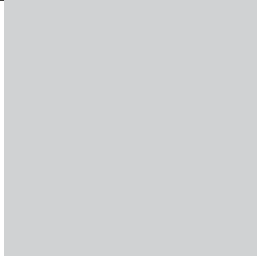


2017



Annual Report

Status of the Hazardous Waste Program in Colorado

February 10, 2018



COLORADO

**Hazardous Materials
& Waste Management Division**

Department of Public Health & Environment

Introduction

Colorado's Hazardous Waste Program is responsible for ensuring compliance with laws and regulations pertaining to the management of hazardous waste. The authority for this program is in the Colorado Hazardous Waste Act, 25-15-101 et seq., C.R.S., and the federal Resource Conservation and Recovery Act (RCRA). The U.S. Environmental Protection Agency (EPA) has authorized Colorado to implement the federal program requirements, and by doing so, the authority to implement requirements for the management of hazardous waste in Colorado rests primarily with the state. EPA authorized Colorado 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, including authority for hazardous waste corrective action, which provided authority to investigate and clean up releases of hazardous waste constituents into the soil, surface water or groundwater at hazardous waste facilities.

Primary elements of the Hazardous Waste 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 2017, the Hazardous Waste Program regulates seven active and permitted treatment, storage and/or disposal facilities (TSDs) and 15 closed TSDs

The Colorado Department of Public Health and Environment's Hazardous Materials and Waste Management Division (the division) continues to look for ways to improve the Hazardous Waste Program. Each of our program elements tracks performance through a series of metrics, some of which are reported in the following sections.

Compliance Assistance

A goal of the Hazardous Waste 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 important method 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, Section 25-15-301.5(2)(g), C.R.S., is for the department to "establish a preference for compliance



with hazardous waste remaining buried on-site that need post-closure monitoring and/or maintenance. In addition, the program regulates about 153 large-quantity generators, about 430 small-quantity generators, about 79 transporters and at least 3,931 conditionally exempt-small quantity generators of hazardous waste. Finally, the program regulates about 200 facilities at which corrective action (remediation of environmental contamination) is required.

This year a new federal rule, the Generator Improvement Rule, was enacted to reorganize and make some regulations more stringent. Colorado is required to adopt the new regulations unless state rules are more stringent. We expect to adopt most of the rule as is, remaining more stringent in some cases. The rule must be adopted by May 2018, which has consumed considerable staff time in 2017.

assistance with at least 10 percent of the annual budget amount being allocated to compliance assistance efforts." In FY 2017, the program met that requirement with 13.3 percent of staff time devoted to compliance assistance.

The program has developed and continues to invest in a broad range of compliance assistance services to help the regulated community manage hazardous waste appropriately. These compliance assistance services include:

- A part-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 website – www.colorado.gov/pacific/cdphe/hm
- Compliance assistance site visits through the Generator Assistance Program (GAP);
- Quarterly hazardous waste management training sessions provided to industry by our staff; and

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- Hazardous waste training requested by industry groups and others.

Program staff continue to use the internet to aid the regulated community. 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 2017, the Hazardous Waste Management webpage received 7,051 hits.

The program has continued to bolster outreach and training. In FY 2017 the division provided three full-day and several partial-day trainings to 450 members of the health care sector. Four full-day hazardous waste generator trainings were also given to over 400 attendees. A full-day training on the upcoming EPA regulation changes attracted 120 attendees. Additional training and electronic resources for the EPA changes will be completed in 2018.

Program inspectors incorporate compliance assistance and pollution prevention into compliance inspections when appropriate. Inspectors provided guidance documents and person-to-person consultation on 34 of the 146 inspections performed this year. Additionally, in FY 2017, the program conducted six site visits that had compliance assistance as the major focus.

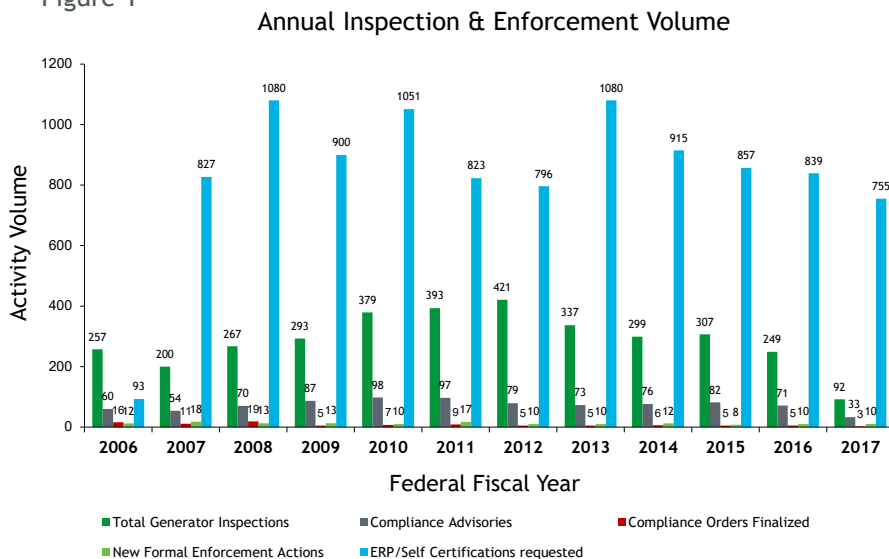
The division maintains guidance information for regulated parties through both print and electronic media. This system includes an automated technical assistance telephone line for common waste management questions and a technical assistance phone line staffed four hours/day during business hours to provide information on more complex or detailed regulatory guidance. Through the technical assistance phone line, division technical assistance staff responded directly to 1,469 calls and 248 emails during FY 2017.

Compliance Monitoring and Enforcement

Efficiency and effectiveness are very important in compliance monitoring (inspections) and enforcement. Efficiency allows adequate coverage of the regulated universe – completing compliance assessments and deterring non-compliance. Efficiency measures include 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.

Figure 1 shows the volume of annual generator inspections conducted, self certifications requested and the number of resulting compliance and enforcement actions taken. An example of staff efficiency is presented in Figure 2. This graph presents the average number of inspections

Figure 1



performed by each inspector each calendar quarter. The performance plans for each inspector define the number of completed inspections needed to achieve an outstanding, satisfactory or unsatisfactory performance rating. To perform at a sustainable level, experienced inspectors should be expected to conduct 15 inspections per calendar quarter and 18 per quarter for an outstanding rating in this aspect of their job duties. This level of effort prevents staff burn-out, but also allows the program to adequately inspect the regulated universe. Inspections per full-time employee were lower this year because more time was devoted to training for the regulated community.

