


City of Dallas

Environmental Management System

EVALUATION of COMPLIANCE PROCEDURE



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1.0 POLICY REFERENCE

- 1.1 Implementation of programs and procedure with the intent to meet or exceed all applicable environmental laws and regulations.
- 1.2 Continual improvement of our environmental performance through proactive environmental management and self-assessments and/or third party assessments.

2.0 PURPOSE

This document describes the procedure for planning, performing, and documenting periodic internal environmental compliance assessments completed as part of the Office of Environmental Quality (OEQ) Environmental Compliance Assessment (ECA) program.

The ECA program evaluates compliance with the federal, state, and local environmental laws and regulations that affect City facilities, defines existing and potential liabilities, assists the City facilities with compliance, and approves appropriate corrective action. Certain assessments will be conducted under the Texas Environmental, Health and Safety Audit Privilege Act thus allowing the City to assess the Department facility's compliance status under a limited evidentiary privilege and immunity from penalties.

3.0 SCOPE

This procedure applies to all City facilities.

4.0 RESPONSIBILITY & AUTHORITY

- 4.1 Directors are responsible for the following:
 - 4.1.1 Implementing federal, state, and local regulatory environmental requirements.
 - 4.1.2 Providing appropriate resources to ensure regulatory compliance of affected City Departments.

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- 4.2 **City Attorney's Office** is responsible for assisting the Office of Environmental Quality (OEQ) on regulatory compliance issues as requested.
- 4.3 **OEQ** is responsible for:
 - 4.3.1 Communicating and tracking the results of external Notice of Violations (NOV), if any, and maintaining agency relationships on the behalf of City operations.
 - 4.3.2 Completing compliance assessments and submitting reports, as required, to the affected Department, in a timely manner.
 - 4.3.3 Tracking resolution of issues identified as a result of an OEQ initiated internal compliance assessments.
 - 4.3.4 Entering non-conformances and assessment findings into Intelex, as appropriate.
 - 4.3.5 Closure of assessment findings through re-assessment, or other appropriate mechanism.
 - 4.3.6 Providing guidance and support to Facility Managers, EMRs and Directors regarding environmental compliance issues.
- 4.4 **Senior Lead Auditor** is responsible for:
 - 4.4.1 The overall performance of the assessment program
 - 4.4.2 Reporting the performance indicators selected for the assessment program to City top management
 - 4.4.3 Day-to-day management of the assessment program including ensuring that OEQ's responsibilities outlined in 4.3 are met.
- 4.5 **Lead Auditors** are responsible for the following:
 - 4.5.1 Conducting the opening and closing meetings during the assessment
 - 4.5.2 Guiding the assessment team during the audit phase of the assessment.
 - 4.5.3 Serving as the principal contact to the audited facility during the assessment.
 - 4.5.4 Consolidating audit findings received from the auditors
 - 4.5.5 Determining nonconformances, and observations
 - 4.5.6 Planning assessments
- 4.6 **Auditors, including auditors-in-training**, are responsible for the following:

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- 4.6.1 Supporting the lead auditor including assisting in documenting opening and closing meetings
- 4.6.2 Completing the assessment through site investigations, document review, and interviews.
- 4.6.3 Assisting in the determination of assessment findings including recommending nonconformances.
- 4.7 Facility Manager/Supervisors are responsible for:
 - 4.7.1 Reviewing assessment reports, assessment findings, and nonconformances and ensuring closure within the agreed time.
 - 4.7.2 Implementing and maintaining agreed upon changes to operations, and maintaining records in order to demonstrate compliance.
- 4.8 Environmental Management Representatives (EMRs) are responsible for:
 - 4.8.1 Responding to compliance non-conformances generated during an assessment in Intellex.
 - 4.8.2 Reviewing compliance updates and assisting in closure within the agreed time.

