



Budget Hearing
November 15, 2012

Environmental and Economic Challenges



- Clean water
- Clean air and cheaper energy
- Safe & sustainable communities
- Resiliency to flooding & storms
- Healthy families and children
- Outdoor heritage & ecotourism
- Provision of core services

DNREC Operating Budget

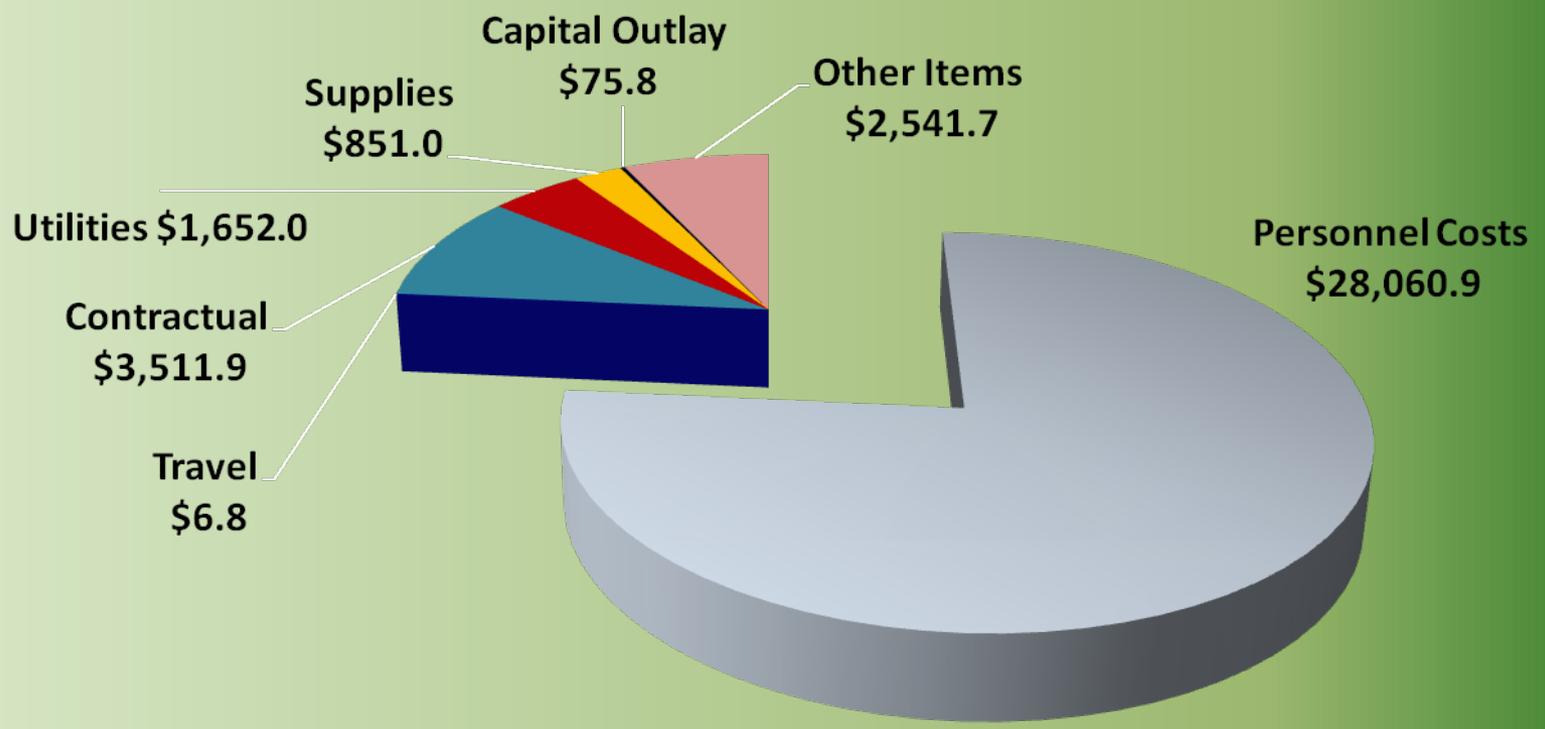


- **FY2013 General Fund Budget** **\$35,457,800**

- **FY2014 request of 3.5% increase to support:**
 - State Salary Policy Contingency **\$600,300**
 - New Facilities Begin Operations:
 - Michael N. Castle (C&D Canal) Trail **\$276,200**
 - NVF Recreational Facility and Trail **\$203,100**
 - State Wildlife Conservation **\$76,700**
 - Assistance for Water Quality Permitting **\$75,000**
 - New Veterans' Park Pass Program (HB235) **\$11,000**

