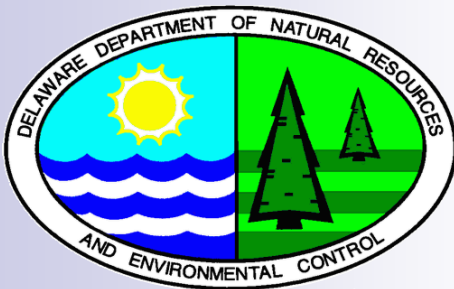


Title V Committee Meeting



December 3, 2019

Blue Skies Delaware; Clean Air for Life

Agenda

- Introductions 5 min.
- Natural Minor (Reg. 1102) Fee Increase Initiative Update 10 min.
- 2021-2023 Program Revenue Requirements 30 min.
- Proposed Revisions to the TV (only) Legislation 20 min.
- Digital DNREC, IT modernization Update Briefing 20 min.
- Training Sub-Committee Report 10 min.
- TV Committee Member Contact List Revisions 10 min.
- Open Discussion (Q & A) 5 min.
- Action Items 5 min.
- Closing Comments 5 min.



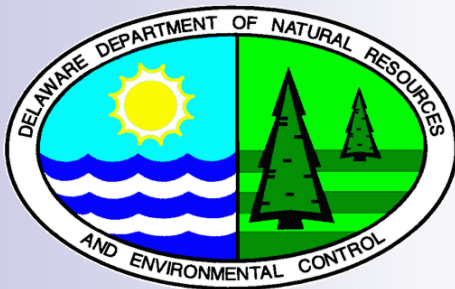


Committee Introductions



Blue Skies Delaware; Clean Air for Life

Natural Minor (Reg. 1102) Fee Increase Update



Blue Skies Delaware; Clean Air for Life

DRAFT

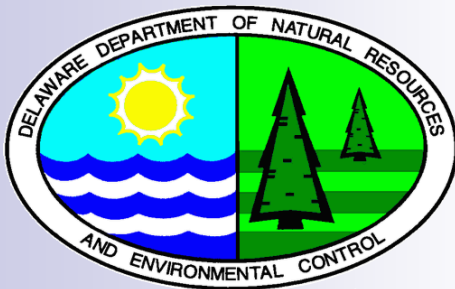
Fee Description	Fee Occurrence	Current Fees	Estimated # Annually	Phase I Proposed Fees	Phase II Proposed Fees	Phase III Proposed Fees
Fuel Burning-Consolidated	Each Application	\$390		\$725.00	\$1,000.00	\$1,350.00
Fuel Burning-Consolidated	Annual	\$75		\$125.00	\$200.00	\$275.00
Process Units - Consolidated	Each Application	\$215	89	\$350.00	\$525.00	\$700.00
Process Units - Consolidated	Annual	\$125	357	\$200.00	\$300.00	\$400.00
VOC Unit	Each Application	\$180		\$300.00	\$450.00	\$600.00
VOC Unit	Annual	unknown		\$125.00	\$200.00	\$275.00
Temp. Emergency Variance	Each Application	\$1,000		\$1,750.00	\$2,750.00	\$3,750.00
Variance	Each Application	\$5,000		\$9,000.00	\$13,500.00	\$18,000.00
Amendment to Permits	Each Application	\$175	40	\$300.00	\$450.00	\$600.00
VOC Sys. – Gasoline Disp. Facility	Each Application	\$120		\$250.00	\$375.00	\$500.00
VOC Sys. – Gasoline Disp. Facility	Annual	\$75		\$125.00	\$200.00	\$275.00
VOC Sys. – Dry Cleaning Facility	Each Application	\$265	73	\$500.00	\$750.00	\$1,000.00
VOC Sys. – Dry Cleaning Facility	Annual	\$175		\$300.00	\$450.00	\$600.00
Process Less than 10 tpy/unit	Each Application	\$215		\$350.00	\$525.00	\$700.00
Process Less than 10 tpy/unit	Annual	\$215	77	\$350.00	\$525.00	\$700.00
VOC Sys. – Delivery Vessel	Annual	\$50	620	\$85.00	\$125.00	\$175.00
Water Tank Lead Paint Removal	Each Application	Unknown	3	\$175.00	\$275.00	\$375.00
MNSR	Each Application	N/A	5	\$3,000.00	\$4,500.00	\$6,000.00
EOP / PSD	Each Application	N/A	1	\$12,000.00	\$18,000.00	\$24,000.00
MACT / NESHAP / NSPS (generators not included)	Each Application	N/A	20	\$3,000.00	\$4,500.00	\$6,000.00
Distributed Generator 1144	Each Application	N/A	1	\$3,000.00	\$4,500.00	\$6,000.00
Advertisement	Each Application	\$165	100	\$475.00	\$725.00	\$975.00
Annual Revenue For Each Phase				\$368,725.00	\$552,825.00	\$743,125.00
Phased Target				\$370,000.00	\$555,000.00	\$740,000.00