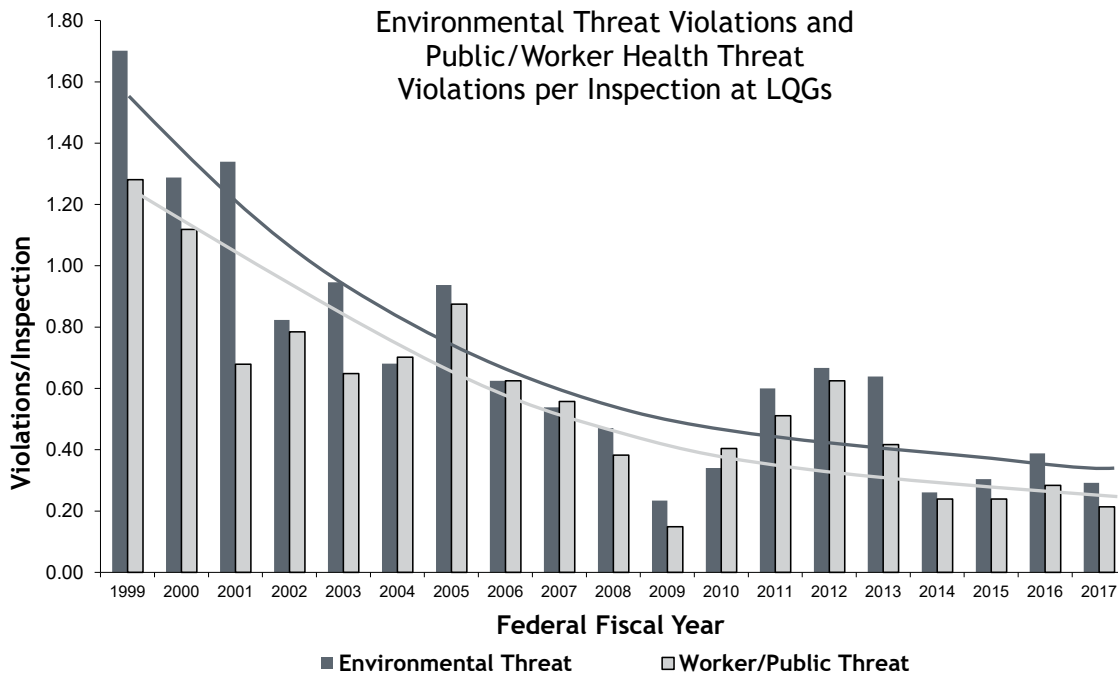
It should be noted that every inspection carries administrative responsibilities, such as report preparation, tracking return-to-compliance activities and accomplishments at the facility, and data entry, all of which are also being performed on time and effectively.¹ Inspections also result in the issuance of formal and informal enforcement actions. 100 percent of both formal enforcement actions (compliance orders) and informal actions (compliance advisories) were timely in FY 2017, as measured against standards established by EPA and adopted by the Colorado program.

Figure 2



¹ As judged by EPA in its oversight role and recorded in its 1999 - 2016 End-of-Year Reports reviewing Colorado's Hazardous Waste Program.

Figure 3



In FY 2017, 127 inspections were conducted. These inspections included eight at facilities that treat, store or dispose (TSDs) of hazardous waste; 39 of the 153 large-quantity generators (LQGs) of hazardous waste, 20 of the approximately 430 small-quantity generators (SQGs), and six inspections resulting from citizen complaints.

The compliance monitoring and enforcement program also can 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 requirement, an annually updated inspection priority system has been developed and is being used to schedule inspections for the 153 large-quantity generators of hazardous waste. Figure 3 shows that this emphasis on Colorado’s LQGs is having a demonstrable effect. The taller gray bars on Figure 3 show that, for those LQG facilities where violations are discovered, the total number of violations has decreased on average over the last decade. We are finding fewer problems at these important facilities. In addition, Figure 4 (the shorter blue and gray bars) and Figure 5 demonstrate that violations of regulatory requirements that have a direct relationship to environmental impacts and/or worker and public health impacts also have declined.

Figure 4

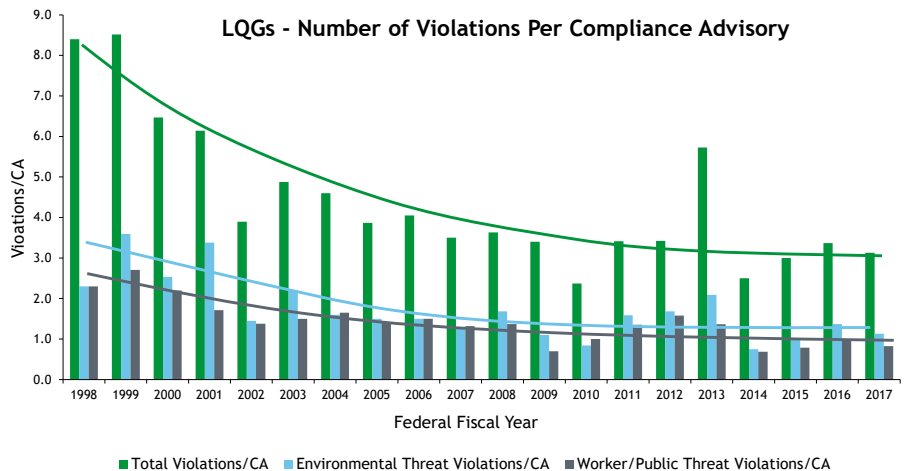
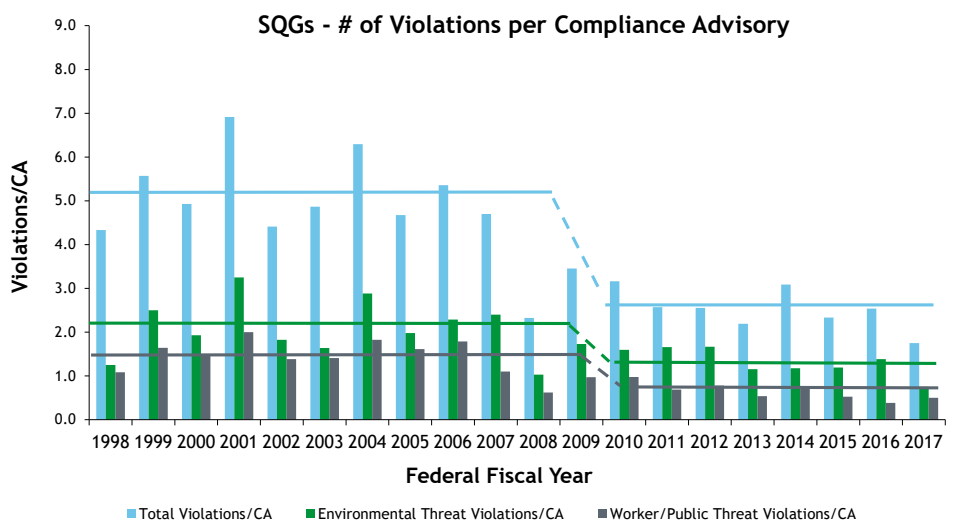


Figure 5



For a long time, we could not show a similar improvement in compliance rates for the approximately 430 small-quantity generators (SQGs) of hazardous waste in Colorado. We believed the reason was that trying to hold this large universe of facilities in compliance with no more than a 20 percent per year inspection rate could not be effective. There are simply too many facilities to be effectively regulated in an inspection/enforcement mode with a small inspector staff. To solve this problem, we implemented a self-certification program for SQGs.