5.0 OEQ COMPLIANCE ASSESSMENT PROCEDURES

- 5.1 OEQ will conduct environmental compliance assessments to determine existing and potential environmental liabilities related to federal, state, and local environmental laws and regulations.
- 5.2 The OEQ compliance assessment schedule is based upon the degree to which environmental laws affect the facility.
- 5.3 OEQ will draft an audit plan each fiscal year. The audit plan will be approved by the Managing Director of OEQ.
- 5.4 Determining the audit plan: The City budget process determines approximately how many compliance assessments OEQ will complete in a fiscal year. All consent decree facilities must be included in each year's audit plan. Higher risk ("A" and "B" facilities per Table 2 below) that are due for audit should be included in the audit plan. The remaining open dates in the audit plan should be filled by "new" facilities (a facility within an EMS department that has not been previously audited). See "Initial Assessment" (section 5.6.1 below). If there are any remaining audit dates, "C" and "D" facilities should be added. This planning hierarchy is summarized in Table 1:

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Table 1:

Hierarchy of Facility Priority for Compliance Audit Plans	
Priority	Type of Facility (see Table 2)
Highest  Lowest	Consent Decree facilities
	"A" facilities due for audit
	"B" facilities due for audit
	Facilities due for an initial compliance assessment ("new" facilities)
	"C" facilities due for audit
	"D" facilities due for audit

5.5 Table 2 outlines the compliance assessment scheduling decision matrix. The matrix is based on environmental regulatory media (air, water, waste, etc.).

For example, a highly regulated facility such as a water treatment plant shall receive an assessment every one to two years. A City facility such as offices will be assessed every five years. ***Facilities listed in the Consent Decree will be assessed yearly.***

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Table 2

Facility Type		A	B	C	D
Assessment Frequency (years)		1-2	2-3	4	5
Waste Criteria		LQG	SQG	CESQG	*
Air Criteria		Title V	Reg. PBR	PBR	*
Water Criteria		SWPPP TPDES	*	*	*
SARA Reporters		313 reporter	Tier I & II	*	*
Tanks		*	PST Stage II SPCC	*	*
Consent Decree		All Facilities	*	*	*

* Indicates that there are no specific environmental criteria for that particular facility.

ACRONYMS

LQG – Large quantity waste generator
 CESQG – Conditionally exempted small quantity waste generator
 PBR – Permit by Rule (air)
 TPDES – Texas pollutant discharge elimination system
 SARA - Superfund Amendments and Reauthorization Act
 SPCC – Spill prevention control and countermeasure plan
 SWPPP – Storm water pollution prevention plan

SQG – Small quantity waste generator
 TITLE V – Air operating permit
 PST – Petroleum storage tank

5.6 There are two types of assessment conducted by OEQ: initial assessments and periodic assessments. The components of each are described below:

5.6.1 Initial Assessment – These assessments will be conducted utilizing the Texas Environmental, Health and Safety Audit Privilege Act for most facilities.

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5.6.1.1 Prepare required notification regarding the Texas Environmental, Health and Safety Audit Privilege Act at least 48 hours in advance.

5.6.1.2 Documentation Review: The assessor shall review the facility's environmental documentation. The document review may include the following, if applicable:

Process, Maps and Flow Diagrams;
Permits, Permit Exemptions or Permits by Rule;
Historical Performance Record, Inspections/Audits, Notices of Violations and Consultant Reports;
Stormwater/Sanitary Sewer Connections;
Petroleum Storage Tank Documentation including Registration, Inspection, Certification, and Testing;
Spill Prevention Control and Countermeasures Plan (SPCC);
Stormwater Pollution Prevention Plan (SWPPP);
Stormwater Daily Pollution Prevention Checklist;
Emergency Response Procedures;
Tier II Reporting Status and Report (if filed);
Environmental Incident and/or Spill Reports;
Analytical Test Reports;
Profile Sheets, Waste Manifests, Trip Tickets / Receipts; and,
Training Records

5.6.1.3 Tour: A site tour shall be conducted to record observations of daily activities; verify compliance of activities; compare the facility's procedures, permits, plans and programs against practice; and verify closure of previously identified compliance issues.

