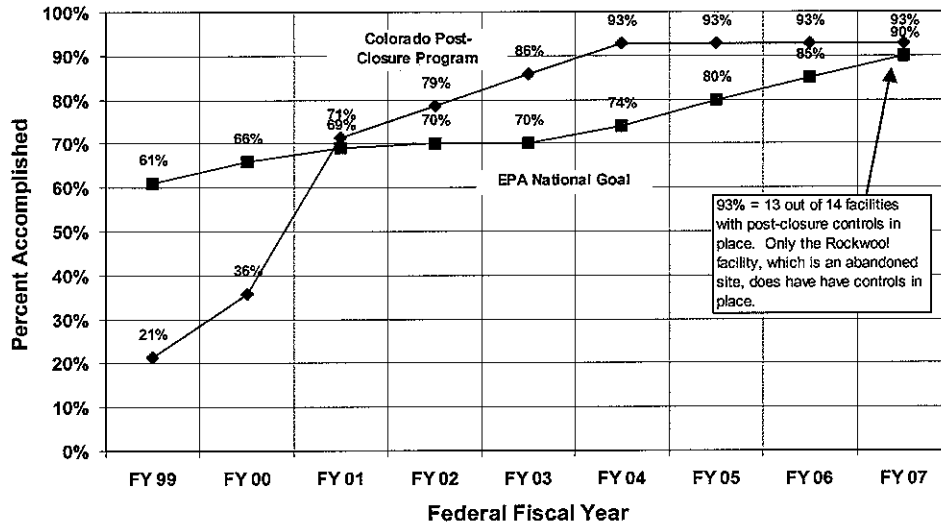
Facilities that manage hazardous wastes in a manner that requires permitting by the Colorado Hazardous Waste Program are referred to as treatment, storage or disposal facilities (TSDs). At present, there are 31 of these facilities in Colorado, but only 10 of the 33 are required to have a permit. Colorado has operating permits in place at all 10 of these facilities. The remainder are in the process of closing the activities and/or equipment that would have required a permit, or have already closed the activity or equipment but have left hazardous waste or contamination in place. In these latter cases where contamination has been left in place, the facilities are required to maintain some type of enforceable post-closure care or monitoring.

There are 15 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 compliance orders to substitute for post-closure permits. For those facilities that do not require permits for any other aspects of the 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 93 percent completed, as compared to the national target of 90 percent by this time – see Figure 14. Only one facility remains without an enforceable post-closure mechanism – the Rockwool site in Pueblo. This is an abandoned site with no viable owner or operator. The Division inspects the site periodically to ensure that the contaminated soil left at

the site, which has been consolidated and covered with a soil cap, remains inaccessible to the public and is not impacting ground water.

**FIGURE 14**

**Colorado Progress on Post-Closure Controls**



The Program has several staff assigned to one project that will require a hazardous waste permit – the Chemical Demilitarization facility to be built at the Pueblo Chemical Depot for the destruction of the chemical weapons in storage there. This is a very significant project for the Program and will remain so for about the next 10 years.

The Program continued its participation in the national Interstate Technology and Regulatory Cooperation (ITRC) Work Group. This group supports streamlining the permitting process to reduce regulatory barriers associated with innovative technologies. The approval of these technologies typically involves some version of a permitting process.

**Information Management**

The Division continues to make a substantial effort to improve data evaluation and turn it into useful information. Some of the data presentations in this report are a continuing part of that effort. Internally, the Division has been able to develop a data management system that has enabled effective tracking of 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 and 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 decisions to be made 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, EPA's management of national data is very complex. Colorado has advanced beyond many states in our ability to manage such information and, as such, Colorado was invited to participate on the National Design Team for EPA's national hazardous waste data system (RCRAInfo). Program staff has been participating on two national workgroups associated with this effort.

### **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 two aspects of the state program: 1) the state's statutory authorities, funding and staffing, both quantitatively and qualitatively; and 2) the state's regulations. 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.

As mentioned early in this report, 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. One major element of that added authority was hazardous waste 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. The basis for EPA's program authorization was adequate statutory authorities (CRS 25-15-101, et seq), adequate funding provided by federal EPA funds and by fees paid by the regulated community, and adequate numbers of staff with adequate expertise.