2017 represents the 11th year of mandatory SQG self-certification and the 12th year of mandatory dry cleaner self-certification. Figure 6 shows that, in 2017, 399 SQGs and 133 dry cleaners were asked to self-certify.

In 2013, we added a self-certification program for all long-term care facilities in Colorado. This program is aimed at ensuring that the waste pharmaceuticals generated by these facilities are properly managed and disposed.

Figures 2 through 5 show that the program continues to meet requirements from EPA to inspect 20 percent of LQGs per year. Due to a drop in staffing, SQG inspections were lower. Yet compliance rates remain high within facilities that self-certify.

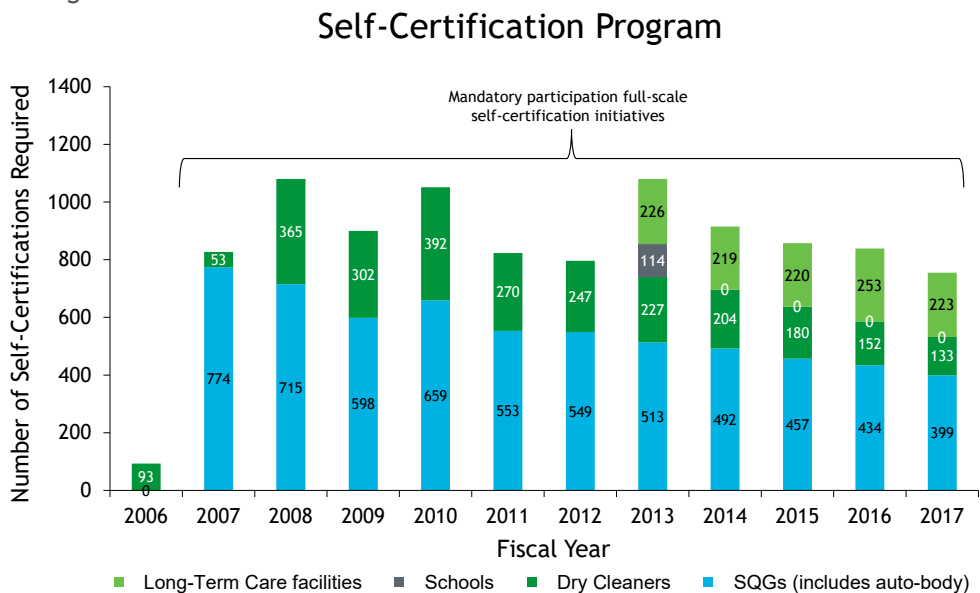
Figure 5 provides the same information for SQGs that is presented for LQGs in Figure 4. Figure 5 demonstrates that the self-certification program has had a measurable effect on the number of violations at SQGs. It is clear that, beginning in 2008, the first year that random follow-up inspections were performed by our staff, fewer violations were discovered at SQGs – in fact, about half as many as in previous years.

We can measure the improving compliance rates at SQGs in other ways as well. Within our self-certification compliance data, we can compare compliance rates over time for each individual regulatory requirement. To summarize this data, here are two important compliance improvements attributable to our self-certification program:

- 1) In 2008 there were 10 regulatory requirements where non-compliance exceeded 10 percent. By 2011, just three years later, no regulatory requirement had a non-compliance rate exceeding 10 percent.
- 2) In 2008, only 31 percent of facilities were found to be in complete compliance (no violations). In 2009 and 2010, that number had increased to 53 percent and 62 percent respectively. By 2011, this level had increased to an impressive 84 percent.

Facility operators may choose an entirely internet-based and electronic self-certification process. This feature is a time saver for facilities and allows us to directly download their submittals into our database.

Figure 6



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 approximately 20 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 that, although 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 two FTE to the self-certification projects. This allocation is equivalent to a 43 percent reduction in the number of inspectors working in the traditional enforcement mode, but we believe this reassignment is actually a better expenditure of resources because it is measurably improving compliance rates.

In addition to the self-certification program, the division has continued the Generator Assistance Program (GAP). This program targets 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 into compliance. In addition, GAP offers assistance with waste minimization and pollution prevention strategies. Any findings of non-compliance during a GAP site visit are given enforcement amnesty so long as the violations do not cause an immediate danger to human health or the environment and the facility expeditiously corrects the problems. The division performed six GAP compliance assistance site visits in 2017. GAP’s website can be found at: www.colorado.gov/cs/Satellite/CDPHE-HM/CBON/1251623315173.

Corrective Action

Corrective action, which is the environmental remediation and clean-up portion of the Hazardous Waste Program, continues to be a substantial part of the program's workload. Corrective action staff oversee the remediation and clean-up of more than 200 individual facilities ranging in size from large facilities such as Fort Carson and Lockheed-Martin to very small facilities like neighborhood dry cleaners and plating shops. The program is tightly managed and has performed significantly better than the national average.

The corrective action program makes extensive use of corrective action plans (CAPs), a regulatory mechanism for initiating corrective action at facilities where it is needed without the need for extensive enforcement. Without CAPs, oversight of environmental clean-up activities would require 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. A facility may submit a CAP that, once approved, is enforceable as either a permit or an order. Using the CAP approach is voluntary for the facility, but it can be implemented much more quickly than either of the other mechanisms and requires fewer facility and program resources. A popular mechanism among industries regulated by the department, it has streamlined the program substantially.

Guidelines have been 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 7 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 document types. This graph presents the average number of days that elapse between when our staff receives a document from a regulated facility and when we return correspondence to the facility approving, disapproving or approving the document with conditions. Figure 8 shows similar information for the actual