- Minor Structural Changes and FTE movements based on program assignments and funding sources

Fiscal Year 2014 General Fund Requested Budget: \$36,700,100

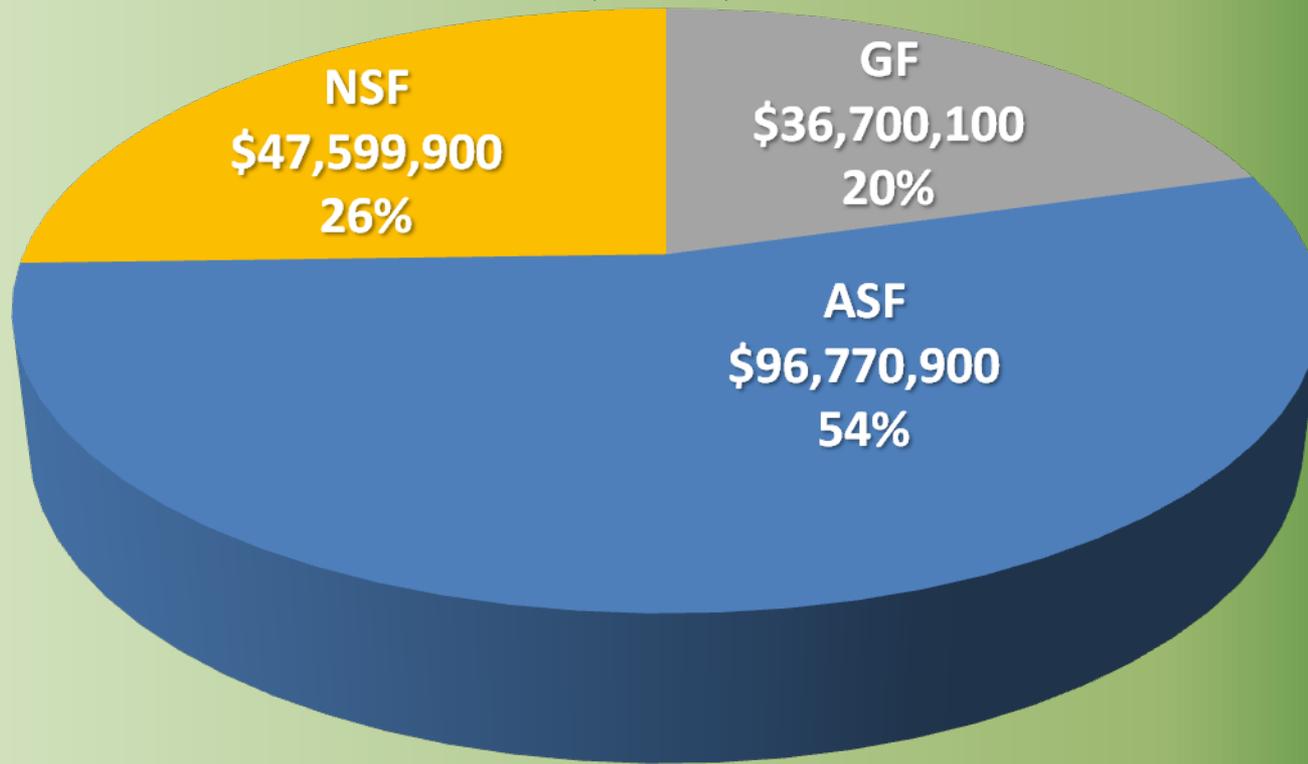


- Personnel Costs
- Travel
- Contractual
- Energy
- Supplies
- Capital Outlay
- Other Items

