

Calendar Year 2011 Title V Fee Committee Report

Title V Fee Committee Meeting
September 27, 2012

Meeting Agenda

- Call Meeting to Order, Introductions
- Review 2011 Status Report
 - Report Findings
- Path Forward
 - Late Fees
 - Permitting Observations
- Reorganization
- Strategic Plan
- Review Agreements
- Adjourn

2011 Status Report Findings

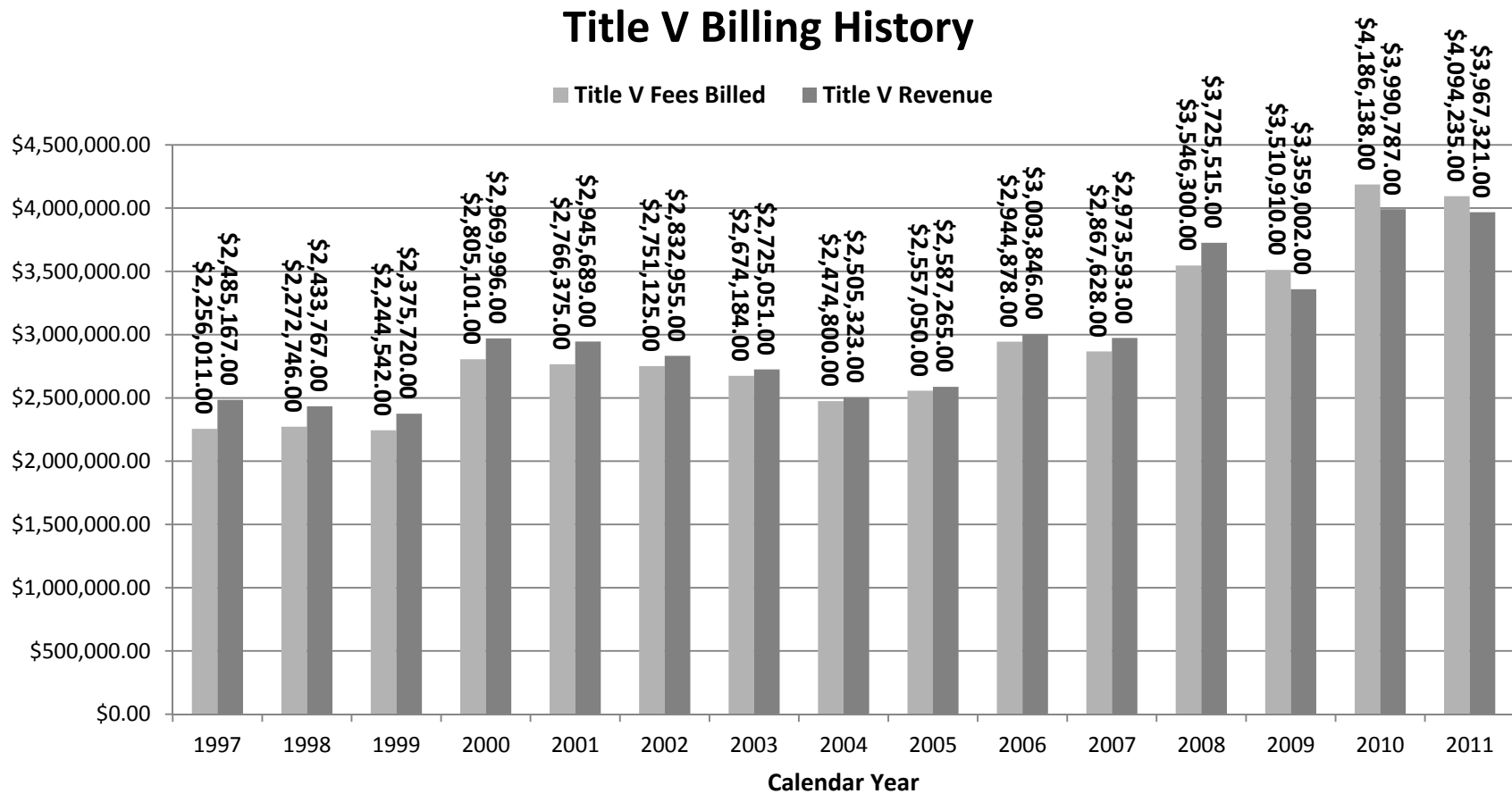
Report Findings

2011 Total Costs	
Salary	\$2,391,920
Travel	\$6,613
Contractual	\$527,897
Capital Outlays (New Phone System)	\$20,307
Supplies	\$6,122
Additional Support Services	\$235,610
Small Business Ombudsman Program	\$89,390
Total	\$3,277,859