5.6.1.4 Daily report: OEQ will report each day on the results of each audit. The report will be an email to the EMR. The email is due to the EMR before the start of the next audit day. For OEQ quality control purposes, the daily email must also be sent to another OEQ-ECA employee.

5.6.1.5 A closing meeting with the participating department staff will be held to discuss the initial findings. The daily reports will be used as the basis for results reported at the closing meeting.

5.6.1.6 Following the conclusion of the assessment, the findings (non-conformances) discussed during the closing meeting will be entered into the Intalex database within 10 business days of the assessment. Upon the submittal of non-conformances into Intalex

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by OEQ personnel, the EMR must conduct an investigation (including Root Cause Analysis) and reply to the non-conformances, and issue any corrective action if required.

5.6.1.7 A report summarizing the assessment and associated non-conformances will be drafted and submitted to the affected Department for review within 3 months of the completion of the audit. OEQ also will attach the report to the audit in Intellex.

5.6.1.7.1 The report must include the “compliance assessment scheduling decision” assigned to the audited facility as a result of the assessment (see Table 2 above).

5.6.1.7.2 If the audited department finds errors or has substantive issues with the content of the report, the report will be revised as needed. The previous version will be removed from Intellex and replaced by the updated report.

5.6.1.8 Certification of audit findings. OEQ-ECA staff will certify that all issues identified in the daily emails are either closed audit trails (i.e., found to be conforming) or findings reported in writing to the audited department. The certification will be completed by the OEQ-ECA staff cc'd with the daily email (see 5.4.1.4 above). A copy of this certification will be attached to the audit record in Intellex.

5.6.1.9 Violations to be disclosed to the Texas Commission on Environmental Quality under the Audit Privilege Act will be agreed upon by OEQ and the affected Department. Notification letters will be generated by OEQ and submitted to the affected Department Director for signature and forward to TCEQ.

5.6.1.10 The assessment is complete when an email is sent informing the EMR that audit results are available for review in Intellex. A copy of this communication must be attached or otherwise available in Intellex.

5.6.2 Periodic Assessments – These assessments will be conducted when an initial assessment has already been conducted.

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5.6.2.1 Documentation Review: The assessor shall review the facility's environmental documentation. The document review may include the following, if applicable:

(Mandatory) Historical Internal compliance audit findings
Process, Maps and Flow Diagrams;
Permits, Permit Exemptions or Permits by Rule;
Historical Performance Record, Inspections/Audits, Notices of Violations and Consultant Reports;
Stormwater/Sanitary Sewer Connections;
Petroleum Storage Tank Documentation including Registration, Inspection, Certification, and Testing;
Spill Prevention Control and Countermeasures Plan (SPCC);
Stormwater Pollution Prevention Plan (SWPPP);
Stormwater Daily Pollution Prevention Checklist;
Emergency Response Procedures;
Tier II Reporting Status and Report (if filed);
Environmental Incident and/or Spill Reports;
Analytical Test Reports;
Profile Sheets, Waste Manifests, Trip Tickets / Receipts; and,
Training Records

5.6.2.2 Tour: A site tour shall be conducted to record observations of daily activities; verify compliance of activities; compare the facility's procedures, permits, plans and programs against practice; and verify closure of previously identified compliance issues.

5.6.2.3 Review of Historical Audit Findings: All periodic assessments must include a review of historical audit findings. At minimum, all open nonconformances and the findings from the last periodic assessment must be reviewed. Older findings are to be sampled at the discretion of the lead auditor.

5.6.2.4 Daily report: OEQ will report each day on the results of each audit. The report will be an email to the EMR. The email is due to the EMR before the start of the next audit day. For OEQ quality control purposes, the daily email must also be sent to another OEQ-ECA employee.