The other aspect of authorization is EPA approval of our regulations. Currently, the Hazardous Waste Control Program has adopted 100 percent of the necessary EPA regulations; however, EPA has only authorized 78 percent of the regulations. We have no control over the length of time it takes EPA to review and approve our regulations. However, it does not affect how we implement the program because we implement state regulations even when EPA has not authorized us for equivalency with federal regulations. The Division has submitted new authorization information to EPA for changes made in our regulations in 2003, 2004, 2005, and 2006. When these additions are authorized by EPA (expected now in 2008), the Program should become 100 percent authorized.

### **Program Funding**

Cash fees and an annual grant from EPA fund the Colorado Hazardous Waste Control Program. Initially, the cash fees were paid by permitted hazardous waste treatment, storage, and disposal facilities. This fee structure was adequate for many years, but in 1998, the only commercial hazardous waste landfill in Colorado experienced a significant decline in business, which resulted in a marked decline in fees to the program. This caused a significant funding shortfall and gave rise to passage of SB 00-177, which changed and stabilized the fee structure. The annual grant from EPA has continued; however, the amount of funding remained essentially

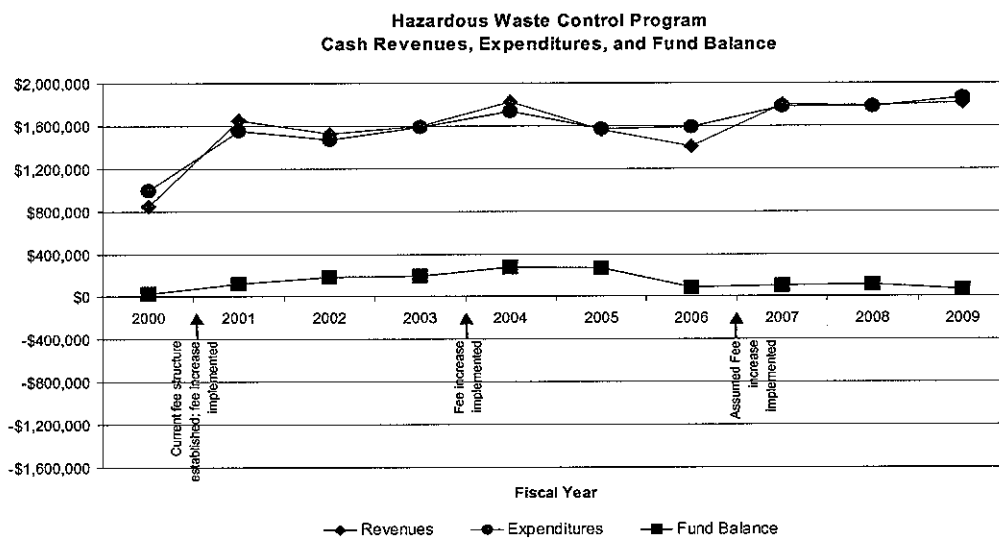
unchanged from 1995 until 2001, when it was increased by about 15 percent. Since 2001, it has again remained flat.

SB 00-177 created a generator fee to broaden the funding base for the program. Those changes, together with modifications to the program's fee structure approved by the Colorado Hazardous Waste Commission in February 2003 and in May 2006, have provided adequate funding for the program.

Figure 15 illustrates the cash revenue, the cash spending, and the cash balance in the Hazardous Waste Service Fund from 2000 through 2009. 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 2009, which was the objective of the fee changes made in May 2006.

The Division's successes in improving efficiency are clearly presented in this report. Significant improvement has occurred and is continuing to occur in an effort to further 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 15 do account for inflationary cost increases, though the existing fee structure does not automatically compensate for cost increases as a result of inflation.