Report Findings: Fees Billed

- 82 Active Synthetic Minor and 59 Title V Facilities Billed
- A total of \$4,094,235 was billed
- As of December 31, 2011, \$3,942,451 was collected
- The difference of \$151,784 was the result of 9 non-payments and the quarterly billing collections
- Total Revenue (including interest) was \$3,967,321

Report Findings: History



Report Findings: Carryover

- New Method for Tracking Carryover Balance
- Result of Transition to First State Financials (FSF)
- Tracks the Total Title V Revenue for Each Year from Start of Program
- Subtracts Annual Title V Expenses
- 2012 Expense Prediction Includes:
 - 4 New Employees, 1.4 New Title V FTEs
 - 2% Across the Board Salary and Benefit Increase
 - \$350K in “Additional Support Costs”

Report Findings: Carryover

	2008	2009	2010	2011	2012 Prediction
Total Revenue	\$3,725,515.00	\$3,359,002.00	\$3,990,787.00	\$3,967,321.00	\$3,751,698.00
Expenses	\$2,852,847.00	\$3,063,713.00	\$2,886,241.00	\$2,952,858.00	\$3,103,705.26
Additional Support Costs	\$385,278.00	\$350,000.00	\$375,000.00	\$325,000.00	\$350,000.00
Total Expenses	\$3,238,125.00	\$3,413,713.00	\$3,261,241.00	\$3,277,858.00	\$3,453,705.26
Δ Revenue - Expenses	\$487,390.00	-\$54,711.00	\$729,546.00	\$689,463.00	\$297,992.74
Carryover Balance	\$2,443,093.00	\$2,388,382.00	\$3,117,928.00	\$3,807,391.00	\$4,105,383.74

Report Findings: Staffing Levels

- End of Year Staffing Level was 88%
- 8 Vacancies
- One FTE Reassigned to Another Division
Reducing Total Authorized FTEs to 68

Report Findings: Staffing Levels

Branch	Authorized	Occupied	Staffing Level
Director's Staff	8.5	8.5	100%
Air Surveillance	13.0	11.0	85%
Engineering & Compliance	23.5	21.5	91%
Planning	23.0	19.0	83%
Total	68.0	60.0	88%
Temporary Positions	2.0	2.0	100%
Seasonal Positions	1.0	1.0	100%

Report Findings: 2008 Vs. 2011

Branch	2008 Authorized	2011 Authorized	% Changed	2008 Assigned	2011 Assigned	% Changed
Director's Staff	10	8.5	-15%	10	8.5	-15%
Air Surveillance	14	13	-7%	12	11	-8%
Engineering & Compliance	30	23.5	-22%	25	21.5	-14%
Planning	22	23	4.5%	20	19	-5%
Total	76	68	-10.5%	67	60	-10.4%

Report Findings: Permitting Activities

- 7 Title V Permit Renewals were issued
- 8 Title V Permit Amendments were issued
- 1 Initial Title V Permit was issued
- 8 Synthetic Minor Construction Permits were issued
- 11 Synthetic Minor Operating Permits were issued

Report Findings: Permitting Activities

- Title V Permit Renewals Issued Within 395 Days of Application Receipt on Average
- Shortest Time to Issue a Title V Permit Renewal was 158 days
- Longest Time to Issue Title V Permit Renewal was 827 days
- One Renewal Issued Outside of 547 Day Timeframe
 - Result of Incorporating Mercury Limits From Stack Test Into Permit

Report Findings: Permitting Activities

- Synthetic Minor Permits Issued Within 268 Days From Receipt on Average
- Synthetic Minor Permits Issued Within 192 Days From Technically Complete Determination on Average
- High Averages Result of Two Outliers
- Excluding Outliers:
 - Synthetic Minor Permits Issued Within 126 Days of Receipt
 - Synthetic Minor Permits Issued Within 66 Days From Technically Complete Determination on Average