Fiscal Year 2014 Requested Budget

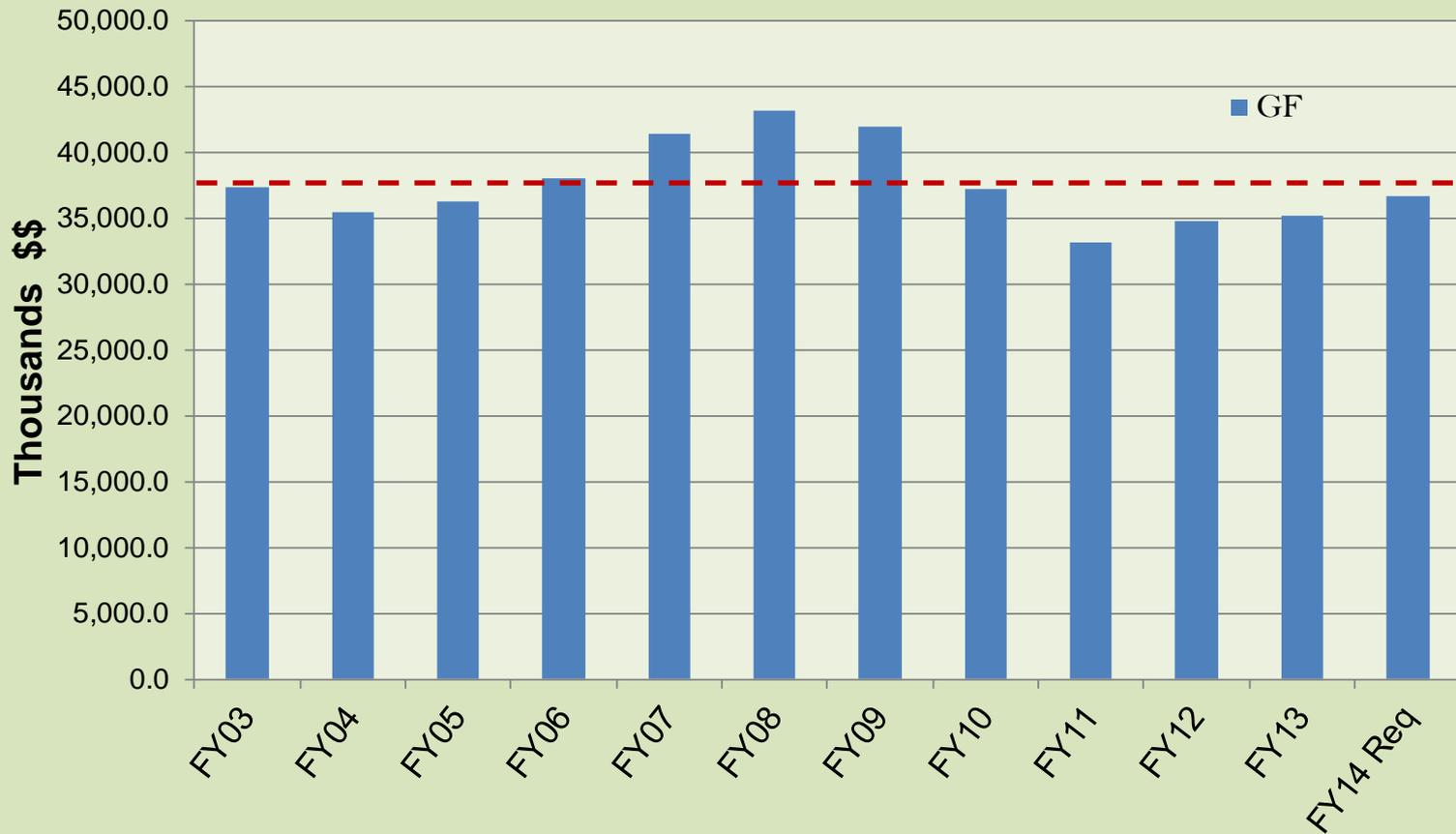


Total of All Funds: \$181,070,900



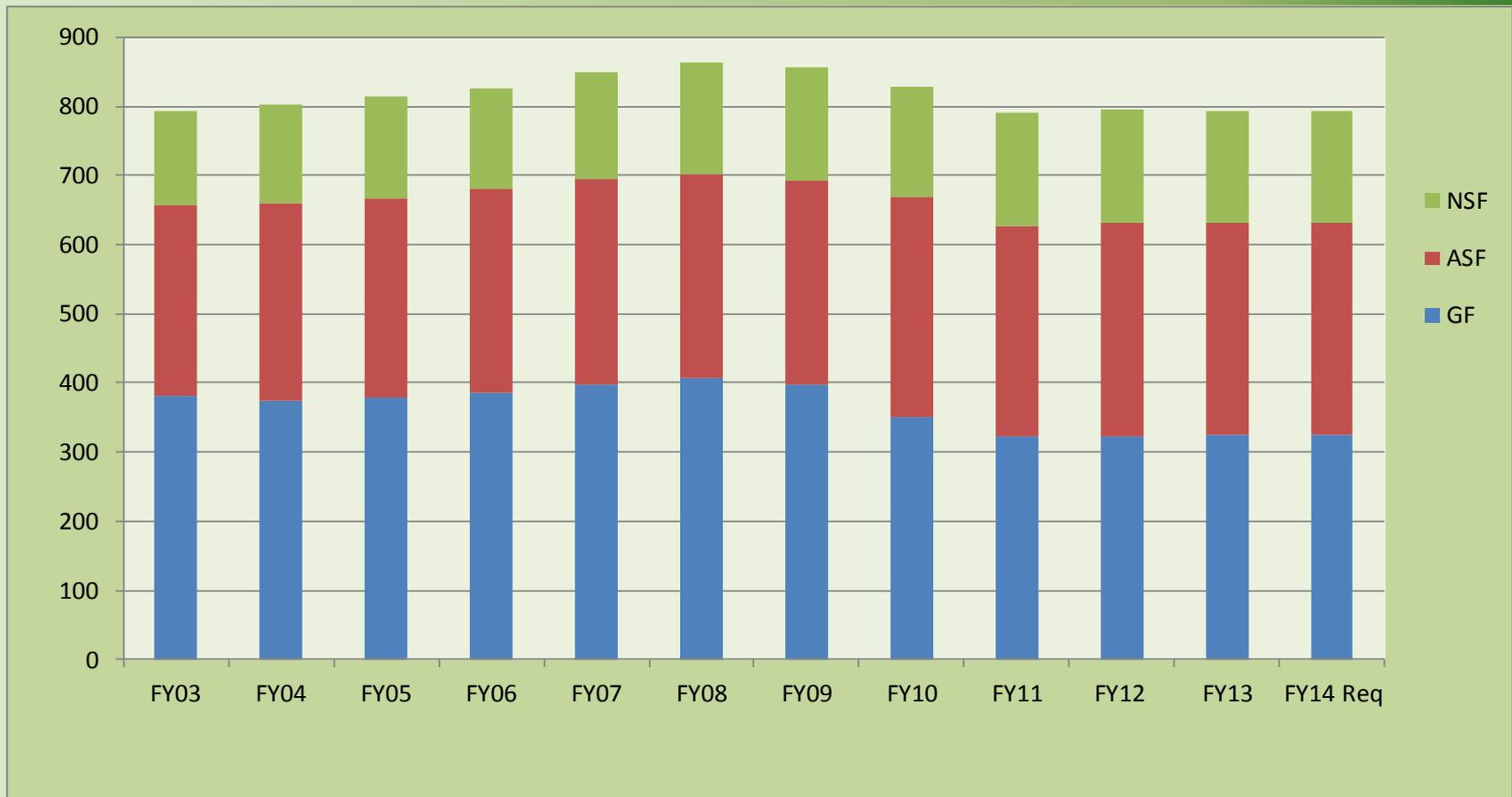
■ GF ■ ASF ■ NSF

DNREC GF Budget History



Requested FY2014 Budget

DNREC Position History



* 721 of 794 FTE positions are currently filled in FY2013

Assessment of DNREC Fee Programs



- **First comprehensive assessment of the fee programs under epilogue language examining 23 programs and fees such as park entrance, hunting and fishing licenses as well as permit fees.**
- **Considers cost recovery and user-pay/user-benefit approaches for various programs.**
- **Findings include:**
 - Most fees have not changed since 1992 and are below surrounding states
 - Many activities that benefit businesses, local government or individuals are subsidized by taxpayers through general funds
 - Only one program of 23 (Title V) sustains itself 100% by fees
 - Federal cuts will negatively impact many of the state's delegated environmental programs in the areas of air, waste, and water.
 - State Parks rely on 65% of its operating revenues from user fees. Without infrastructure enhancements, some parks are not able to accommodate more visitors to increase revenues.
 - Several programs and current service levels are not sustainable in short term without additional funds