Figure 7

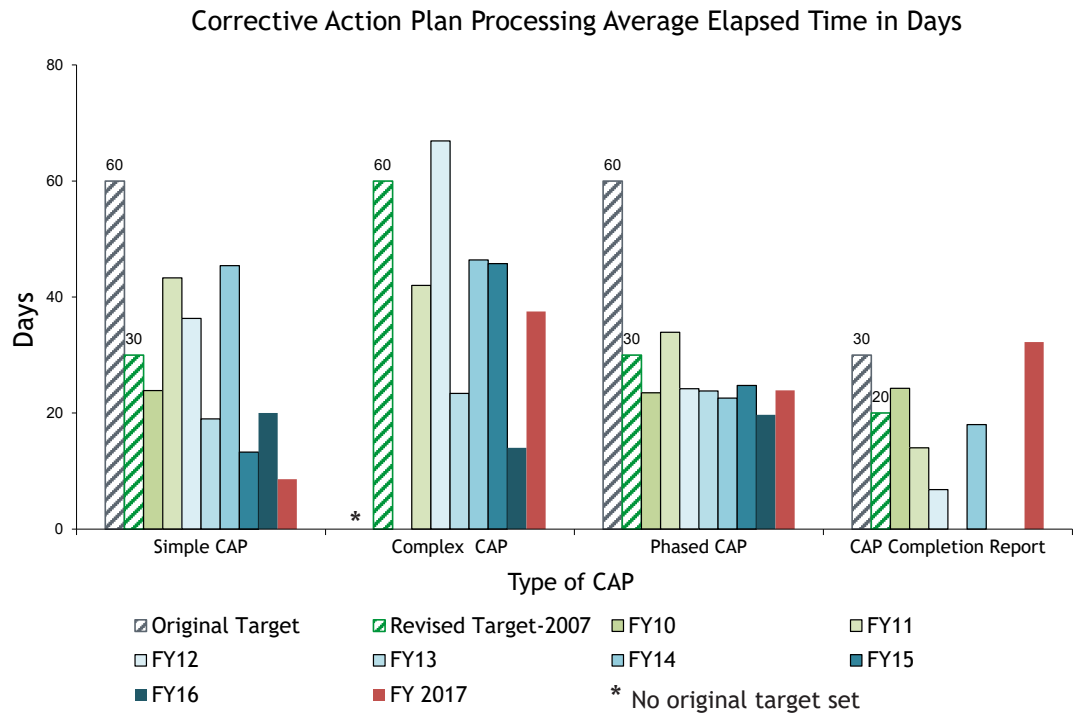
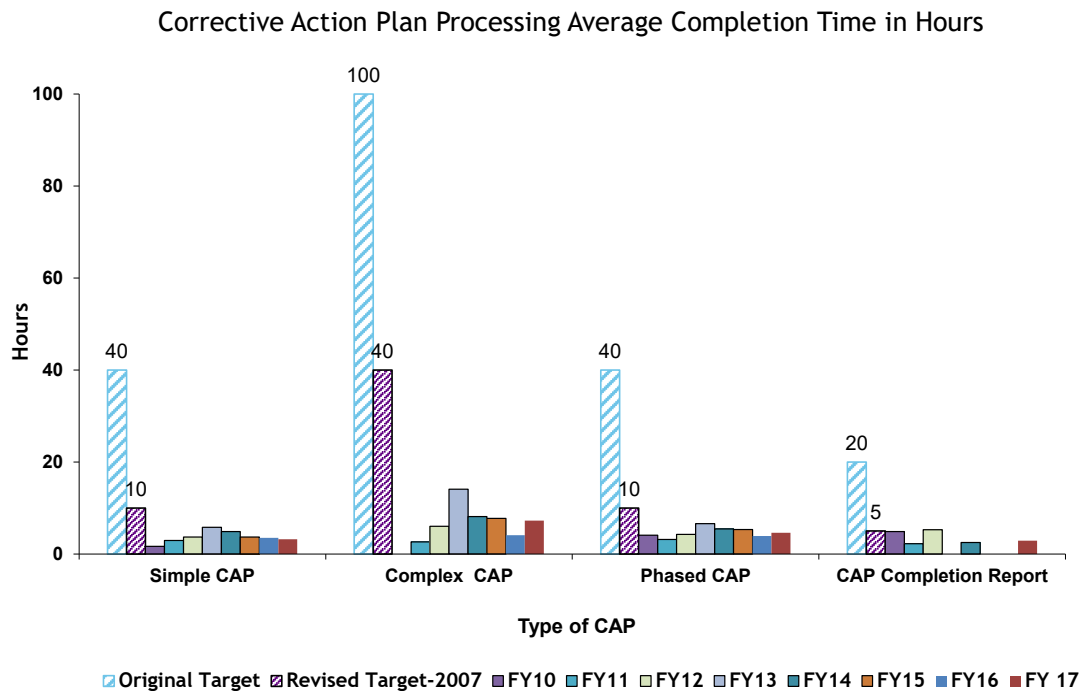


Figure 8



review time (actual hours spent by division staff reviewing each document). Figure 8 presents the average number of hours that our staff charge to regulated facilities for each type of document. Figure 7 measures our timeliness, while Figure 8 measures our efficiency and efforts to keep the cost to regulated entities for our work as low as possible.

The FY 2017 data on Figures 7 and 8 show that program staff continue to perform with 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 lower than the original targets and are more challenging to meet.

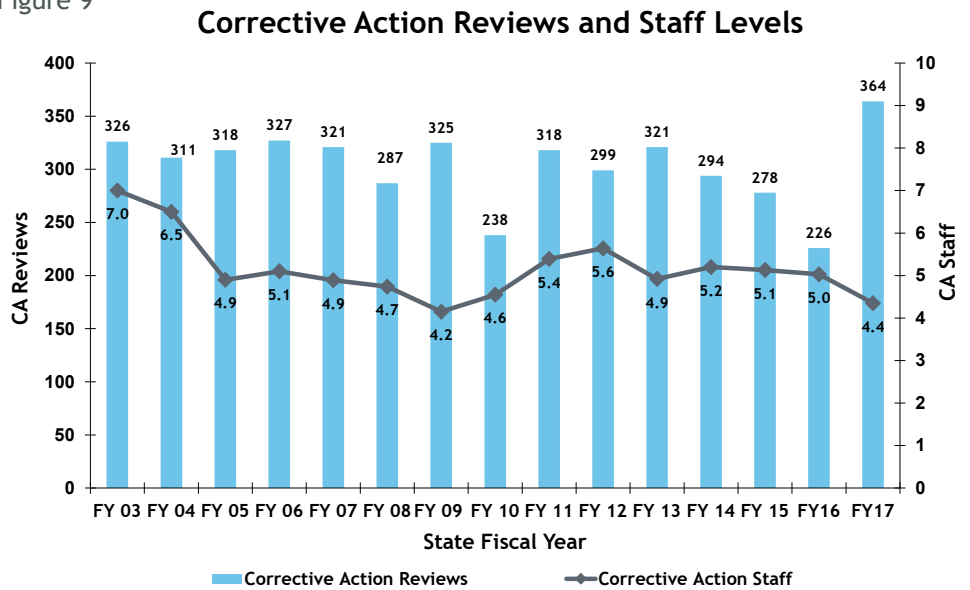
Figure 9 compares the number of corrective action reviews completed with the number of corrective action staff, and Figure 10 shows the number of plan or report approvals per FTE over several years. When Figures 7 through 10 are considered together, the information demonstrates that staff efficiency continues to be very high. The workload has been fairly constant and independent of economic trends. Many of the facilities still doing corrective action are the complicated and technically demanding cases – the easy ones are done.

A significant factor in the time it takes staff to review a clean-up document is the overall quality of the document submitted for review. Document quality has improved in recent years due to several factors. The first improvement is the regulated community's use of the department's

Corrective Action Guidance Document, which presents clear corrective action goals, expectations and strategies that focus on flexibility and environmental results. 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 to completing necessary work. Improved communication promotes trust and a collaborative approach to cleaning up sites. Striving for common objectives leads to the development of more easily approved work plans.