Report Findings: Compliance Activities

- 45 On-Site Compliance Evaluations Were Conducted at Title V Facilities
- 130 Stack Tests and RATAs Were Conducted at Title V Facilities
- 190 Report Reviews Were Conducted for Title V Facilities
- 33 On-Site Compliance Evaluations Were Conducted at Synthetic Minor Facilities
- 48 Stack Tests Were Conducted at Synthetic Minor Facilities
- 15 Report Reviews Were Conducted for Synthetic Minor Facilities

Report Findings: Enforcement Activities

- 5 Notices of Violation Were Issued to Title V Facilities
- 2 Administrative Order Were Issued to Title V Facilities
- 1 Stipulated Penalty Demand Letter Was Issued to a Title V Facilities
- 0 Consent Decrees Were Issued to Title V Facilities
- 2 Notices of Violation Were Issued to Synthetic Minor Facilities
- 2 Administrative Orders Were Issued to Synthetic Minor Facilities

Report Findings: Other Accomplishments

- State Implementation Plan Activities
- Regulatory Development Activities
- Emission Inventory Activities
- Air Monitoring Activities
- Small Business Ombudsman Activities
- Outreach Activities
- Modeling Support Activities

Path Forward

Path Forward: Late Fees

- 7 Del. Code Section 6097 States:
 - (h) Annual fees must be paid in full by the end of each calendar year 2012, 2013 and 2014. Any delinquent subject source shall be subject to a 2% compounding monthly interest rate for each month overdue. Subject sources delinquent for more than one year may be subject to permit cancellation.

Path Forward: Late Fees

- Facilities That Have Outstanding Balances on January 1, 2013 Will Be Subject to Late Fees
- 2% Monthly Compounding Rate Will Be Applied to Overdue Balance
- Recommendations on How to Administer Late Fees?

Path Forward: Permitting Observations

- Discipline Instilled in Permitting Process During 2005 Value Stream Mapping Exercise is Diminishing
- Many Facilities Submitting Incomplete Applications to “Get In Line” Again
- Many Facilities Requesting Emergency Permits
- Recommendations on How to Address this?