Efficiencies



➤ Permitting & Regulatory:

- Significant progress toward meeting/exceeding Governor's permitting turnaround targets – providing predictable 15-day preliminary reviews and 60-day technical reviews
- Wetland/Subaqueous – 2 day initial review, 97.5% technical review completed within 60 days for public notice
- Wells – 90% issued within 30 days, 100% issued within 60
- Small on-site septic – evaluations completed in <10 days
- Air Permitting – reduced process times to average of 46 days
- Brownfield Remediation –reduced process time to completion in 13 months
- EO 36 – Regulatory review underway with presentations to DNREC's councils, public notice/outreach, and hearings scheduled Dec-March

Consolidation & Efficiencies

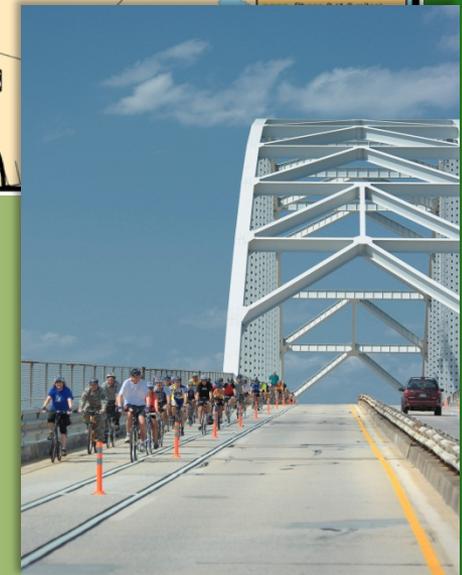
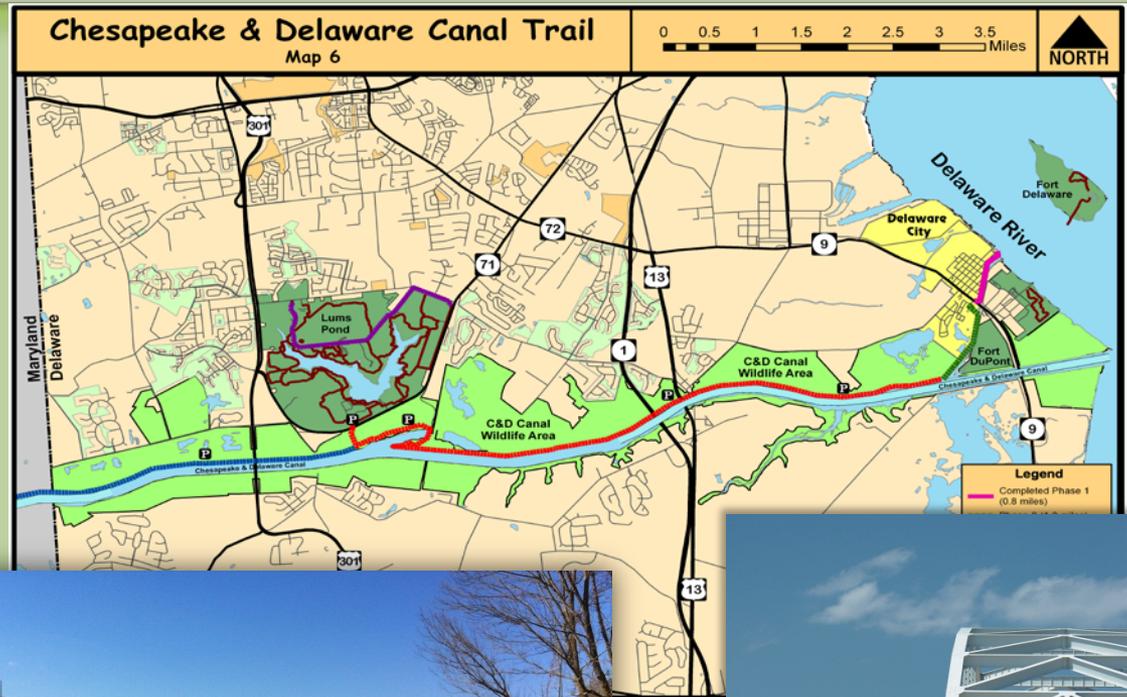
- **Improving financing opportunities for environmental infrastructure:**
 - EPA, DNREC, DHSS and Finance coordinated efforts to develop a common CWSRF/DWSRF loan solicitation process and cash flow management to immediately increase available funds for infrastructure financing by ~25%
 - Continued collaboration with Finance to develop additional cost effective mechanisms to maximize resources for drinking water, wastewater, stormwater, land conservation, habitat restoration, and recreational infrastructure.
- **More efficient operations:**
 - Continue to develop technology solutions, workforce capacity and management service efficiencies.