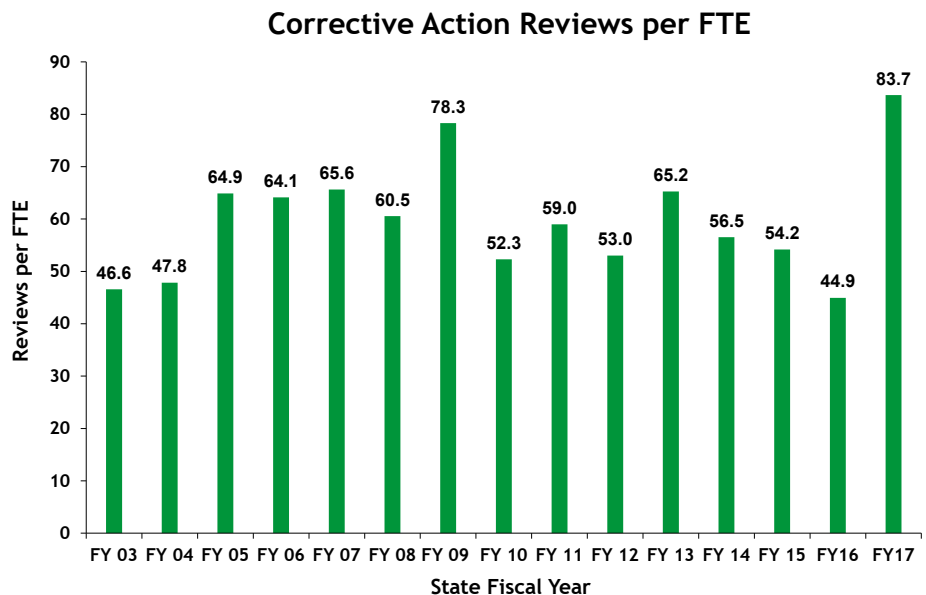
One of the expectations expressed by the General Assembly in SB 00-177, as part of streamlining the corrective action process, was that the Hazardous Waste Program should use enforceable institutional controls and consider such controls in determining clean-up standards. A serious concern for the program at the time was lack of any 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

Figure 9



The program had high numbers of corrective action reviews to complete this year and fewer people on staff to do so. Staff were able to complete more than 83.7 reviews per full time employee in FY2017, a large increase from the 44.9 reviews per full time employee in FY2016.

Figure 10

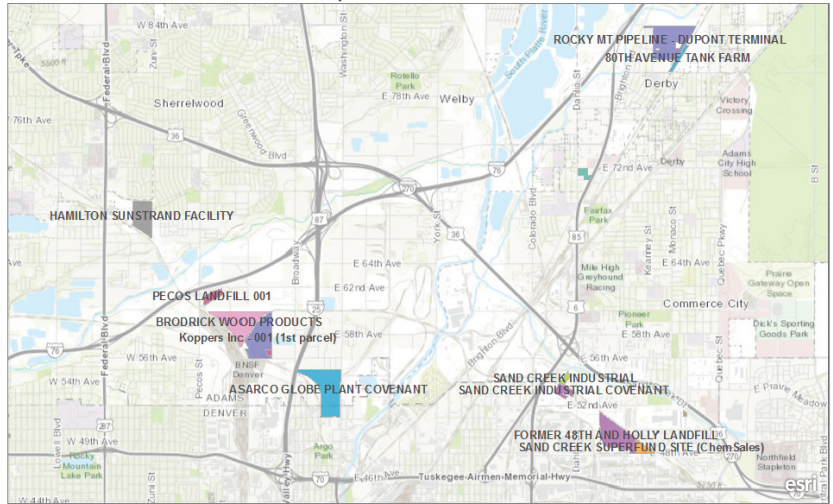


for their properties, and for those restrictions or conditions to be enforceable by the Colorado Department of Public Health and Environment. Since then, the Hazardous Materials and Waste Management Division has begun to approve long-term clean-up plans that rely on environmental covenants to manage 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 163 sites on the registry, one-third of which are hazardous waste sites. Several others are in process and will be added soon.
- 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 actual covenant document. This tool allows the public to have access to the information, as Figure 11 shows.
- 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 available on the division’s website.
- Program staff and staff from the Attorney General’s Office (AGO) have developed a policy describing when the covenant should be finalized within the clean-up process so that remedies cannot be compromised through

Figure 11

CDPHE Colorado Institutional Controls map



Example of properties under environmental covenants.

subsequent property transactions.

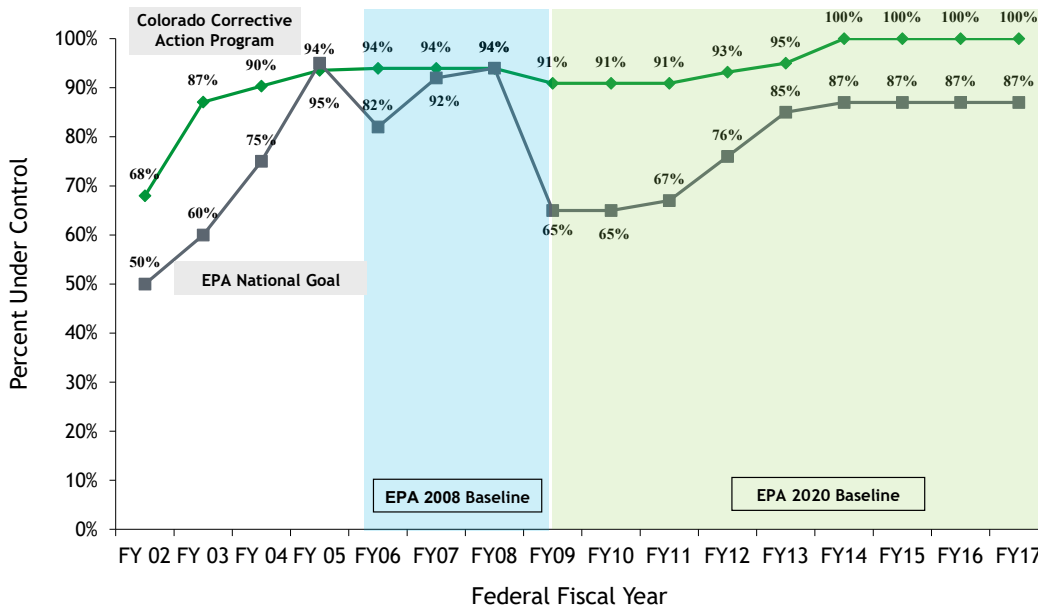
- In 2008, via passage of SB08-037, the environmental use restriction was added to the statute as a second mechanism to ensure long-term control of residual risks. Federal facilities throughout Colorado were unwilling to enter into environmental covenants because the federal government feared the covenants represented interest in real property. Rather than litigate the issue, Colorado worked with the federal entities to develop the environmental use restriction as a mechanism that federal entities could agree to, thereby accomplishing long-term control of contaminated sites equivalent to that afforded by environmental covenants.

