

TV Committee Meeting

October 24, 2019

10:00 am – 12:15pm

Grantham Lane Large Conf Room

Meeting called by: David Fees, DAQ Director **Type of meeting:** Semi-Annual Meeting/Next Fee Cycle Negotiation Kick-Off

Facilitator: Tony Manson **Note taker:** Dawn Minor

Attendees: See sign-in sheet

Notes

Agenda item: 2018 Annual Report Review **Presenter:** Tony Manson

Discussion:

Tony reviewed the 2018 Annual Report, focusing on program costs; fees collected/delinquent facilities; revenue for the calendar year; billing history chart; monthly account activities; carryover balance (also touching on projected 2019 and 2020 carryover balances); and staffing levels (including information on staffing levels to date).

Expenses

- Committee member noted \$394,000 increase in expenses between 2017 & 2018.
 - DAQ responded that there were 2 salary increases for engineers and a \$1,000 pay increase for all employees.
 - DAQ also reminded the Committee that as previously mentioned, \$100,000 was coded as an expense in 2018 and was recoded in February 2019 as revenue.

Staffing Levels

- Many Committee members expressed concern over staffing level increases.
 - DAQ noted, the 2018 staffing level of 48 was the lowest staffing we can recall.
 - DAQ reminded the Committee that of the anticipated staffing level of 58, 29.95 are funded by TV.
 - Additionally, DAQ emphasized that not all work the division does is TV related work.
- Numerous members from industry asked why the staffing level was increasing when the TV & SM universe is declining? And, as a result, what wasn't getting done?
 - DAQ responded that some permitting actions (such as issuing renewals of Title V permits) have taken much longer with the reduced staff levels.
- A Committee member asked how many positions is the DAQ authorized to fill.
 - DAQ responded 60 authorized with no cap. In the recent past it was 61, capped at 57.
 - A Committee member suggested that the DAQ should remain at 88% staffed.

Conclusions: The Committee would like to see data on the backlogs experienced due to reduced staff levels.

Action items	Person responsible	Deadline
Provide backlog data to Committee	DAQ (Angela)	Next Meeting

Agenda item: 2019 Billing Update **Presenter:** Tony Manson

Discussion:

Tony reviewed the 2019 billing information including percentages for paid in full, partial payments and non-payments. He indicated that DAQ is aggressively communicating with those facilities that have made partial or no payments. DAQ provided an update on Lars (facility abandoned, permits revoked) who has delinquent fees for 2016-2018. This matter is with DOJ.

Conclusions:

N/A

Action items**Person responsible****Deadline**

N/A

Agenda item: NM Fee Increase Initiative**Presenter:** Tony Manson**Discussion:**

Tony reviewed the DAQ proposal for the NM Fee Increase Initiative which consists of a 3 phase approach. The consolidated fees for the first phase were presented. The Department's strategy is to combine the NM Fee Increase Initiative and the TV Fee Legislation for 2021-2023 into one bill. The bill will further result in codifying the NM fees, something that had not been done before, fees existed solely in the 1991 bill. OTS representative, Bob Zimmerman, asked if we were federally mandated to codify the TV program and fees. A DAQ representative indicated no. Bob then proposed an alternative approach, using the budget epilogue language, for the NM Fee Increase Initiative and perhaps even the TV Fees.

- Generally, the Committee is very supportive of NM program fee increase. However, they do not recommend a combined legislation strategy.
- The Committee asked if the 1991 fees were meant to support 100% of the program's cost.
 - DAQ, as well as Bob Zimmerman, do not know the answer to this question. Bob believes that it was likely supplemented by general funds. Bob also mentioned that the 1991 fees remained untouched until the early 2000's when fees were revised for the Parks & Recreation and Fish & Wildlife divisions. Bob further stated that the TV Fee Committee and process for fees is a model the Department would like to emulate if and where possible.
- The Committee asked if the fee increase includes registrations.
 - DAQ responded no, it had not considered including registrations in the NM fee increase.
 - A Committee member then recommended that any references to the NM Fee Increase Initiative clarify that it is for fees related to Regulation 1102 permits.
- Again, the Committee is **not** supportive of combining the NM Fee Increase Initiative and TV Fee legislation. Strong concern that one could delay the processing of the other. The Committee believes the NM community will resist the fee increase.
- The Committee asked if a meeting with the Chamber of Commerce representative, the Small Business Ombudsman and members of the TV Committee and others to discuss the initiative and if DAQ has a means to contact/reach out to the NM community.
- The Committee would like to see an example of the epilogue language.
 - Bob Zimmerman will have to confer with the Secretary to determine how this process would proceed.
- The Committee would like to see the table of fees expanded to include the other two phases.
 - DAQ is concerned as the NM program costs will most likely change during the time period of the next two phases. Can provide the fees based on current program costs estimates with the caveat the fees for those two phases would be subject to change.