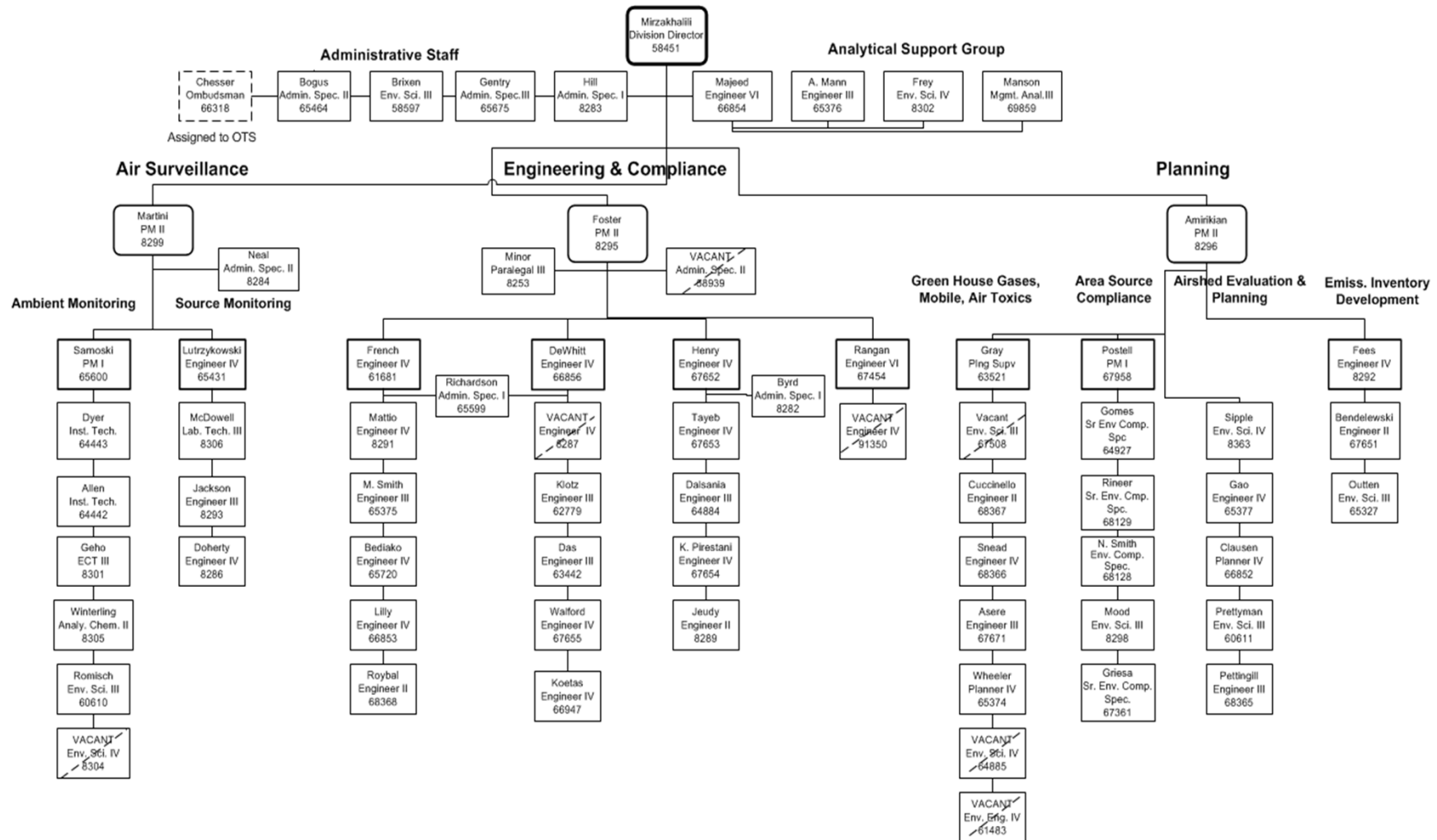
DAQ Reorganization

Reorganization Background

- **Implemented:** March 1, 2012
- **Purpose:**
 - Streamline the organizational structure at the branch level
 - Planning & Engineering / Compliance Branches
 - Realign programs supporting similar objectives
 - Air Monitoring → Planning Branch
 - Source Testing → Engineering & Compliance Branch
 - Provide additional staff support to all employees & programs
 - Operational Support Group
 - Vital for continued development of our workforce
 - Essential for continuity of our critical functions
 - Significant, but essential changes to improve the services we provide our customers