5.6.2.5 A closing meeting with the participating department staff will be held to discuss the initial findings. The daily reports will be used as the basis for results reported at the closing meeting.

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5.6.2.6 Following the conclusion of the assessment, the findings discussed during the closing meeting will be entered into the Intelex database within 10 business days. Upon the submittal of non-conformances into Intelex by OEQ personnel, the EMR must conduct an investigation (including Root Cause Analysis) and reply to the non-conformances, and issue any corrective action if required. See OEQ-EMS-012, "Nonconformance, Corrective/Preventative Action Procedure" for more details.

5.6.2.7 Periodic Assessment Audit Report: For periodic assessments, the audit report is the Intelex audit record including the "audit results" field and the attachments listed below in this section. In the "audit results" field, OEQ must include, at minimum:

5.6.2.7.1 A record of the verification of the "compliance assessment scheduling decision" previously assigned to the audited facility (see Table 2 above).

5.6.2.7.2 A statement describing the scope of the audit.

5.6.2.7.3 A statement listing the NCRs resulting from the audit.

5.6.2.8 Certification of audit findings. OEQ-ECA staff will certify that all issues identified in the daily emails are either closed audit trails (i.e., found to be conforming) or findings reported in writing to the audited department. The certification will be completed by the OEQ-ECA staff cc'd with the daily email (see 5.4.2.4 above). A copy of this certification will be attached to the audit record in Intelex.

5.6.2.9 The audit team will attach the following to the assessment audit record in the Intelex audit module:

5.6.2.9.1 Scanned copies of the completed audit checklists and tools.

5.6.2.9.2 A contact sheet with all relevant photographs from the assessment

5.6.2.10 The assessment is complete when an email is sent informing the EMR that audit results are

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available for review in Intelex. A copy of this communication must be attached or otherwise available in Intelex. For periodic assessments, the audit "report" is the Intelex audit records including the "audit results" field and any attachments. This information will be entered within one month of the completion of the audit.

5.7 OEQ will maintain copies of the compliance reports and correspondence for a period of five years, or as required by the EPA Consent Decree.

5.8 OEQ will follow up on the Department's compliance status, assist with nonconformance issues and revisit the facility, if necessary, to verify that the corrective actions and recommendations have been implemented and are practiced.

5.9 Compliance Program Review

As a requirement of the Environmental Management System (EMS), regulatory compliance issues are tracked and discussed at annual CMO review meetings. Status updates on the compliance assessment program shall include:

- A general summary of compliance assessment findings
- Trends associated with compliance findings

5.10 Competency of Auditors

Table 1: Grades and Qualifications for Internal Compliance auditors

Grade	Minimum Spec	Class	Required Environmental Work Experience	Required Audit Experience	Required Certifications	Required Compliance Training *
Auditor-in-training	Environmental Coordinator-H or hold equivalent qualifications	or	One year	none	Must have or be able to obtain a 40-hour hazardous materials safety training certification within six (6) months of assignment.	none

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Grade	Minimum Spec	Class	Required Environmental Work Experience	Required Audit Experience	Required Certifications	Required Compliance Training *
Auditor	Environmental Coordinator-H or hold equivalent qualifications		One year	20 audit days as part of an audit team. The twenty audit days must include at least 4 complete audits.	40-hour initial and 8-hour refresher hazardous materials safety training certification	8 hours annually
Lead Auditor	Environmental Coordinator-H or hold equivalent qualifications		Two years	Must have completed 35 audit days, with at least 7 complete audits, as part of an audit team. Must have completed at least 15 days and 3 complete audits leading the audit team or as a solo auditor.	40-hour initial and 8-hour refresher hazardous materials safety training certification. Must be a Certified Environmental Scientist (CES), Registered Environmental Manager (REM), or hold equivalent credentials. Must hold RABQSA certification grade "Environmental Auditor "or higher.	16 hours annually
Senior Lead Auditor	Must be an Environmental Coordinator II-I or hold equivalent qualifications		Four years	Must have completed 35 audit days, with at least 7 complete audits, as part of an audit team. Must have completed at least 15 days and 3 complete audits leading the audit team or as a solo auditor.	40-hour initial and 8-hour refresher hazardous materials safety training certification. Must be a Registered Environmental Manager (REM) or hold equivalent credentials. Must hold RABQSA certification grade "Principal Environmental Auditor "or higher	16 hours annually