DRAFT

Blue Skies Delaware; Clean Air for Life



2021-2023 Title V Fees & Revenue



Blue Skies Delaware; Clean Air for Life

Background

- Current fee schedule presented to General Assembly through Senate Bill 103
 - Signed by the Governor on July 17, 2017
- Fees must be reviewed periodically (3-years)
- 2021-2023 fees & legislation must be approved by the General Assembly NLT June 30, 2020
 - Effective January 1, 2021
- Committee established past revenue requirements based on DAQ's Full Time Employee (FTE) projections
 - FTE restrictions set the basis for the total revenue
- Committee sets cycle revenue target
 - Committee works with TV & SM sources to distribute fairly



Background

- 2015-2017 a user fee credit program was established
 - Reduce the Title V Carryover balance (\$4.2M on 12/31/14)
 - Target = six-months of operating funds (\$2,000,000)
 - Implemented as a six-year plan CY 2015-2020
 - Per legislation, the fee credit program will terminate in 2020
- 2015-2017 revenue was established at \$3,750,000
 - A \$300,000 fee credit program reduced revenue to \$3,450,000
 - Prior to implementation, a reduction in facilities (135 to 123)
 - Limited revenue to \$3,145,235, after the fee credit program
- The carryover balance, slow to reduce in the first cycle, warranted accelerated reduction efforts
 - Fee credit program was increased to \$385,000 per year



Background

- 2018-2020 revenue requirement was \$3,200,000
 - Based on the three-year cost factor averages (2015 - 2018)
 - Adjusted for planned additional hiring actions (\$84,000)
 - Significant inflation & other adjustments were not factored
 - Considered counter to continuing efforts to reduce the carryover balance
 - Actual 2018 revenue was \$2,906,220, after fee credit program
- The primary factors for increasing program costs include:
 - Two engineer salary leveling increases
 - First = \$208K, December 2016
 - Second = \$80K, January 2019
 - Annual pay increases
 - Significant staffing increases (rescinded personnel cap)
 - Total increase of 10 FTEs from EOY 2018 – EOY 2020
 - TV funded FTEs = 3.9



TV Program Revenue Estimation Data

3 - Year Average 2016-2018		EOY CY 2019 53 FTEs 27.65 TV FTEs	EOY CY 2020 58 FTEs 29.95 TV FTEs	CY 2021 58 FTEs, 29.95 TV FTEs	CY 2022 58 FTEs, 29.95 TV FTEs	CY 2023 58 FTEs, 29.95 TV FTEs	2021-2023 Fee Cycle Mid-Point
Salary	\$2,342,984.74	\$2,710,708.99	\$2,932,563.36	\$2,962,563.36	\$2,992,563.36	\$3,022,563.36	\$2,992,563.36
Travel	\$12,562.64	\$12,813.90	\$13,070.17	\$13,331.58	\$13,598.21	\$13,870.17	\$13,598.21
Contractual	\$446,667.97	\$455,601.33	\$464,713.35	\$474,007.62	\$483,487.77	\$493,157.53	\$483,487.77
Supplies	\$96,698.46	\$98,632.43	\$100,605.08	\$102,617.18	\$104,669.53	\$106,762.92	\$104,669.53
Capital Outlay ³	\$11,846.00	\$12,082.92	\$12,324.58	\$12,571.07	\$12,822.49	\$13,078.94	\$12,822.49
Additional Support Services ⁴	\$301,488.15	\$307,517.91	\$313,668.27	\$319,941.63	\$326,340.47	\$332,867.28	\$326,340.47
Ombudsman 30% of 2019 EOY Salary	\$88,331.50	\$30,803.60	\$30,803.60	\$31,103.60	\$31,403.60	\$31,703.60	\$31,403.60
Total	\$3,300,579.46	\$3,628,161.06	\$3,867,748.41	\$3,916,136.04	\$3,964,885.42	\$4,014,003.79	\$3,964,885.42