Before Reorganization

Division of Air Quality July 2011



Reorganization Objectives

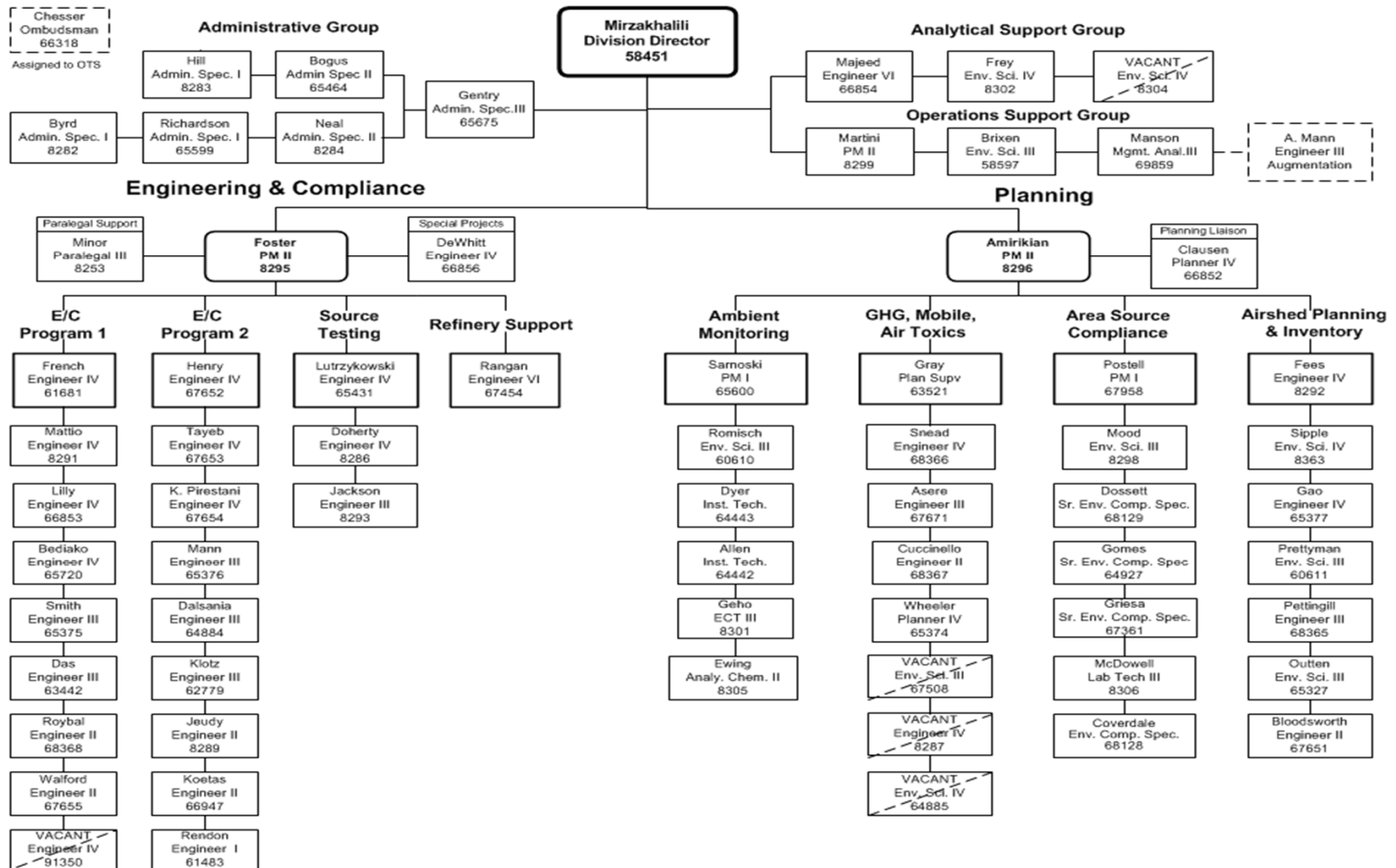
- Streamline Division to two operating branches
 - Planning
 - Engineering & Compliance
- Restructure Director's Staff, to three functional groups
 - Analytical Support Group (ASG)
 - Operations Support Group (OSG)
 - Administrative Group
- Realign Air Monitoring and Planning Functions
 - Improve Communication and Coordination
- Synchronize Source Testing and Permitting/Compliance
- Optimize leadership span of control (Across Division)
- Provide direct leadership/management for all programs
 - Airshed Planning & Emission Inventory

