

TV Fee Committee | MINUTES

Meeting date | time 7/18/2018 10:00 AM - 12:00 PM **Meeting location:** Grantham Lane

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| Meeting called by | Joe Martini | Attendees: |
| Type of meeting | Annual Meeting | See Sign-In Sheet |
| Facilitator | Tony Manson & Joe Martini | Acronyms: |
| Organizer | Tony Manson & Joe Martini | TVFCIM-Title V Fee Committee Industry Member |
| Approving Manager | Martini, Joseph (DNREC) | TVFCAQM-Title V Fee Committee Air Quality Member |

Purpose: Review 2017 TV Annual Report and Strategy related accomplishments and initiatives.

Agenda Topic

Topic: 2017 TV Annual Report Review

Presenter: Tony Manson

Time Allocated:

Discussion: Tony reviewed the overall report touching on key topic areas within the report.

TVFCIM asked if a lien was going to be placed on the property of Lars Recycling for non-payment of DAQ fees as well as any other Division(s) fees and costs resulting from abandonment of the property. TVFCAQM indicated we would look into and follow up.

TVFCIM asked if we had gotten any feedback from new companies on how their TV fees are being calculated (after eliminating the new facility categories of K and 10). TVFCAQM indicated we have been estimating the fees, as now prescribed as the only option in the statute, for a while as it was an option before, and have not had any complaints.

TVFCAQM asked about retirements on the horizon. TVFCIM indicated 3 staff could retire this year, another next year and that we would continue to cross train staff to help cover those areas until replacements are hired. After learning that the 4 positions being hired with the next 2 months were not 100% funded by TV, question was posed where else is the funding coming from and what duties would all 4 new hires have. TVFCIM review the org chart and indicated that 2 of these positions were E&C engineers and 2 were under the Planning Branch. 1 position will be GF, 1 will be RGGI and the other two will be a split between TV and the Grant. TVFCAQM will provide a breakdown of the funding. TVFCIM asked if any of the 4 upcoming hires are intended to replace any of the 4 upcoming potential retirements, answer was no. Hiring for those would not happen until after vacancies actually occur.

TVFCIM asked about the difference in number of facilities billed in 2017 and 2018, it appears there were two "new" TV facilities. TVCFAQM indicated that the numbers of facilities actually billed in 2017 was two less than 2018. However, this difference was a result of two unresolved billing errors in 2017. As of 7/18/18 the total number of facilities remains TV/SM facilities remains 129. DAQ will provide an update at the next meeting.

TVFCIM asked about the money identified under Additional Support – Environmental Crimes was it an actual expense, TVFCAQM responded yes, actual expense and further detail was provided that those costs are calculated by the DAQ share of complaints officers responded to. TVFCIM pointed out that the complaints are related to various programs, i.e. Reg. 2, etc. (burning).

TVFCIM asked about the facilities with zero hours allocated to them and whether we review those for accuracy. TVFCAQM indicated we do review the hours and ask staff to review ones that have substantial increases or

Agenda Topic

decreases to confirm. It was pointed out that when spikes occur in say a TV facility, it could be due to things such as a permit renewal, etc.

Conclusions: Overall, not a lot of questions regarding the report review.

| Action Items | Assigned To | Deadline |
|---|--------------|--------------|
| Look into whether or not a lien will be placed on Lars Recycling Property | DAQ (Angela) | Next meeting |
| Provide TVFCIM with funding breakdown for upcoming hires. | DAQ (Tony) | Next meeting |
| Difference between the 2017 & 2018 billing universe. | DAQ (Tony) | Next meeting |

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Topic: Strategy – Reg. 2 Permitting Fees

Presenter: Angela Marconi

Time Allocated:

Discussion: Internal discussions ongoing. Bob Zimmerman later indicated that the potential for increasing the annual Reg. 2 fees would be brought up to the Secretary in conjunction with any potential fee raises for the Divisions of Air, Waste as well as Water (Parks and Fish & Wildlife have recently gone through the process). Should know by the beginning of November if this is something the Department will move forward with.

