

2018-2020 Title V Fee Meeting



October 27, 2016

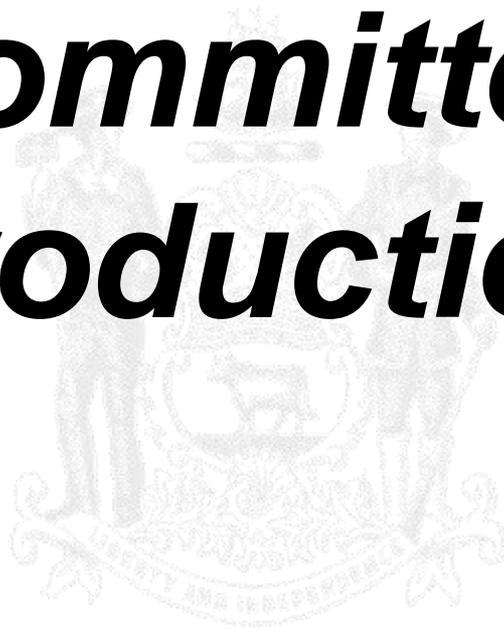
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Agenda

- Introduction & Overview
- Management Review Update
- Review Current Program Costs
- 2018-2020 Facility Listing
- Revenue Requirements
- Action Items
- Director's Closing Remarks



Committee Introductions



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Project Update provided by

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**Principal Consultant / Partner
Ambient Air Quality Services**



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Determining Fees 2018-2020

- **7 Del. C. § 6097** authorizes establishment & collection of fees
 - “...sufficient to cover the permit program costs.”
 - “After December 31, 2017, no fees shall be collected pursuant to this section [current] unless authorized by a further act of the General Assembly.”
 - Committee meets to determine fees for 2018-2020 cycle
 - Obtain 2018-2020 legislative authority for fees
NLT June 30, 2017
 - The annual fee is the sum of a base fee (based on hours 2012-2016) and a user fee (based on 2014 emissions)
 - Use Projected 2016 hours and Actual 2014 Emissions



2015 - 2017 Title V Fee Schedule

Fee Type	Category	Category Description	2015 - 2017 Fees
Base Fee	A	> 6,000 Hours	\$277,020
Base Fee	B	5,001 – 6,000 Hours	\$108,300
Base Fee	C	4,001 – 5,000 Hours	\$93,480
Base Fee	D	3,001 – 4,000 Hours	\$80,940
Base Fee	E	2,001 – 3,000 Hours	\$57,000
Base Fee	F	1,501 – 2,000 Hours	\$42,180
Base Fee	G	1,001 – 1,500 Hours	\$28,500
Base Fee	H	667 – 1,000 Hours	\$18,240
Base Fee	I	334 – 666 Hours	\$9,120
Base Fee	J	0 – 333 Hours	\$5,700
Base Fee	K	New Sources that have applied for a permit after January 1, 2014	\$6,840
User Fee	1	> 2,000 Tons	\$350,000
User Fee	2	1,001 – 2,000 Tons	\$100,000
User Fee	3	501 – 1,000 Tons	\$60,000
User Fee	4	201 – 500 Tons	\$28,000
User Fee	5	101 – 200 Tons	\$12,000
User Fee	6	51 – 100 Tons	\$9,000
User Fee	7	26 – 50 Tons	\$6,000
User Fee	8	6 – 25 Tons	\$4,100
User Fee	9	0 – 5 Tons	\$3,950
User Fee	10	New Sources that have applied for a permit after January 1, 2014	\$6,000



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2015-2020 User Fee Credit Program

User Fee Category	Fee Credit Percent	Fee Credit
1	Will receive a credit of 26.25% of \$300,000	\$78,750
2	Will receive a credit of 7.50% of \$300,000	\$22,500
3	Will receive a credit of 4.50% of \$300,000	\$13,500
4	Will receive a credit of 2.10% of \$300,000	\$6,300
5	Will receive a credit of 0.90% of \$300,000	\$2,700
6	Will receive a credit of 0.68% of \$300,000	\$2,040
7	Will receive a credit of 0.45% of \$300,000	\$1,350
8	Will receive a credit of 0.30% of \$300,000	\$900
9	Will receive a credit of 0.30% of \$300,000	\$900
10	Will receive a credit of 0%.	\$0



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CY 2015 TV Program Costs

Salary	\$2,033,375.06
Travel	\$9,453.95
Contractual ²	\$230,885.56
Supplies	\$96,114.77
Capital Outlay	\$0.00
Additional Support Services ³	\$510,762.26
Small Business Ombudsman Program ⁴	\$99,102.61
Total	\$2,979,694.21

²Items covered under the “Contractual” category include: Legal Assistance, Fleet charges (vehicle rental), building rent, utilities, vendor payments, temp services, and the upkeep of some air monitoring equipment.

³Items covered under “Additional Support Services” include: Information Technology (\$11,538.70), the Environmental Crimes Unit (\$471,394.68, based on actual workload), and OTS support (\$27,828.88).

⁴Items covered under the “Small Business Ombudsman Program” include the salary and expenses of 1.0 FTE.