Reorganization Objectives

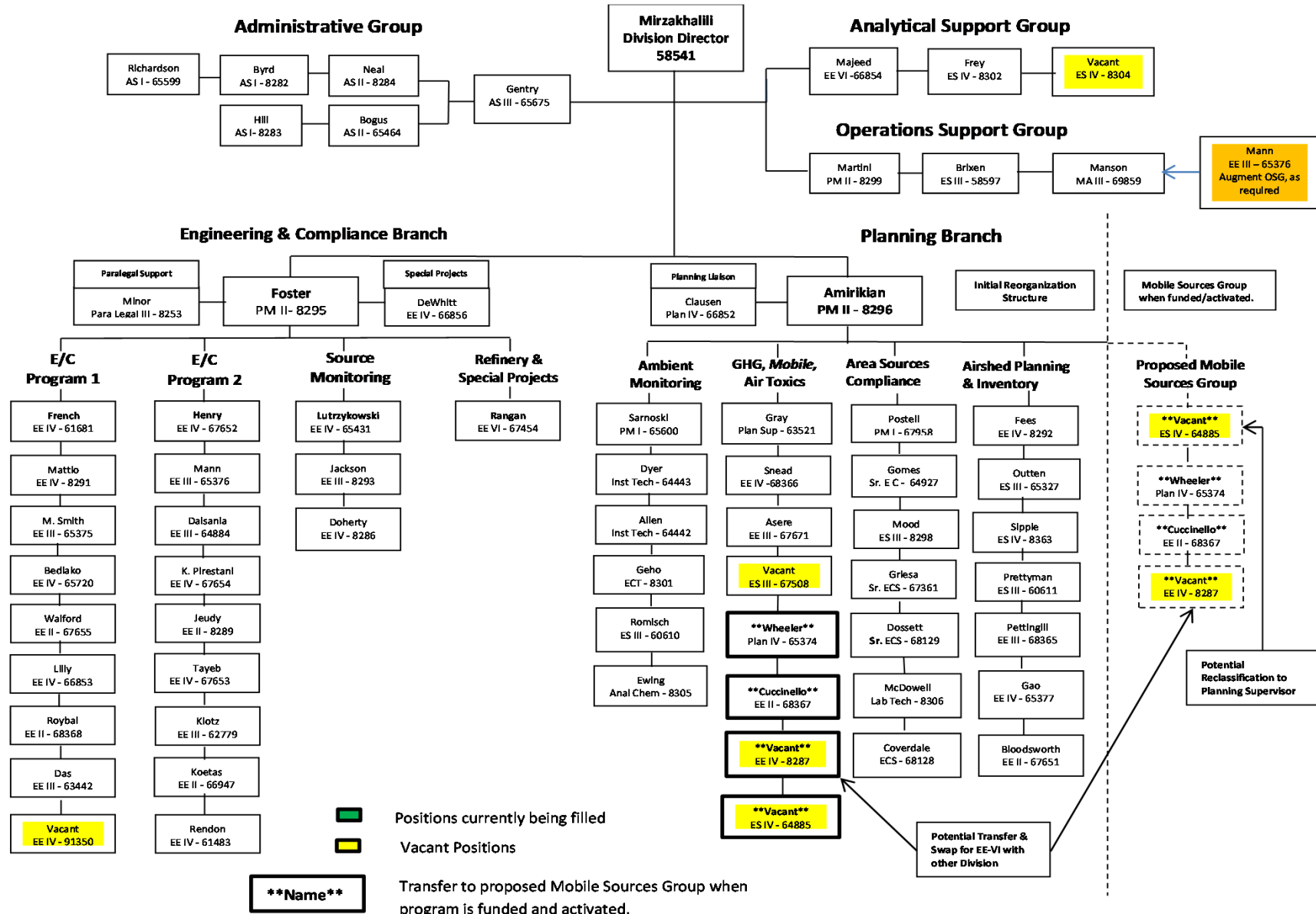
- Recommend creation of New Mobile Sources Program
 - Planning Branch
- Redefine the mission of the Analytical Support Group
- Provide focused Operational Project Management
 - Operational Support Group
- Provide comprehensive Resource Management and Strategic Planning
 - Operational Support Group
- Consolidated Administrative Support Team
 - All Administrative Support Functions in Administrative group

After Reorganization

Division of Air Quality (June 4, 2012)