The Hazardous Waste 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 (ITRC). State regulators lead this national organization to streamline regulatory approval processes for applying innovative technologies to environmental cleanup.

To measure corrective action effectiveness, the U.S. Environmental Protection Agency established two national environmental indicators in 1999. These indicators measure the hazardous waste corrective action program’s progress on 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.

Figure 12

Human Exposures Under Control - CA725



Colorado currently has 44 of these high-priority facilities. Figures 12 and 13 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. It is noteworthy that there were only 31 facilities in the tracking group from FY 2000 through FY 2005. EPA added two facilities in FY 2006, bringing Colorado's total to 33 facilities. In FY 2009, EPA added another 11 facilities, bringing Colorado's total to 44 facilities. As EPA added facilities across the nation they amended the national goals in FY 2006 and FY 2009.

Beginning in FY 2006, EPA established an additional GPR indicator to measure progress toward completing cleanups: The percentage of high priority sites where the final remedy has been completely constructed. As shown in Figure 14, our corrective action program is running well ahead, and is projected to remain well ahead, of the national targets for this measure because of the good work by staff and management over the last few years.

Beginning in FY2013, EPA established a fourth GPR indicator to measure further progress towards completing cleanups: The percentage of high-priority sites where the final remedy and all cleanup has been completed across the entire facility. Progress on this indicator shows on Figure 15. Again, we are well ahead of EPA's national goal.

Figure 13

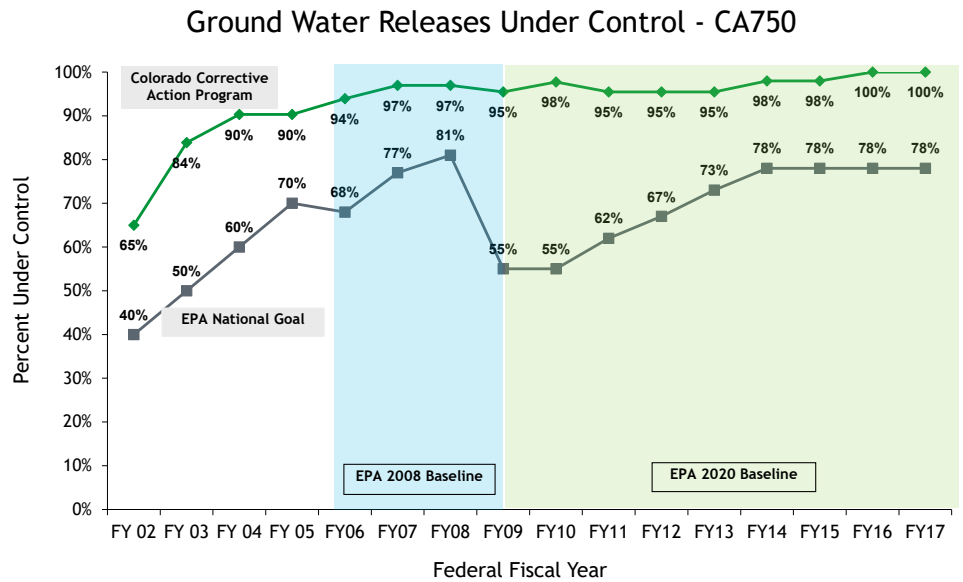


Figure 14

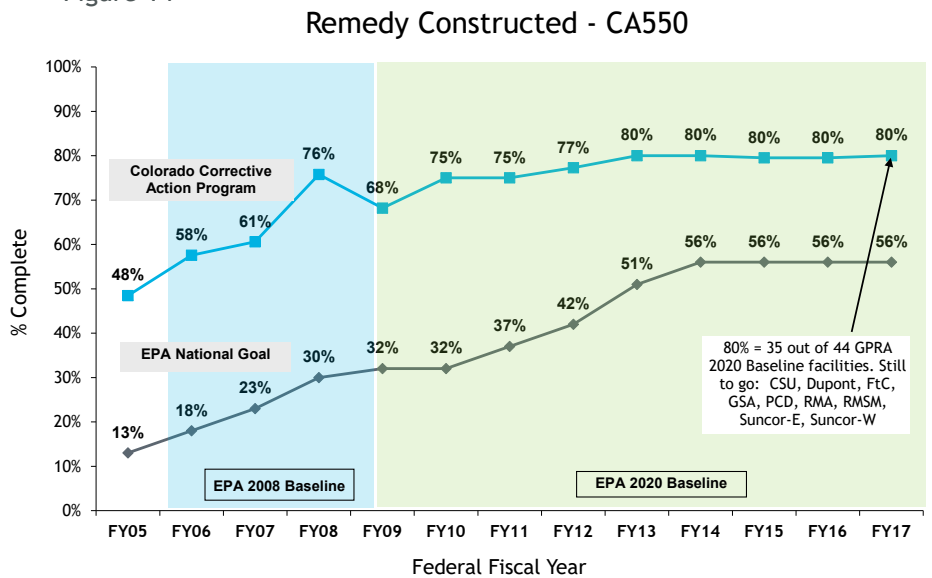
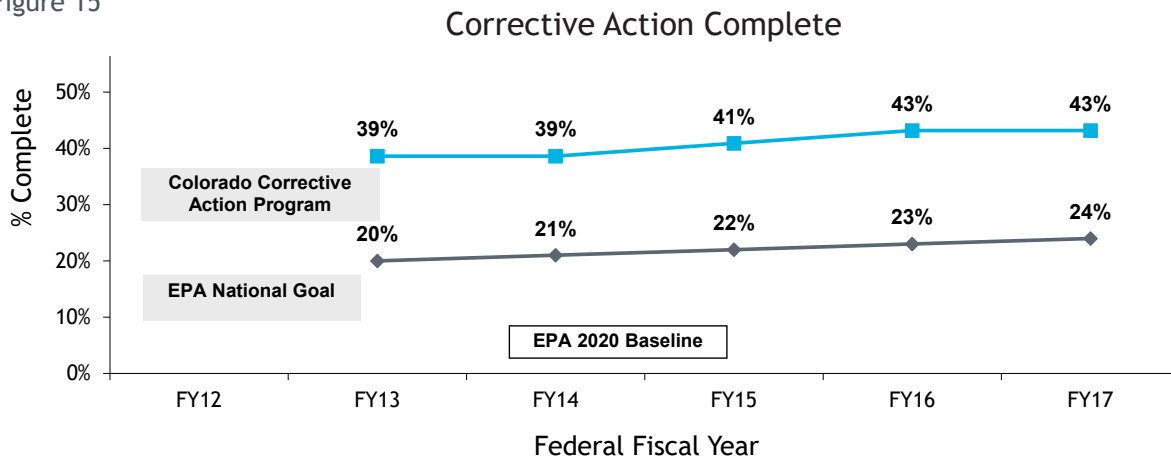


Figure 15



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 22 of these facilities in Colorado – seven are active and required to have an operating permit, the remaining 15 require a post-closure permit or equivalent enforceable document. Colorado has operating permits in place for all seven of operating facilities (100 percent) and for 49 of the 50 individual sites on those facilities (98 percent) – see Table 1 below. The only unpermitted unit is at the Pueblo Chemical Depot, and comprises the 94 chemical weapons storage igloos (considered a single “unit”). We do not plan to permit these igloos, but rather to regulate them under a compliance order until they are emptied and closed by the Army under its Chemical Demilitarization Program no later than 2021.