TVFCIM indicated it would be nice if there were legislators either on the committee or actively participating in the meetings.

In the meantime, efficiency efforts are underway (standardized permitting procedures for certain types of permitted equipment; updated the desk reference and working with new facilities much earlier in the process to decide on the best permitting path for the facility and one example Chemours has proven to be successful when a very thorough and complete application was submitted. TVFCIM suggested we find a way to publicize that success story to encourage other new facilities.

If a Reg. 2 fee increase isn't feasible, TVFCIM suggested other means of collecting additional fees for processing that would help cover costs associated with facilities that don't follow through with obtaining a permit (mention of DEDO funds).

TVFCAQM indicated that as part of internal discussions, a decision needs to be made on whether there is an expectation for the Reg. 2 program be self-sufficient/self-sustaining. TVFCIM added that data should be collected on the time spent on Reg. 2 activities and that VSM of the process may help. TVFCAQM indicated that internal brainstorming is needed. Unsure if increasing the Reg. 2 fees will help in situations like the Middletown Data Center (as in those fees are for facilities with permits).

Bob Zimmerman asked if a committee should be developed regarding a potential Reg. 2 permit fee increase.

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TVFCAQM responded yes, especially if the annual permit fees (for current permit holders) would be increased (as opposed to adding a fee for permit processing for any applicant).

Conclusions: Committee very much wants some kind of way, whether through permit fee increases or additional permit processing fees added, to cover the costs associated with processing Reg. 2 permits to avoid TV and even other funding sources covering those costs especially when a facility abandons pursuing a permit(s).

| Action Items | Assigned To | Deadline |
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| DAQ discuss issues related to the funding of the Reg. 2 program (self-sustaining; permit fee increase or create a new fee to cover efforts in processing a permit in case facility abandons efforts to get permit; etc.) | DAQ | No set deadline. Based on comment about presenting budget and initiatives to OMB in early November, would need to figure this out long before that. |

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Topic: Strategy – ECM & ePermitting

Presenter: Colleen Gause & Bob Zimmerman

Time Allocated:

Discussion: Colleen provided overview of efforts to date for both ECM and ePermitting. Bob indicated that initially one of the biggest goals for ECM is to digitize documents to minimize the burden of FOIAs as the Dept. receives one of the highest amounts of FOIAs of any other Dept. ECM provides a good opportunity to review workflow processes. TVFCIM asked about the unique identifier for each facility that Colleen mentioned. Bob indicated the Dept. is working on developing one and that coming up with a Dept. wide taxonomy has been challenging.

Colleen indicated that the primary vendor selected for ePermitting bubbled to the top with all of the options and capabilities they had. The secondary is being selected both as a backup for the primary but also to handle the less complex permitting processes. There will be an approximately 6 month discovery period however the smaller, less complex permitting processes may move forward concurrently with discovery.

Bob indicated that 15 lines of business identified and that several Kaizen events are planned with Divisions in mid-August/early September to map how they deal with each of these 15 (as applicable). An example of one of the 15 is grants. There are numerous different ways they are being handled throughout the Department. The goal is to develop one process that fits all. After the Kaizen events, prioritization will occur.

Colleen indicated the Dept. has 223 transaction processes. Of these, 51-53 were selected for Phase I as they are less complex/simpler. TVFCIM asked for the list of 51-53. Colleen cautioned that they may change upon further review.

TVFCIM asked how all of this was being funded (\$2.7 million for Phase I of e-Permitting and \$2.3 million for ECM). Bob indicated money was coming from a mix of sources (i.e. money resulting from reductions, cost recovered funds, etc.) but that when Phase 2 starts, will likely be approaching the TV Fee Committee on funding assistance based on fair share. The RFP process took things into consideration to try to minimize the cost of the maintenance/modification of the system in the future, i.e. the ability to add/remove fields.