**FIGURE 15**



## SB 00-177 Summary of Requirements

The following table presents a summary of the requirements of SB 00-177 and the Program's efforts and activities to comply with each requirement. This table is intended to augment, but not replace, the presentation of information earlier in this report.

| <b>SB 00-177 Statutory Requirement</b>                                                                                                                                                                         | <b>Hazardous Waste Program Response</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 25-15-301.5(1)(a) Maintain authorization from EPA.                                                                                                                                                             | The program is currently 78 percent authorized by EPA, but has promulgated 100 percent of the required rules. The difference, 22 percent, represents rules that are currently under review by EPA. For the last several years, EPA has rated all aspects of the program very highly in their annual review. There is no concern at this point with maintaining program authorization from EPA.                                                                                              |
| 25-15-301.5(1)(b) Promote community ethic to reduce or eliminate waste problems                                                                                                                                | The Program has worked hard on three fronts to accomplish this requirement: 1) our inspectors frequently work with hazardous waste generators to reduce their waste generation through process improvements, waste minimization, and better waste characterization; 2) the Program places a high priority on investigating citizen complaints; and 3) the Program makes itself available through the technical assistance telephone line and technical trainings provided around the state. |
| 25-15-301.5(1)(c) Is credible and accountable to industry and the public                                                                                                                                       | The Program endeavors to maintain credibility and accountability through 1) a high-volume, high-efficiency prioritized inspection program that maintains compliance and a level playing field and 2) a high-efficiency corrective action program that meets or exceeds its commitments to the regulated community.                                                                                                                                                                          |
| 25-15-301.5(1)(d) Is innovative and cost-effective                                                                                                                                                             | This report presents the Program's progress and accomplishments in becoming cost-effective and efficient. It also presents our commitment to, and implementation of, innovative approaches.                                                                                                                                                                                                                                                                                                 |
| 25-15-301.5(1)(e) Protects the environmental quality of life for impacted residents per the regulations                                                                                                        | Our success in this requirement can be ascertained by considering our success in all of the other aspects of the Program.                                                                                                                                                                                                                                                                                                                                                                   |
| 25-15-301.5(2)(a) Develop, implement, and continuously improve policies and procedures for statutory responsibilities at lowest possible costs                                                                 | After SB 00-177 passed, the Program set up numerous performance goals. This report presents our success in meeting those goals. In some cases, the Program has performed so well against the original metrics that it is time to revise the metric to push for continued improvement. The Program will do that in the coming year.                                                                                                                                                          |
| 25-15-301.5(2)(b) Establish cost-effective level-of-effort guidelines for performing inspections that focus on major violations of regulatory requirements that pose risk to human health and the environment. | The Program has included goals in each inspector's performance plan for the number of inspections each inspector is expected to perform and for the timeliness of administrative duties associated with each inspection. These goals have been modified upwards several times over the last few years as inspector experience and efficiency improved. This report shows the Program's progress on violations associated with risks to human health and the environment.                    |
| 25-15-301.5(2)(c)(I) Streamline the corrective action process through cost-effective level-of-effort guidelines                                                                                                | After SB 00-177 passed, the Program set up numerous performance guidelines in the corrective action program.                                                                                                                                                                                                                                                                                                                                                                                |