The other 15 TSD facilities in Colorado are no longer actively managing hazardous waste, but have left waste or contamination in the ground. These facilities require post-closure care or monitoring controls. For those facilities that do not require permits for any other aspects of the facility, the “post-closure compliance order” is a more efficient approach than a post-closure permit. As of FY 2017, Colorado has post-closure controls in place at all of the units at these facilities – see Table 1. The Rockwool facility in Pueblo achieved post-closure controls in place in FY 2016 with the issuance of a restrictive notice for the property. This facility has no viable owner or operator. We have been inspecting and sampling this facility for many years to ensure it remains protective of the public and the environment.

The Division renewed the Pueblo Chemical Agent-Destruction Pilot Plant (PCAPP) Research, Development and Demonstration permit in FY2017. The renewal was required because the plant has experienced numerous operational difficulties during pilot testing. Several individual components of the plant have developed issues requiring the plant to shut down intermittently during the first year of pilot testing. Pilot testing of the facility commenced in September 2016, but the facility has been unable to achieve consistent and steady operations. Consistency of operations is necessary to allow for evaluation of the individual operating systems and to prepare for a system-wide assessment demonstrating that the facility can operate effectively and in compliance with the regulations. To date, approximately 43,446 munitions, or 5.5 percent of the chemical weapons stockpile, have been destroyed during the first year of pilot testing. This number is short of the goal of approximately 80,000 munitions required for completion of the pilot testing evaluation. Completion of pilot testing is also necessary to acquire system-specific data to finalize the Part B operating permit that is required before the facility can commence full-scale operations – expected to begin in CY 2019.

The program also continued its participation in the national Interstate Technology and Regulatory Council (ITRC). This group supports an initiative to streamline 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 related enforcement actions; and to retrieve reports that provide managers with an up-to-date overview of cases. This information allows the division to use program resources more effectively 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

Table 1

	Operating Permits	Post-Closure
TSD's with all units controlled	7	15
Percent of total TSDS	100% (7/7)	100% (15/15)
Units* with controls in place	49	25
Percent of total units	98% (49/50)	100% (25/25)

*There are more units than TSDs because each TSD is broken into several units

Table 2

Operating TSD Universe		
Non-commercial	3	43% of TSDs are non-commercial
Facilities: Pueblo Chemical Depot, Fort Carson, CU Boulder		
Commercial	4	57% of TSDs are commercial
Facilities: Clean Harbors, Safety Kleen Pueblo, Safety Kleen Englewood, Veolia		

review of a specific document. This capability improves managers' abilities to identify areas that are consuming significant amounts of time and facilitates decision-making about appropriate improvements. It also improves the division's accountability to those paying fees by better identifying how the money they pay is used.

Data management is an important issue for EPA in the national hazardous waste program. Because most states are authorized to implement most of the program, EPA's management of national data is very complex. Colorado has advanced beyond many states in its 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). Staff have been participating in two national workgroups associated with this effort.

In FY 2014 we embarked on a significant data system and database upgrade. This upgrade will move us to a Visual Basic interface with an underlying SQL database. This project enables us to migrate our data to current platforms and leave behind old FoxPro platforms no longer supported by the department or by industry. Additionally, field inspection forms will also be developed under the project. This upgrade will cost the Hazardous Waste Program about \$350,000, of which \$275,000 will come from fee-funded accounts. This data system and database upgrade is now about 95 percent complete. System start-up is expected during 2018.

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 authorizes a state

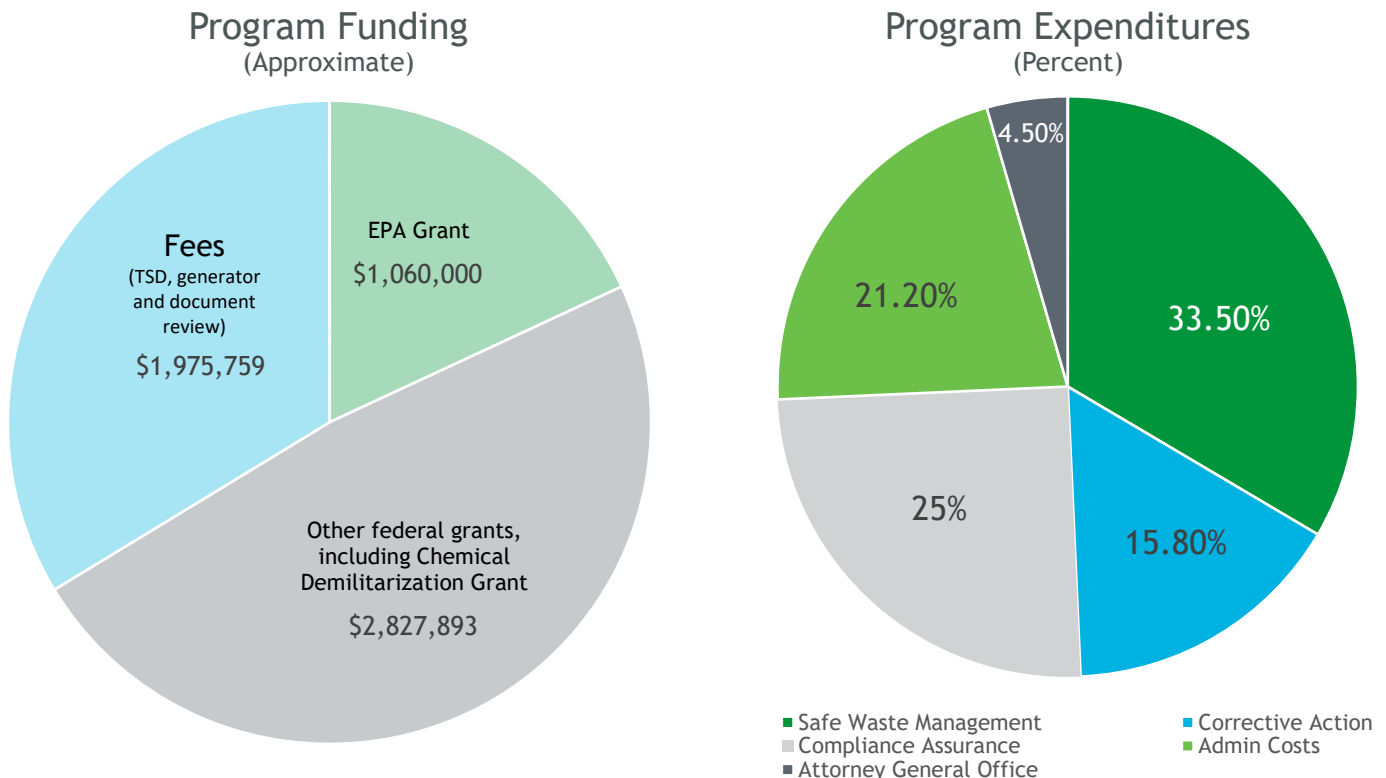
for the hazardous waste program, it carefully reviews two aspects of the state program: 1) the state's statutory authorities, funding and staffing, both quantitatively and qualitatively; and 2) the state's regulations. Once the state is authorized, EPA monitors the state program to ensure it is being implemented in a manner that satisfies federal program requirements.