Conclusions: Overall, committee seemed pleased with these modernization and efficiency efforts.

| Action Items | Assigned To | Deadline |
|---|-------------|--------------|
| Provide the 51-53 transaction processes identified for Phase I. | Colleen? | Next meeting |

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Topic: Strategy – TV Billing Improvement Project

Presenter: Joe Martini

Time Allocated:

Discussion: TVFCAQM reviewed the problem, less than perfect TV billing process (90% accuracy), and then described how the project was developed (method, tools, discovery, changes implemented). TVFCIM asked if any industry members were invited to participate. It was explained that the process was internal so there was no need to engage with industry. TVFCIM indicated importance of knowing what the customer wants in that respect, i.e. when and how billed. This led to a discussion regarding DAQ efforts to obtain voice of the customer. TVFCAQM brought up the customer satisfaction project with U of D students and that a survey had gone out. TVFCIM said it would be nice to know the results of that survey. TVFCAQM indicated that the project was still a work in process and that the DAQ needed to analyze the data and figure out what to do with it, therefore that is why the results haven't been shared yet. TVFCAQM requested any ideas from the committee on additional ways to obtain the voice of the customer.

Conclusions: Overall, committee seemed pleased with these modernization and efficiency efforts.

| Action Items | Assigned To | Deadline |
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Agenda Topic

Topic: Miscellaneous Comments from TVFCIMs

Presenter:

Time Allocated:

Discussion:

EPA TV Program Review Letter (December 2015)

TVFCIM appreciates the posting of the EPA letter addressing the periodic review of the state's TV Program.

Question asked about who was handling tracking of things identified as being tracked by Paul, Angela indicated she is handling.

TVFCIM asked about the workforce development portion of the review. Asked if DAQ was going to resurrect the training done in the past on things such as permitting. Thinks that companies and/or consultants would be willing to pay for said training. TVFCAQM mentioned the possibility of webinars, but TVFCIM seemed to feel face-to-face training would be better, a chance for them to meet DAQ staff. TVFCIM indicated the Chamber would be willing to help facilitate the resurrection of this training.

TVFCIM agrees with EPA that draft & proposed permits should be posted online. TVFCAQM indicated they are available via docfinity and that the high profile permits are posted on the website due to high public interest.

TVFCIM stated that a tracking system mentioned in page 9 of the review report would most likely be addressed by the IT Systems Modernization. Bob Zimmerman indicated the Secretary is very committed to posting permitting statistics/metrics online. This information has been provided by DAQ, trying to obtain information from other Divisions.

TVFCIM would like to see efforts to address items within the EPA TV Program Review Report be a topic for our next meeting.

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IT Systems Modernization

Bob Zimmerman indicated that the day’s discussions have made him realize that the Department should be doing more to engage industry during this whole modernization process.

TV Committee Member List

Discussion about reviewing at the meeting, however, DAQ asked the committee to give it time to develop a strategy to update this list. Bob Zimmerman suggested DAQ contact Pat Emory for assistance with legislative members. Need to make sure we are, at a minimum, meeting the statutory requirements for committee members. TVFCIM suggested adding a member of the Port to the committee.

Future Meetings

TVFCAQM asked the committee if an annual meeting in the years we aren’t working on new fee legislation satisfactory. TVFCIM indicate semi-annual meetings (1 to review annual report and another in the Fall timeframe) would be preferred. Discussion followed on when to hold next meeting. TVFCAQM will utilize Doodle Poll with recommended dates in either October and/or November (based on Dept’s budget & initiative briefing to OMB). TVFCIM asked for more advanced notice of the meetings, like use of Doodle Poll in scheduling vs. numerous emails.

Overall

TVFCIM thanked the DAQ for the efforts it puts forth to work together, indicated that it is not like that in most other states.

Conclusions: Overall, committee seemed pleased with these modernization and efficiency efforts.

| Action Items | Assigned To | Deadline |
|--|--------------|---|
| Doodle Poll for next proposed meeting | TVCAQM (Joe) | As soon as possible for adequate advanced notice of next meeting |
| DAQ efforts to address items in the EPA TV Program Review Report | DAQ | For next meeting |
| Initiate discussion on possible training on topics such as permitting for industry (as we’ve done in the past) | DAQ | For next meeting |
| Update Committee list | DAQ | As soon as possible to facilitate communications for the next meeting, etc. |