Conclusions: Continue discussion at next meeting. Where possible, information requested will be provided as soon as possible to the Committee.

Action items	Person responsible	Deadline
Provide Committee with example epilogue language	OTS (Bob Zimmerman)	Next Meeting
Meet with COC rep, SBO & Committee members	SBO (Michelle Jacobs)	TBD
Clarify on documents that fee increase is related to Regulation 1102 permits	DAQ (Tony Manson)	Completed
Seek OTS guidance to determine a path forward for NM & TV legislation	DAQ (Dave Fees)	TBD
Provide Committee with updated fee table to include those for phases 2 and 3	DAQ (Tony)	Next meeting

Agenda item: 2021-2023 TV Fees & Revenue **Presenter:** Tony Manson

Discussion:

Tony reviewed the history of the TV Fee development process including the implementation of the fee credit program in 2015 and how the 2018-2020 revenue requirement was calculated. Tony then reviewed the projected revenue requirements based on an increased TV funded staff level that will reach 29.95 FTEs by EOY 2020. The expenses were projected using a 2% CPI, and a reduction in the Small Business Ombudsman salary cost reduction from 100% TV funded to 30% TV funded. After providing this information, Tony indicated the proposed TV Revenue requirement for the 2021-2023 fee cycle is \$3,950,000. Committee member, Tom Webster, handed out copies of his Excel spreadsheet of projected revenue requirement that continued the TV Fee Credit program beyond the scheduled December 31, 2020 expiration. Tony noted that despite some differences in how they arrived at the amount, their amounts were very close. Tony also pointed out that the carryover balance is projected to be \$1.3 million/\$1.2 million by EOY 2020, well below the target of 6 months of operating costs, currently at \$1.7 million.

- Bob Zimmerman raised a concern that our proposed revenue requirement did not factor in the TV share of e-Permitting costs. He believes that the second phase will include work on TV related permitting.
 - DAQ indicated that no cost data has been provided to be factored in.
 - The Committee members want to know what the TV share would be as well as what the other Divisions will be paying.
- A Committee member acknowledged that the rise in the revenue requirement was as a result of the fee credit program.
- A Committee member read an email from another Committee member (John Deemer) who could not attend which included a preference for the fee credit program to continue or that the fee table be revised.
- A Committee member would like the final hours data as soon as possible.
 - DAQ agreed to do this as soon as possible. DAQ estimates that data will be available by mid-January, and hopes to provide to Committee soon after that.
- Committee member pointed out discrepancy in slides regarding TV funded FTEs. Determined that the 31.65 used was in error, should be 29.95.
 - DAQ will correct this error

Conclusions:

N/A

Action items	Person responsible	Deadline
Provide Committee with TV share of ePermitting costs as well as what the other divisions will be paying	OTS (Bob Zimmerman?)	Next Meeting?
Provide Committee with final 2019 hours data	DAQ	ASAP most likely end of Jan.
Correct error in TV funded FTEs in slides, says 31.65 should be 29.95	DAQ (Tony)	Completed

Agenda item: Proposed TV Legislation

Presenter: Tony Manson

Discussion: Tony reviewed proposed changes, excluding the fee tables, to the TV legislation for the 2021-2023 fee cycle.

Proposed changes include:

- Changing language from initial development perspective to an established/maintenance perspective
- Repealing the fee credit
- Proposing new due date for bills because the carryover balance has been reduced so much. Most facilities pay in the first month or two of the year anyway. This allows DAQ to pressure those facilities who wait until much later in the year to pay to pay earlier or incur late fees. Committee member wonders if there will be any issues with that, i.e. tax related.
- Committee membership process and mandatory members revised

The last bulleted item resulted in a discussion about current Committee members. While unable to review the entire list, a few decisions were made. Mike Quaranta will represent the COC. Tom Webster and Alan Rogers will represent stationary sources, with Alan Rogers being the source who is also a member of the CIC. DAQ will update the current listing based on these changes and post the listing on the website. The Committee list will be further reviewed and updated during our next meeting.

Some minor errors in strike out and underline formatting were discovered. Also a paragraph numbering issue, related to repealed paragraphs must be investigated and properly annotated. DAQ will update and send the draft back out to the Committee.

Conclusions:

N/A

Action items	Person responsible	Deadline
Make corrections to proposed TV legislation & provide to Committee	DAQ	Completed
Clean up TV Committee list based on initial discussions and send to Committee.	DAQ	Completed

Wrap Up

Miscellaneous:

- Need to iron out strategy for NM & TV Legislation
- Bob Zimmerman wants DAQ to address TV share of costs associated with ePermitting

Next meeting:

- Aim for 1st week of December, appears to be a preference for December 3rd.
- Tony to send out Doodle Poll (DONE).
- This meeting will include an update on ePermitting from DTI and a review and update of the TV Committee List.