Blue Skies Delaware; Clean Air for Life

TV Program Revenue Estimation Data

Title V Revenue Estimate Considerations	
Considered	Excluded
2019	Position #67454, Engineer VI (Vacant)
2019 EOY Projected Staffing Level @ 53 of 60 (87%)	Position #08302, Scientist V (Vacant 4/1/2020)
2019 Engineer Salary Leveling @ \$108K	No Potential Rent and/or Utilities (\$100K+)
EOY 2019 Salary with 2020 pay increase @ \$1,000.00 per employee (effective July 1, 2019)	No Engineer or Scientist salary leveling in 2020-2023.
Career Ladder Increases for 11 Staff (9-Engineers, 2-Scientists) @ \$38.2K	No additional career ladder promotions 2020-2023.
SFY 2020 Salary Increases @ \$1,000 per person included in EOY 2019 data.	IT Modernization (ECM & ePermitting)
30% of Actual Ombudsman Salary & OECs.	
*All non-salary categories estimate = 3-year averages (2016-2018) + 2%	
2020	
Hire 5-Positions = 2.3 TV FTEs @ \$221,854.37 (Staffing level 58 of 60 @ 97%)	
2% CPI increase on all non-salary categories.	
2021-2023	
\$1,000.00 per person, per year, salary increase 2021-2023	
2% CPI increase per year on all non-salary categories.	



Blue Skies Delaware; Clean Air for Life

Title V Facility Changes Since 2018

Facility Changes				
			TV	SM
1000100083	Hanesbrands, Inc	SM		-1
1000300027	Formosa Plastics Corporation	TV	-1	
1000300083	Linde LLC	SM		-1
1000300106	AstraZeneca Pharmaceuticals, LLC-Fairfax	SM		-1
1000300593	Conectiv Thermal Systems	SM		-1
1000300929	Boxwood Industrial Park	TV	-1	
1000300907	Lars Recycling, LLC	SM		-1
1000500037	Nanticoke Memorial Hospital	SM		-1
1000500146	Perdue AgriBusiness, LLC	SM		-1
1000100067	Hirsh Industries, Inc		-1	
1000300001	DHSS - Herman Holloway Campus	SM		1
1000300986	Port of Wilmington- Fumigation (New)	TV	1	
1000300622	GT USA Wilmington, LLC - Cranes (new)	TV	1	
		Net	-1	-6
	Projected Billing for 2020	Totals	49	73



Blue Skies Delaware; Clean Air for Life

Permitting Metrics

- TV Permits with extended expiration:

1 st Half 2016	2 nd Half 2016	1 st Half 2017	2 nd Half 2017	1 st Half 2018	2 nd Half 2018	1 st Half 2019
6	6	8	11	17	16	12

- Recent/Pending TV facilities:

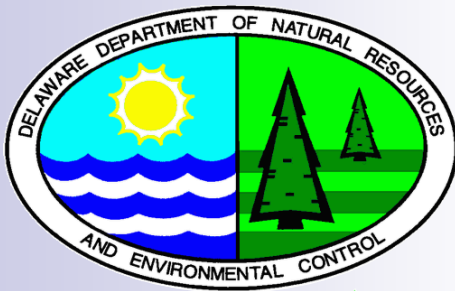
- Port of Wilmington (x2)
- Garrison
- Honeywell/City of Wilmington

- Recent/Pending change of facility status (TV→SM):

- Ashland (fml Hercules)
- Vaughn Correctional Center
- Hanover Foods



Proposed TV (Only) Legislation



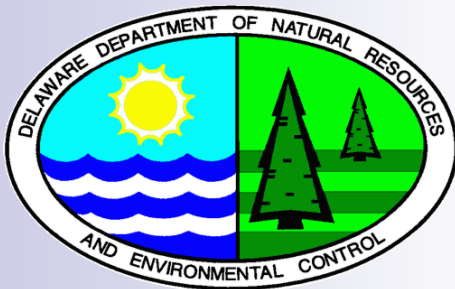
Blue Skies Delaware; Clean Air for Life

Proposed TV Legislation

Open proposed legislative changes document and refer to handouts



Digital DNREC



Blue Skies Delaware; Clean Air for Life

"Digital DNREC"



Blue Skies Delaware; Clean Air for Life

Digital DNREC

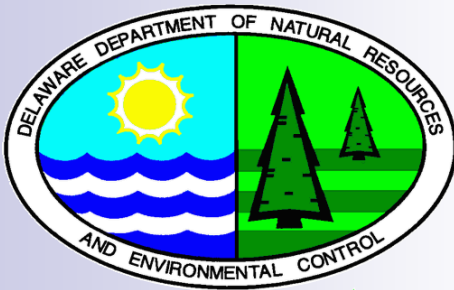
Open Digital DNREC Slides



Blue Skies Delaware; Clean Air for Life

Handout

Training Sub-Committee Report



Blue Skies Delaware; Clean Air for Life

Air Permit Training

- Two Sessions Planned
- Locations –
 - Lukens (New Castle) Wednesday March 18th
 - R&R (Dover) Thursday March 26th
- Save the date coming soon
- Registration in new year



