



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION III  
1650 Arch Street  
Philadelphia, Pennsylvania 19103-2029

Doreen Thompson, Esquire  
Interim Senior Deputy Director  
for the Environmental Health Administration  
District of Columbia Department of Health  
51 N Street, NorthEast  
Washington, DC 20002

Dear Ms. Thompson:

I thank you for meeting with me on January 6, 2005, to discuss the FY04 performance of the RCRA Subtitle "C" Hazardous Waste and Subtitle "I" Underground Storage Tank (UST) and Leaking Underground Storage Tank (LUST) Programs of the District of Columbia Department of Health (DOH), Bureau of Hazardous Materials and Toxic Substances, Environmental Health Administration. Enclosed are EPA's FY04 End-of-Year Reports for these programs. Your staff has had the opportunity to review a draft of these reports and offer comments.

In the UST Program, EPA is extremely disappointed that the reported significant operational compliance rates were not calculated based on the results of inspections that were conducted consistent with the elements of the significant operational compliance (SOC) performance measure as required in the FY04/05 grant guidance. As discussed during our meeting, EPA finds it necessary to withhold funds from DOH's FY05 UST grant in the amount of \$25,000. EPA plans to hire a contractor to re-inspect facilities previously inspected by DOH during FY04 and to also perform new inspections. These inspections will also provide a training opportunity for DOH UST staff. EPA may return this \$25,000 if DOH satisfactorily demonstrates its ability to properly conduct full compliance inspections at 25 additional facilities. DOH is requested to submit to EPA copies of all inspection reports. EPA will review the completeness/accuracy of these submitted reports including the associated SOC matrices. If EPA finds that these reports demonstrate that the District is able to properly perform full compliance inspections, EPA will award these funds. DOH is requested to submit timely inspection reports to EPA so that evaluations can be accomplished within a time frame that would allow for EPA to award these funds before the closing of FY05.

In the LUST Program, DOH facilitated the accomplishment of 36 cleanups which met its FY04 overall cleanup goal and also reduced the backlog of cleanups to be completed by 4.7%. DOH reported five redevelopment success stories in the FY04 end-of-year report. EPA appreciates the District's cleanup and revitalization efforts and encourages the marketing of redevelopment successes in order to illustrate the varied benefits of our environmental efforts.



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Regarding grants administration in the DOH UST and LUST programs, EPA is concerned that inadequate drawdowns of funds will leave "carryover" in DC's FY04 accounts. Carryover can be problematic for several reasons including that these funds could have been used by another state to accomplish program goals. The District is generally the only Region III LUST program grantee to consistently have carryover. Details on carryover issues are included in EPA's enclosed LUST program report. EPA requests the District to establish an expeditious grant funding drawdown process and fiscal management system.

In the Hazardous Waste Program, EPA appreciates the effort of the District staff during FY04 to revise the District's hazardous waste regulations to incorporate the federal regulations by reference. We are pleased the revised regulations are pending City Council approval.

However, EPA is extremely disappointed that the District did not meet any of its FY04 grant commitments for the operational area components of the Hazardous Waste Program. In Compliance and Enforcement, the District completed only 109 RCRA facility inspections in FY04, far short of its commitment of 124. This is the second year in a row that the District has missed its Compliance and Enforcement commitment. In Waste Minimization, the District participated in only two of the Regional Waste Minimization Team's 12 monthly conference calls, although the FY04 grant commitment was to participate in all 12. Additionally, in a commitment carried forward from the FY03 grant, the District did not identify the third hospital in a timely fashion for a Hazardous Substance Management System (HSMS) study so that this EPA contractor-supported project could be completed satisfactorily. Unfortunately, the contract was closed before the third hospital was identified, and the opportunity has been permanently lost.

EPA believes that the Hazardous Waste Program performed marginally in carrying out its FY04 grant-related administrative responsibilities. For example, the District did not submit its FY05 RCRA grant, due to EPA on August 1, 2004, until the afternoon of September 30. As of this date, EPA has only received a fax copy of the District's FY04 End-of-Year report that was due on October 15; we have still not received the signed original.

EPA has been working with your staff to revise the District's FY05 grant workplan in a number of areas to reflect achievable goals and outcomes proportional with the grant funds allocated to the District. This includes a reduction in the number of inspections we expect the District to conduct in FY05. Concurrently with a reduced inspection commitment, EPA expects the District to increase its waste minimization activities in FY05.

Because of the difficulties DOH is experiencing with grants administration and accounting to EPA regarding its Hazardous Waste and Underground Storage Tank Programs, EPA strongly recommends a higher degree of management oversight and involvement in the administration of both programs' activities. I have directed State Programs Branch Chief, Luis Pizarro to assist the DOH in this effort by initiating regular conference calls and meetings with his DOH program counterparts. I believe regular communication and coordination between these managers will help the District to carry out its authorized programs, and will help EPA conduct its Agency oversight responsibilities.

For more detailed feedback from EPA on individual program areas, please review the enclosed Region III State Program Review Reports. I look forward to improvements in these programs. If you have any questions regarding this letter, please contact me at (215) 814-2055 or at [burke.james@epa.gov](mailto:burke.james@epa.gov).

Sincerely,

James J. Burke  
Director, Waste & Chemicals Management Division

Enclosure

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