Future Organization

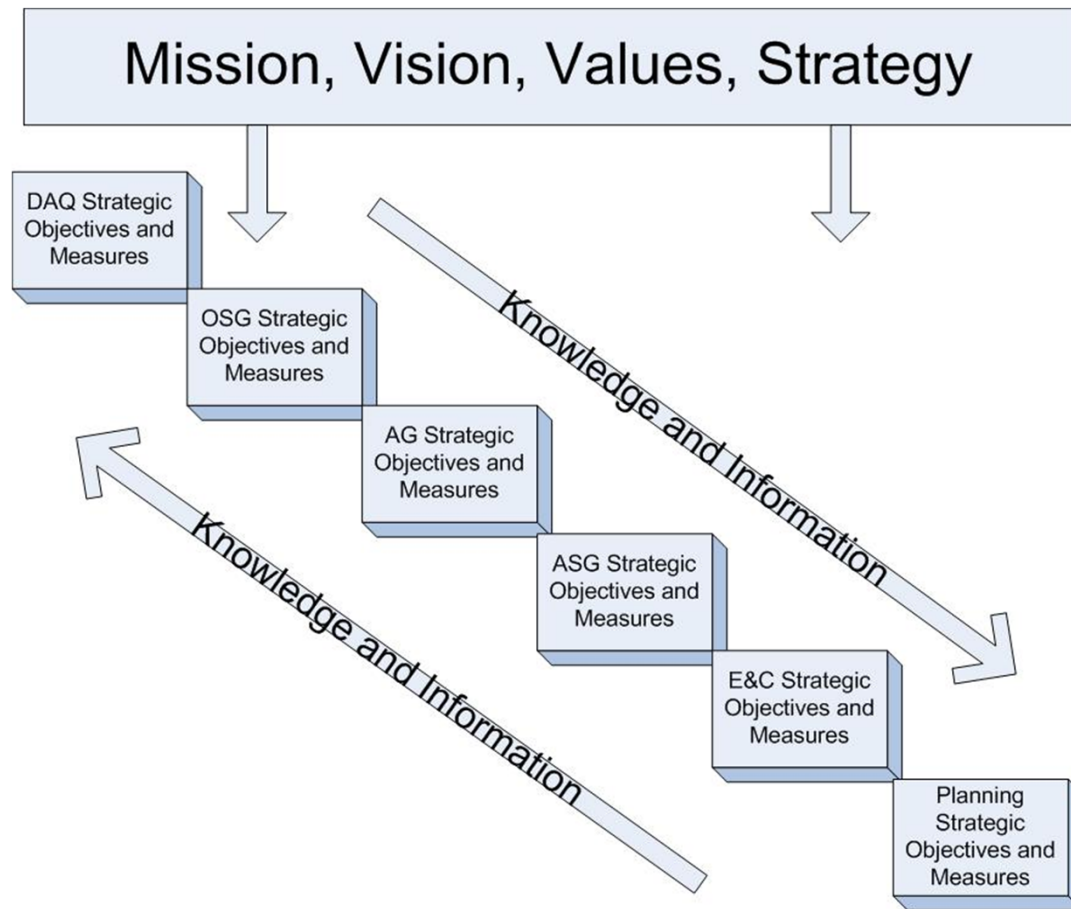


DAQ Strategy

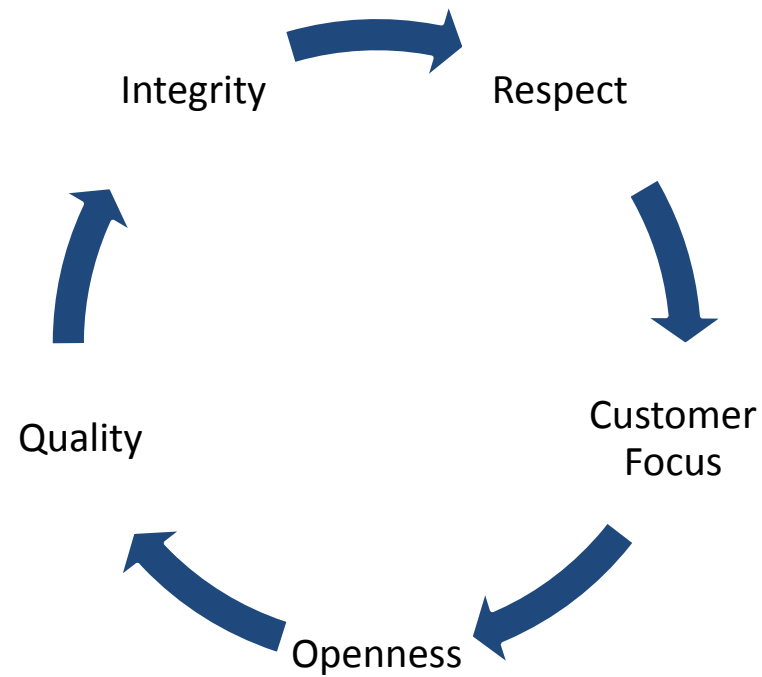
DAQ Strategy: Our Mission

- To continuously optimize Delaware's Air Quality by working with citizens and businesses to protect public health, welfare, and the environment.