Supporting Healthy Families

Request: \$276.2k

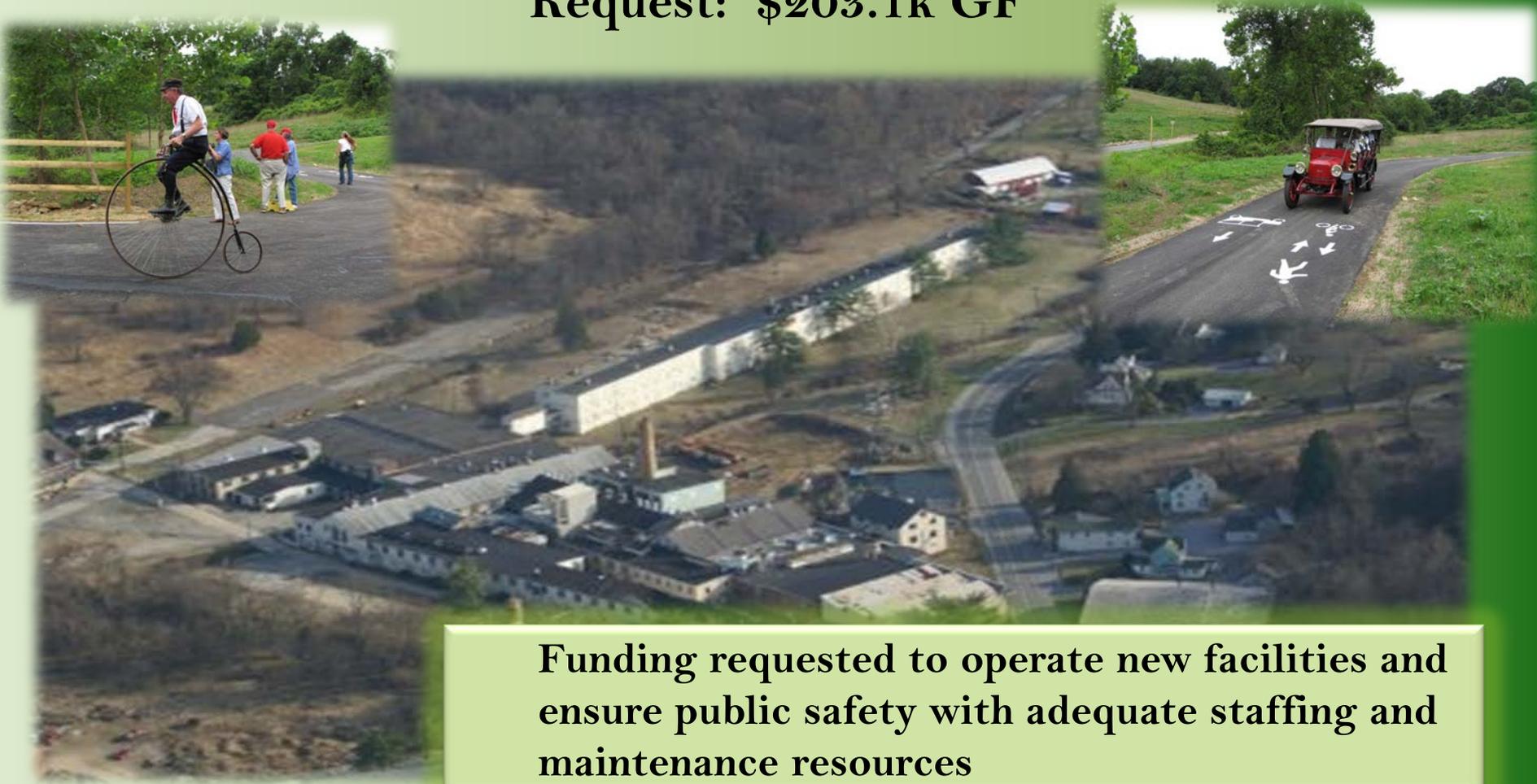
Michael N. Castle (C&D) Trail

- Longest bi-state trail opening in 2013
- Goal to operate and ensuring public safety with adequate staffing and maintenance resources
- Provides for community links, recreation, transportation, and healthy families



Preserving Outdoor Heritage and Improving Preparedness

- Auburn Heights/NVF Recreational Facility and Trail
Request: \$203.1k GF



Funding requested to operate new facilities and ensure public safety with adequate staffing and maintenance resources

Preserving Outdoor Heritage & Expanding Ecotourism Request: \$76.7k

State Wildlife Conservation: Preparing for reduction in federal funds

- Continue critical resource monitoring
- Necessary for wildlife/habitat protection
- Focus on Del. Bayshore region



Ensuring Core Services



➤ Assistance for Water Quality Permitting:

Request: \$75.0k

- Provide support for increasing permit demands and backlogs resulting from unfunded federal programs
 - Aquatic Pesticides Spraying
 - Confined Animal Feeding Operation (CAFO)
 - Municipal Separate Storm Sewer System (MS4s)

➤ Assistance for administrating the new Veterans' Park Pass enacted by 146th GA HB235 – Request: \$11.0k

Reducing Energy Costs & Providing Clean Air



- Significant emission reductions at 9 of the 10 highest emitting facilities in the state
- Initiated legal and administrative actions to address pollution from upwind states
- Worked with 40+ local governments on energy efficiency and clean energy projects
- Improving access to natural gas as a pre-requisite for a strong manufacturing sector