* Teaching a class can be used toward the annual requirement; however, a class can only be counted once per year. Hazardous materials safety refresher or initial training cannot be counted towards the required compliance training hours.

Sources for Required Compliance Training hours include, but are not limited to, OEQ-offered compliance classes, TCEQ-approved education such as PST seminars and DWU Operator classes, EPA-approved education such as that available from NETI, Texas Illegal Dumping Resource Center training, and CoD PWT SWM seminars and workshops.

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6.0 DEFINITIONS

N/A

7.0 RELATED DOCUMENTATION

Administrative Directive 3-73, Environmental Management Program
Administrative Directive 2-49, Environmental Management System

8.0 CHANGE HISTORY

8.1 Revision 1

- 8.1.1 Updated the procedure to distinguish between initial and periodic audits.
- 8.1.2 Updated procedures to reflect missing documents to be reviewed.
- 8.1.3 Updated procedure to remove the requirement for CMO Assessment Review meeting following an initial assessment.

8.2 Revision 2

- 8.2.1 "Applicable" changed to "necessary" in section 5.6
- 8.2.2 Added section 5.8 "Competency of Auditors"
- 8.2.3 Throughout, replaced references to "IsoSoft" with "Intelex"
- 8.2.4 Updated section 5.4:
 - 8.2.4.1 Rev. 1 references to "10 days" have been changed to "10 business days".
 - 8.2.4.2 Clarified when the assessment is considered complete at clauses 5.4.2.6 and 5.4.1.8.
 - 8.2.4.3 Added details on what is to be attached to an assessment in Intelex at clauses 5.4.2.5 and 5.4.1.6.
- 8.2.5 Updating section 4:
 - 8.2.5.1 Added section 4.4, 4.5, and 4.6 to define the responsibilities of different types of auditors.
 - 8.2.5.2 Renumbered Rev. 1 Section 4.4 to Rev. 2 section 4.7 to accommodate auditor responsibilities.
- 8.2.6 Revised section 2.0.

8.3 Revision 3

- 8.3.1 Added sections 5.3 and 5.4. Section 5.3 required OEQ to develop an approved audit plan each fiscal year. Section 5.4 describes the rules for determining what facilities should be listed on the audit plan. These rules are summarized in a

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new table, "Hierarchy of Facility Priority for Compliance Audit Plans".

- 8.3.2 Revision 2 Table 1 is now Revision 3 Table 2.
- 8.3.3 Added section 5.6.1.4 and 5.6.2.4. OEQ is required to send a daily email to the EMR communicating audit results.
- 8.3.4 Added to section 5.6.1.5 and 5.6.2.5 the requirement that OEQ use the daily emails as the basis for results reported in the closing meeting.
- 8.3.5 Updated section 5.6.1.7. The audit report from an initial assessment must contain the "compliance assessment scheduling decision" (5.6.1.7.1). The mandatory 30 day waiting period for department comments on audit reports has been deleted. The update requires OEQ to revise reports "as needed" (5.6.1.7.2).
- 8.3.6 Added section 5.6.1.8 and section 5.6.2.8. These sections require OEQ to certify all issues identified in the daily emails are either "closed" (determined to be in conformance) or reported to the department.
- 8.3.7 Updated section 5.6.2.7 to better describe the audit report requirement for periodic assessment. The audit record in Intalex is the audit report for periodic audits. This section also describes what details must be added to the "Audit Results" section in Intalex.
- 8.3.8 Deleted "nonconformances" from section 5.6.2.6