Blue Skies Delaware; Clean Air for Life

Agenda

- 8:00 – Get Started
 - 8:15 to 9:00 Intro To Air Permitting
 - 9:00 to 10:00 Generators*
 - Break 10:00 – 10:15
 - 10:15 to 11:15 Boilers*
 - 11:15 to 11:30 Confidentiality
 - 11:30 to 12:00 Top Ten Lists and Wrap Up
 - Questions – at end of each presentation
- *Presentation will include DAQ, Facility and Consultants



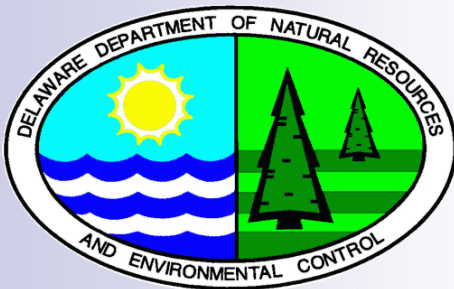
Path Forward

- Presenters meeting in December and January
- End of January – Dry Run
- Mid-End of March – Presentations
- October – Another training



Blue Skies Delaware; Clean Air for Life

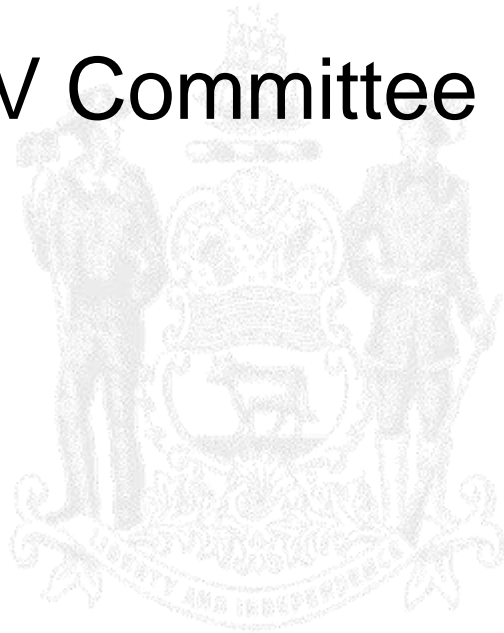
TV Committee Member Contact List Updates



Blue Skies Delaware; Clean Air for Life

TV Member List

Open TV Committee Listing



Blue Skies Delaware; Clean Air for Life

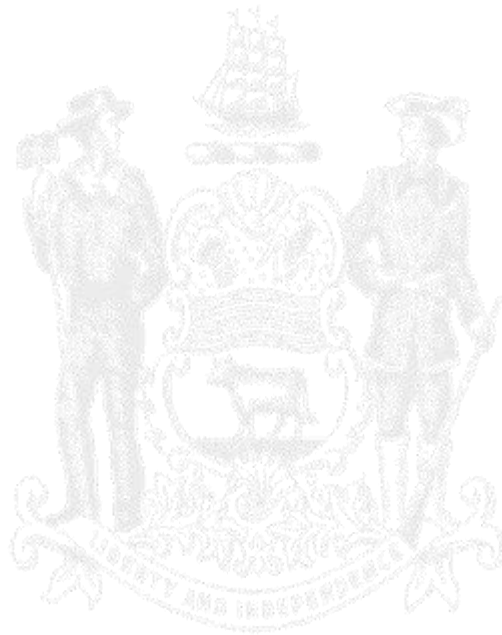
Action Items

- DAQ Follow-up

1. ?
2. ?
3. ?

- Committee:

1. ?
2. ?
3. ?

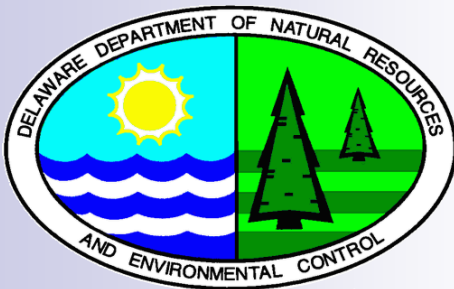


Next Meeting?



Blue Skies Delaware; Clean Air for Life

Director's Comments



December 3, 2019

Blue Skies Delaware; Clean Air for Life