As mentioned earlier 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 groundwater 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 Program has adopted 100 percent of the necessary EPA regulations; however, EPA has only authorized us for about 91 percent of the regulations. We have no control over the 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.

For the last several years the EPA has rated all aspects of Colorado's program very highly in its annual review.

Figure 16



Program Funding

Funding for the Colorado Hazardous Waste Program comes from federal grants, cash fees and an annual Chemical Demilitarization Grant. The program receives no Colorado General Fund money. Currently, without considering federal funding for the Chemical Demilitarization Project, fee revenues fund about 65 percent of program costs and the EPA grant covers the remaining 35 percent.

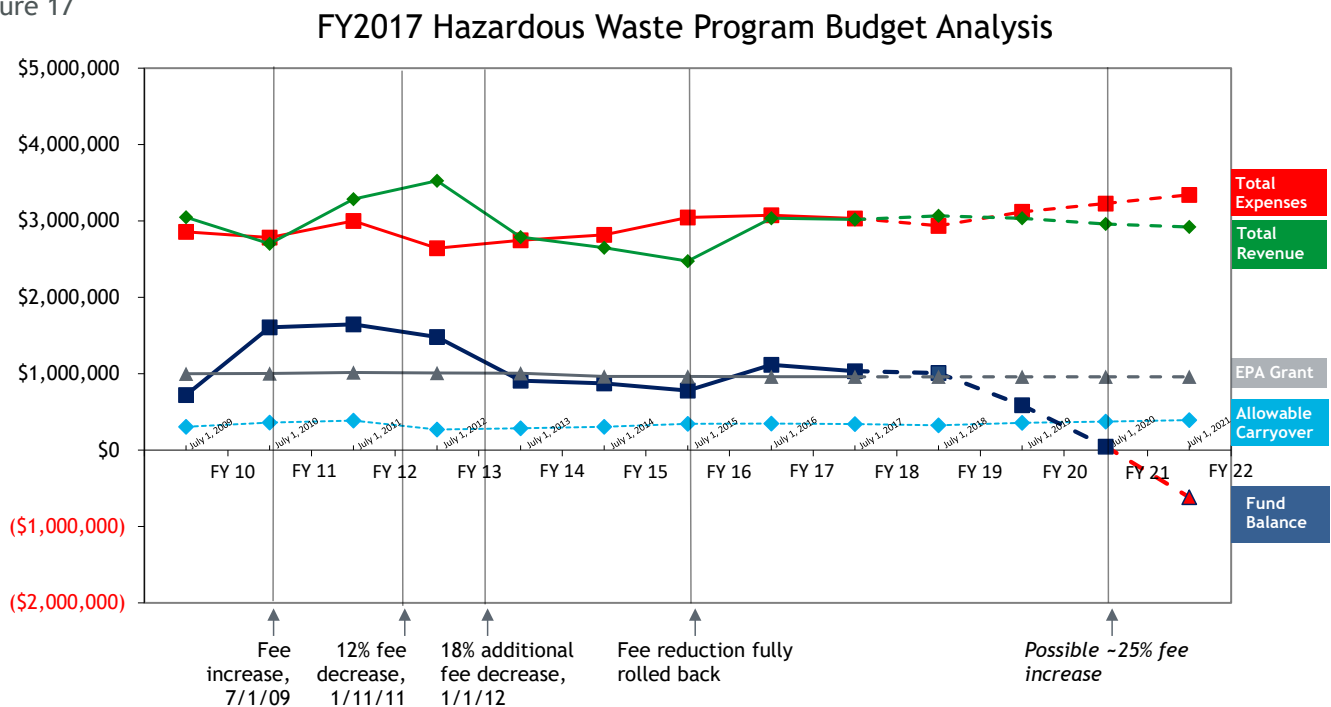
Because the EPA grant has remained essentially flat for more than 15 years, the fees have had to be increased several times to cover increasing program costs. Since the passage of SB00-177, the Colorado Solid and Hazardous Waste Commission has increased the fees three times – in February 2003, May 2006 and again in May 2009. The fees also have been decreased twice – in 2011 and 2012. At the beginning of state FY 2015, with the exception of one fee type, the decreased fees were moved back to the fee levels established in 2009.

Figure 17 tracks the revenue, expenditures and

fund balance for the Hazardous Waste Program. The key data lines on Figure 17 are the total revenue (forest green line near the top), total expenses (top red line) and the cash balance (dark blue line) in the Hazardous Waste Service Fund. Figure 17 shows that, if our projections are correct, the fee level is projected to be adequate until about Oct. 1, 2019, the beginning of federal FY 2020.

It is important to note that staff salaries are the biggest single expense item for the program. Therefore, managing staffing levels is an important part of managing the program budget. The Hazardous Waste Program is a mature program. As such, we have seen our workload level off and in some areas begin to decline. Therefore we are taking advantage of staff departures to reduce our staff numbers. We will continue to manage our staffing, resulting in significant monetary savings. This approach has allowed us to push off the next projected fee increase by more than two years without compromising program effectiveness.

Figure 17



Conclusion

As discussed in this report, the division has implemented and maintained significant improvements to the Hazardous Waste 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 has been met:

- Maintaining program authorization by the federal government (EPA);
- Maintaining a program that is credible and accountable;
- Maintaining a program that is innovative and cost-effective;
- Developing level-of-effort guidelines for inspections, enforcement and corrective action;
- Streamlining the corrective action process;
- Prioritizing activities based on risk; and

- Emphasizing compliance-assistance efforts.

Efforts undertaken by the Hazardous Waste Program have significantly improved both the efficiency and effectiveness of the program. Major program accomplishments include continuing emphasis on innovative compliance assistance projects; maintaining high inspection efficiency and corrective action efficiency; maintaining high timeliness of enforcement actions; 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. The division's successes in maintaining 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.