

STATE OF DELAWARE TITLE V FEES COMMITTEE

QUESTIONS AND COMMENTS OF DELAWARE STATE CHAMBER OF COMMERCE ENVIRONMENTAL COMMITTEE

January 19, 2011

As a follow-up to previous discussions, representatives from the Delaware State Chamber of Commerce Environmental Committee have met to discuss the information provided by DNREC regarding the proposed Title V Fees for 2012 and beyond. We have provided some additional questions that we would like to discuss at our next meeting, scheduled for January 20, at 1:30 PM at the Department's Lukens Drive offices.

In no particular order of significance, here are the additional questions/items:

1. What are the components of the budget? For example, what percentage of total DNREC Division of Air Quality funding, comes from Title V fees, Reg 2 fees, Section 105 Grants, other sources of revenue? How has this percentage changed over the last 3 years?
2. What is the basis for the 16% fee increase? That is, what percentage of the increase is for personnel, equipment, and other expenses?
3. In the DNREC CY-2009 T5 Fees Committee Status Report (published 5/1/2010), it is stated that Gov Markell has reduced the allotted DAQ FTE's to 69 due to budget constraints. Yet in the "Draft" Work Load Analysis dated 10/21/2010 (see p. 21), DNREC not only shows a manpower budget of 61 FTE's and 8 unfilled FTE's (total 69) but adds an additional 9.9 FTE's (a 14% increase!) above and beyond the Governor's recommendations. What specifically will these additional 9.9 FTE's be doing?. Many other state environmental agencies are implementing cost cutting measures, eliminating, reducing or re-evaluating the services they provide in order to be more competitive and effective.
4. Has DNREC evaluated non value added functions and eliminated them, or transferred those functions to new initiatives? If so please provide some examples, where this has been done, and//or can be implemented in the future to provide cost savings. What additional other LEAN activities are under consideration?

5. What are DNREC's plans for any increased/decreased needs for monitoring and modeling?
6. Do you have any additional bench marking or metrics data that we can see regarding productivity?
7. Some facilities are in disbelief at the number of hours logged by DNREC staff for their Title V permitting activities. Why are there such variations? Is this due to a turnover of staff or assigning additional staff to certain projects to learn about a facility?? We would like to see some way to have totals for each facility published annually (during 1st quarter of the following year) so that a facility can see the data and understand better when data come out year by year. (It is hard to remember 5 years as to level of permitting for their facility).
8. Where in the budget does penalty money go? For example, for sources that undergo enforcement actions there is typically a separate assessment for the administrative cost. Where are these dollars going? Where in Air Management are these dollars going?
9. What projects or initiatives are new in the budget for this year and coming years?
10. Has DNREC looked at items like extending permit durations, automating Title V Compliance Forms, etc.? For example, a number of sources have indicated that their Title V Permits have not been issued for the full 5 year time period. They have been told that these shorter time periods allow DNREC personnel to better "sync" work load for assigned facilities or to sync the Title V permit with other air permits. Yet, any premature expiration before the full five year term requires sources and the Department to expend significant resources sooner than would be the case. How many sources have had their Title V permits issued for less than a full 5 year term, and for each permit issued, how long of a time period was it issued for? Please provide any data for the last three years of permit issuance.

11. DNREC should look for streamlining some of the more routine work practices such as deciding to spot check stack test and annual RATA testing instead of observing each and every one. Virtually all stack and RATA test take 2-3 days each and are performed by independent third party contractors. Spot checks would reduce DNREC staff time and allow them to focus on other high priority task. Comments from members of our group indicate that every other state the sources deal with do not have a 100% “must observe testing” policy.

12. Have any facilities implemented emission reduction measures which should impact the fees paid by the owner or operator. How are these reductions reflected in the proposed fees?

13. Has DNREC looked into consolidating the Department to one office for further cost reductions?

14. Has DNREC completed a comparison to fees per ton - as compared to current Fee Structures located in other states?