| <b>SB 00-177 Statutory Requirement</b>                                                                                                                                                                                            | <b>Hazardous Waste Program Response</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| for site investigations and remediation that focus on result-based outcomes and performance-based oversight by the Department.                                                                                                    | This report presents our success in meeting those goals. Part of the success in meeting these guidelines is the transition to performance-based corrective action. Most of our cleanups are now defined by cleanup targets – not numbers of samples.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 25-15-301.5(2)(c)(II) Streamline the corrective action process through cost-effective level-of-effort guidelines for reviewing site investigation reports and corrective action plans.                                            | See above response to 25-15-301.5(2)(c)(I)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 25-15-301.5(2)(c)(III) Streamline the corrective action process through the use of enforceable institutional controls.                                                                                                            | This requirement was significantly enhanced when the General Assembly passed SB 01-145, which established environmental covenants. Since passage of this bill, which the Program helped draft, the Program has utilized environmental covenants that enforce the institutional controls in every remedy where they are included to protect human health and the environment.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 25-15-301.5(2)(c)(IV) Streamline the corrective action process through realistic clean-up standards that address actual risk to human health and the environment on a site-specific basis and account for institutional controls. | The Program has developed generic soil and ground water protection cleanup guidelines for the more common exposure scenarios, thereby relieving parties performing cleanups the expense of having to hire a risk assessor to perform this work for them. We are in the process of revising these tables, with the hope of making the risk equations employed available on the Department's website for interactive use so that individuals may calculate cleanup levels themselves. The Department has also allowed the use of risk-based soil cleanup numbers developed by other states or the EPA. Facilities have always had other options: 1) the flexibility to calculate site-specific cleanup standards of their own if they so choose, which factor in specific conditions and documented exposure assumptions; 2) using an environmental covenant to allow greater levels of contamination to remain behind following cleanup, achieving similar levels of protection through property use controls; or 3) seeking waivers to established State ground water standards through the Water Quality Control Commission, to allow for increased levels of contamination that can be left at a site. |
| 25-15-301.5(2)(d) Establish cost-effective level-of-effort guidelines for enforcement activities.                                                                                                                                 | The Program has significantly improved the efficiency and cost-effectiveness of enforcement activities over the last several years and we do operate under timeliness guidelines established in the Program's Enforcement Response Policy. However, because of the importance of quality workmanship in enforcement actions, and because each action is very site- and violation-dependant, the Program has not established firm level-of-effort guidelines. In fact, however, to meet our timeliness goals, level of staff effort on any given enforcement action has to remain at or below certain metrics.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 25-15-301.5(2)(e) Establish schedules for timely completion of Department activities including submittal reviews, inspections, inspection reports, and corrective action activities.                                              | The Program has established and is routinely meeting and exceeding the timeliness guidelines that have been established for these activities and other activities.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 25-15-301.5(2)(f) Establish a prioritization methodology for completing activities that focuses on actual risk to human health and the environment.                                                                               | The body of this report explains how priority schemes are used in setting inspection schedules. For corrective action, this report also presents results for the                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |



| SB 00-177 Statutory Requirement                                                                                                                                           | Hazardous Waste Program Response                                                                                                                                                                                                                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                           | Government Performance and Results Act (GPRA) high priority clean-ups.                                                                                                                                                                                      |
| 25-15-301.5(2)(g) Establish a preference for compliance assistance with at least 10 percent of the annual budget amount being allocated to compliance assistance efforts. | Earlier in this report, we present the percentage of staff time and budget that is spent on compliance assistance activities (19 percent in 2007). We also discuss all of the innovative work being done by the Program in the compliance assistance arena. |
| 25-15-301.5(2)(h) Establish a preference for alternative dispute resolution mechanisms.                                                                                   | The Department already has established this preference. In recent years, the Program has not had many disputes.                                                                                                                                             |
| 25-15-301.5(2)(i) Establish a mechanism that continually values and provides incentives for further improvements in the Program's policies and procedures.                | The Department and Division have vital rewards and recognition programs where process improvements or any innovative idea can be, and will be, rewarded.                                                                                                    |
| 25-15-301.5(3) Submit an annual report to the General Assembly by February 1 <sup>st</sup> of each year.                                                                  | This report is the seventh annual installment of the Program's efforts to meet this requirement.                                                                                                                                                            |
|                                                                                                                                                                           |                                                                                                                                                                                                                                                             |

## CONCLUSIONS

As discussed in this report, the Hazardous Materials and Waste Management Division has implemented significant improvements to the Hazardous Waste Control Program to satisfy the expectations set out by SB 00-177 (Section 25-15-301.5, C.R.S). This report explains how each of these statutory expectations have been met:

- 1) maintaining program authorization by the federal government (EPA);
- 2) maintaining a program that is credible and accountable;
- 3) maintaining a program that is innovative and cost-effective;
- 4) developing level-of-effort guidelines for inspections, enforcement, and corrective action;
- 5) streamlining the corrective action process;
- 6) prioritizing activities based on risk; and
- 7) emphasizing compliance assistance efforts.

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

- continuing our emphasis on innovative compliance assistance projects;
- dramatically increasing inspection efficiency and corrective action efficiency since 1999;
- substantially improving timeliness of enforcement actions;
- streamlining the corrective action process using the Corrective Action Plan provision;
- developing and meeting level-of-effort and total time guidelines for reviewing corrective action submittals; and
- exceeding national goals set by the U.S. Environmental Protection Agency for corrective action, permitting, inspections, and enforcement.

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 and again in 2006, have stabilized revenue to the program. When combined with the efficiency improvements, these fees should provide adequate funding for the program through FY 2009.

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