Safe & Sustainable Communities



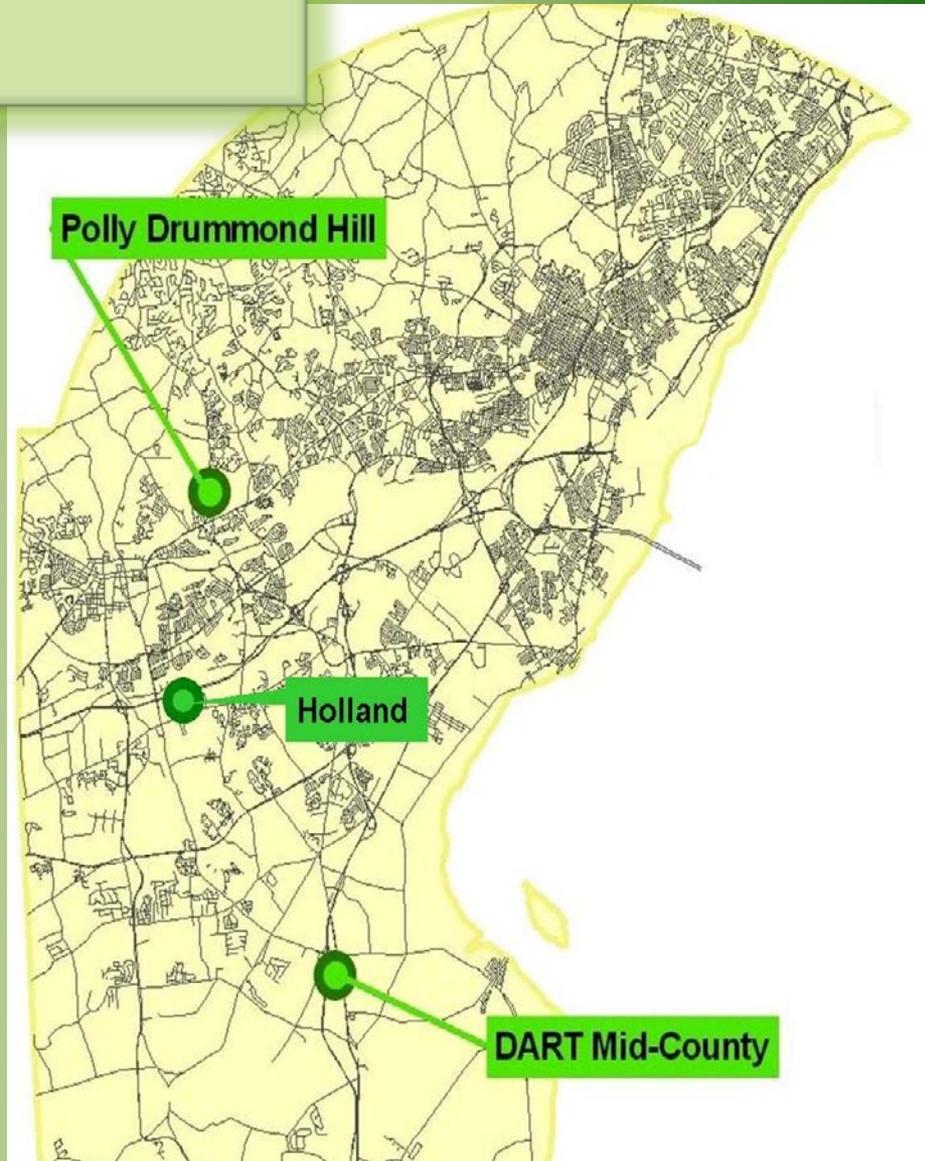
Brownfield Remediation

- 24 Brownfield Sites including:
 - Kalmar Nyckel site and the LEED certified Challenge Program Facility
 - Habitat for Humanity affordable housing project in Wilmington
 - New WSFS bank at the former Kirkwood Highway Gulf Station site
- ROI \$17.50 for every \$1 invested



Private Partnership for Yard Waste

- DNREC has entered into a 5-year contract with Holland Mulch to open and maintain a yard waste collection site that will replace both the DART and Polly Drummond Yard Waste Demonstration sites. The new site is midway between the two state demonstration sites and will provide free yard waste drop off to Delaware residents. The two demonstration sites will be permanently closed on December 3.



Universal Recycling

- Goal to make recycling easy
- Revenue from Bottle Fee ~\$13M
- 1st round for single family awarded \$4.8M to 22 entities
- 2nd round for multi-family homes awarded \$325k to 8 entities
- 3rd round in early 2013 will focus on commercial recycling
- On track to achieve diversion rate goal of 50% Municipal Solid Waste by 2015.



Recycling In Delaware



Recycle these



Newspapers



Junk mail



Paperback books



Boxboard (cereal boxes)



Aseptic containers and cartons



Corrugated cardboard