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Title V Billing, Revenue & Expenses

	2013	2014	2015
Total Billing	\$3,901,504	\$3,684,643	\$3,159,139
Total Title V Fee Revenue	\$4,017,274	\$3,043,280	\$3,145,235
Total Expenses	\$3,248,203	\$3,088,668	\$2,979,694

- Historically, TV expenses have been expended in the following categories:
 - Personnel (72%)
 - Contractual (25%)
 - Supplies, travel and energy (3%)



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Facilities & Staffing

History of Facilities & Staffing				
	2013	2014	2015	2016
TV Facilities	57	57	52	53
SM Facilities	77	78	73	75
Total	134	135	125	128
Staffing (FTEs)	60	56	56	56



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Open Facility List



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TV Revenue Requirements

Purpose: Calculate and Propose Revenue Requirements for the 2018 - 2020 Fee Cycle

Data: All supporting data was retrieved from the FSF Repository (Report 30).

Note: Aligned requirements estimates with the standard 3-year fee cycle. The total Division expenses and actual TV program costs from 2013 - 2015 are considered in these projections. As 2016 data becomes available, the rolling average will shift to the 2014 - 2016 timeframe.



Method 1: Modified Rolling Average

- Based on 3-year period with complete cost data

Note: Calculation does not include inflation factors

2013 - 2015 Actual TV Expenses					
	CY2013	CY2014	CY2015	Average	Percent
Personnel	2,299,456	2,403,034	2,033,375	2,245,288	72.25%
Contractual	858,949	615,090	841,589	771,876	24.84%
Supplies	78,942	59,675	96,732	78,450	2.52%
Travel	9,103	11,828	8,403	9,778	0.31%
Capital	-	5,530	-	1,843	0.06%
Energy	1,434	-	-	478	0.02%
Total	3,247,884	3,095,157	2,980,099	3,107,713*	100.00%



Method 2: Percent of Total Expenses

- 3-year Average of Total Division Costs is **\$6,652,155**.
- 3-year Average of TV share of total cost is 46.73%
- TV Revenue Requirement = **\$3,108,435**.

Note: Calculation does not include inflation factors.

Historical TV Funding Contributions				
	2013	2014	2015	Average
Total Division	6,958,706	6,429,664	6,568,095	6,652,155
TV	3,247,884	3,095,157	2,980,099	3,107,713
Non-TV	3,710,822	3,334,507	3,587,996	3,544,442
TV Percent	46.67%	48.14%	45.37%	46.73%
Non-TV Percent	53.33%	51.86%	54.63%	53.27%
Facilities (SM/TV)	134(77/57)	135(78/57)	125(73/52)	131.33
Staffing (FTEs)	60	56	56	57.33
			Estimate	3,108,435



2018 – 2020 Revenue Estimations

2018 - 2020 TV Program Revenue Requirements		
Categories	2013-2015 Percentage	Category Funds
Personnel	72.25%	\$2,245,583.47
Contractual	24.84%	\$772,045.58
Supplies	2.52%	\$78,323.46
Travel	0.31%	\$9,635.03
Capital	0.06%	\$1,864.84
Energy	0.02%	\$621.61
Total	100.00%	\$3,108,074



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Additional Considerations

- DAQ Salaries increased 1.5%, October 1st, 2016
 - Not factored in 2013-2015 averages
 - Option for 2017 CPI increase
- Approved Hiring for Two Additional Positions
 - Environmental Engineer VI (\$115,000)
 - Environmental Scientist II (\$65,000)
 - Total Salary Adjustment \$180,000
- Apply Historical TV Percentage @ 46.73%
 - TV Share = \$84,000



2018 – 2020 Revenue Requirements

2018-2020 Revenue Requirements	
2013-2015 Average Program Costs	\$3,108,000.00
Staffing Level Adjustment (EE VI & ES II)	\$84,000.00
Minimum Annual Revenue Requirements	\$3,192,000.00

Target DAQ Revenue Requirement = \$3,200,000



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Comparing Current Fee Tables w/2018 Facility list

Current Fee Tables (2015-2017)	
Estimated Revenue Generated	\$3,319,000.00
2018-2020 Revenue Requirements	\$3,200,000.00
Difference	+ \$119,000.00



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Discussion



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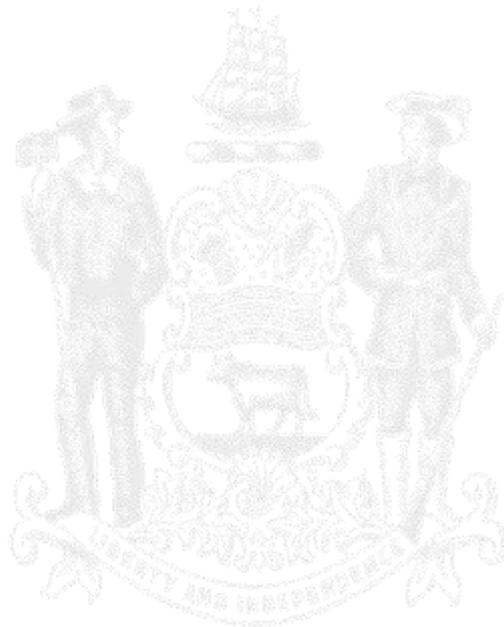
Action Items

- DAQ Follow-up

1. ?
2. ?
3. ?

- Committee:

1. ?
2. ?
3. ?



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Director's Comments



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