DAQ Strategy: Creating our Strategy



DAQ Strategy: Business Values



DAQ Strategy: Development and Execution

Customer

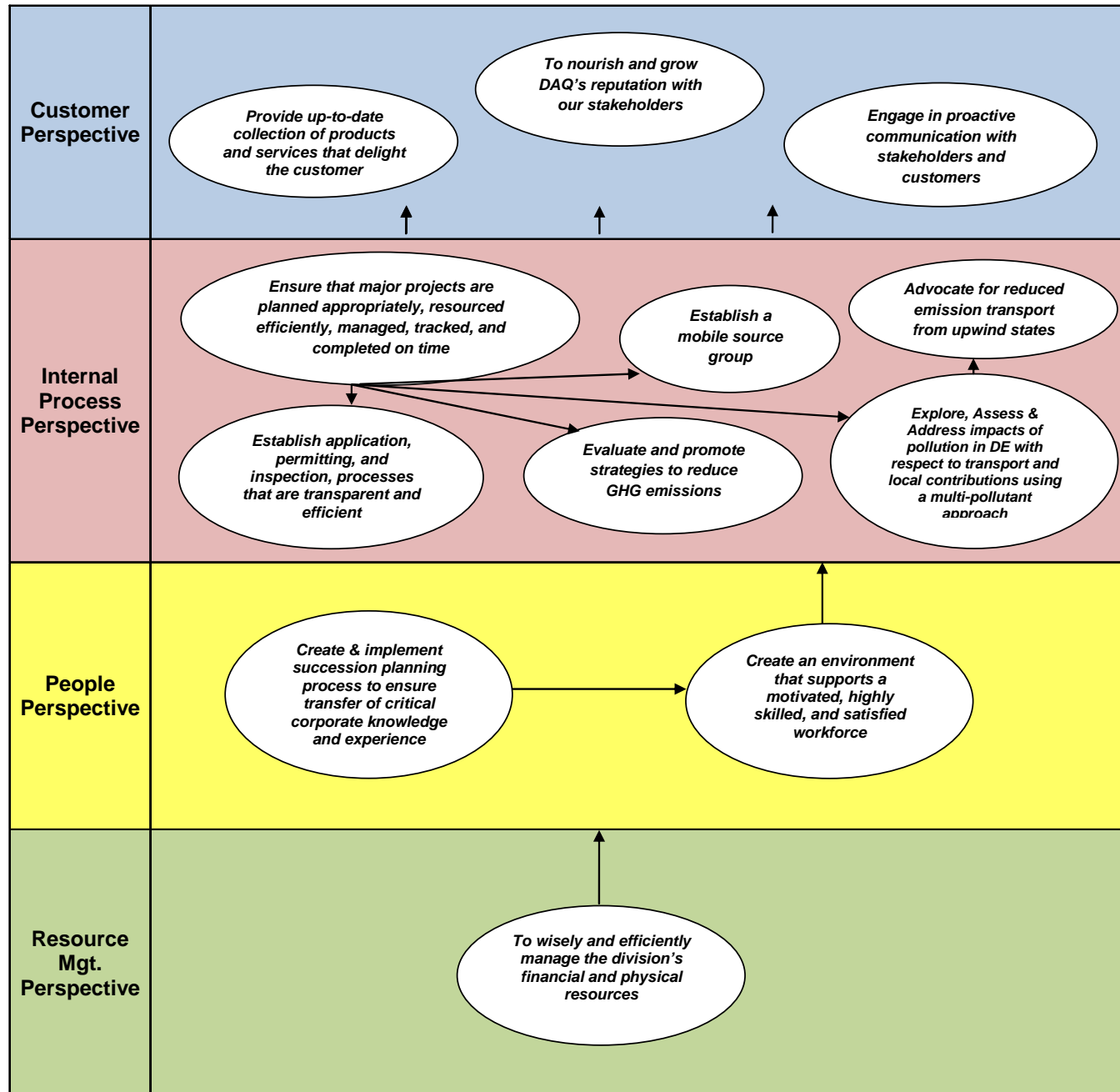
Internal Process

People

Resource Management

DAQ Strategic Approach						
			RESOURCE MANAGEMENT		Objectives	Measures
					Initiatives	
			"As we pursue our vision/mission, to succeed financially, how should we perform?"			
CUSTOMER	Objectives	Measures	VALUES, VISION, MISSION, and STRATEGY		INTERNAL PROCESSES	Objectives
						Measures
"To achieve our vision/mission, how should we respond to our customers?"					"To satisfy our customers, what business processes must we excel at?"	Initiatives
			People		Objectives	Measures
					Initiatives	
			"To achieve our vision/mission, how do we change and improve?"			

DAQ Strategy Map



DAQ Strategy: Our Schedule

OCTOBER 2012:

1. Complete DAQ Strategy
2. Town-Hall Meetings with DAQ Staff
3. Open Comment Period
4. Finalize DAQ Strategy

NOVEMBER 2012:

1. All Branches and Groups develop Strategies in support of DAQ Strategy

DECEMBER 2012:

1. Integrate all Strategies into one comprehensive plan.

JANUARY 2013:

1. strategy Execution

Follow-Up Items