Telephone books



Office paper



Rigid plastic



Yogurt and butter containers



Plastic bottles/jugs



Plastic grocery bags
(combine bags into one)



Glass bottles/jars



Aluminum and steel / tin cans



Not Accepted

Keep these items out of your recycling cart or container:

- Styrofoam
- Motor oil containers
- Chemical containers
- Ceramics or dishes
- Lightbulbs
- Window glass and mirrors
- Yard waste
- Food waste
- Televisions and computers
- Monitors

Hurricane Response & Assessment



➤ Staff efforts— 1500+ hours

- Assisted by numerous volunteers
- Allowed facilities to reopen in 5 days or less



➤ Economic impacts

- 88 guest cancellations in State Parks

Initial Damage Assessments

➤ **Capital damages to DNREC-owned facilities and preliminary event cost estimates: \$6.9M**

- Emergency Protective Measures \$34.5k
- Debris Removal \$50.5k
- Roads/Bridges \$5k
- Buildings/Equipment \$24.9k
- Parks & Reserves \$633.9k
- Dikes & Water Control Structures \$3.5M
- Shoreline & Beaches \$2.7M



Hurricane Resiliency & Path Forward



- Re-establishing dunes/fencing
- Restore IR Inlet protection
- Repairing crossovers
- Debris cleanup
- Repair capital structures



Capital Investment Goals



➤ Maintaining and enhancing the quality of Delaware's infrastructure and lands managed by DNREC:

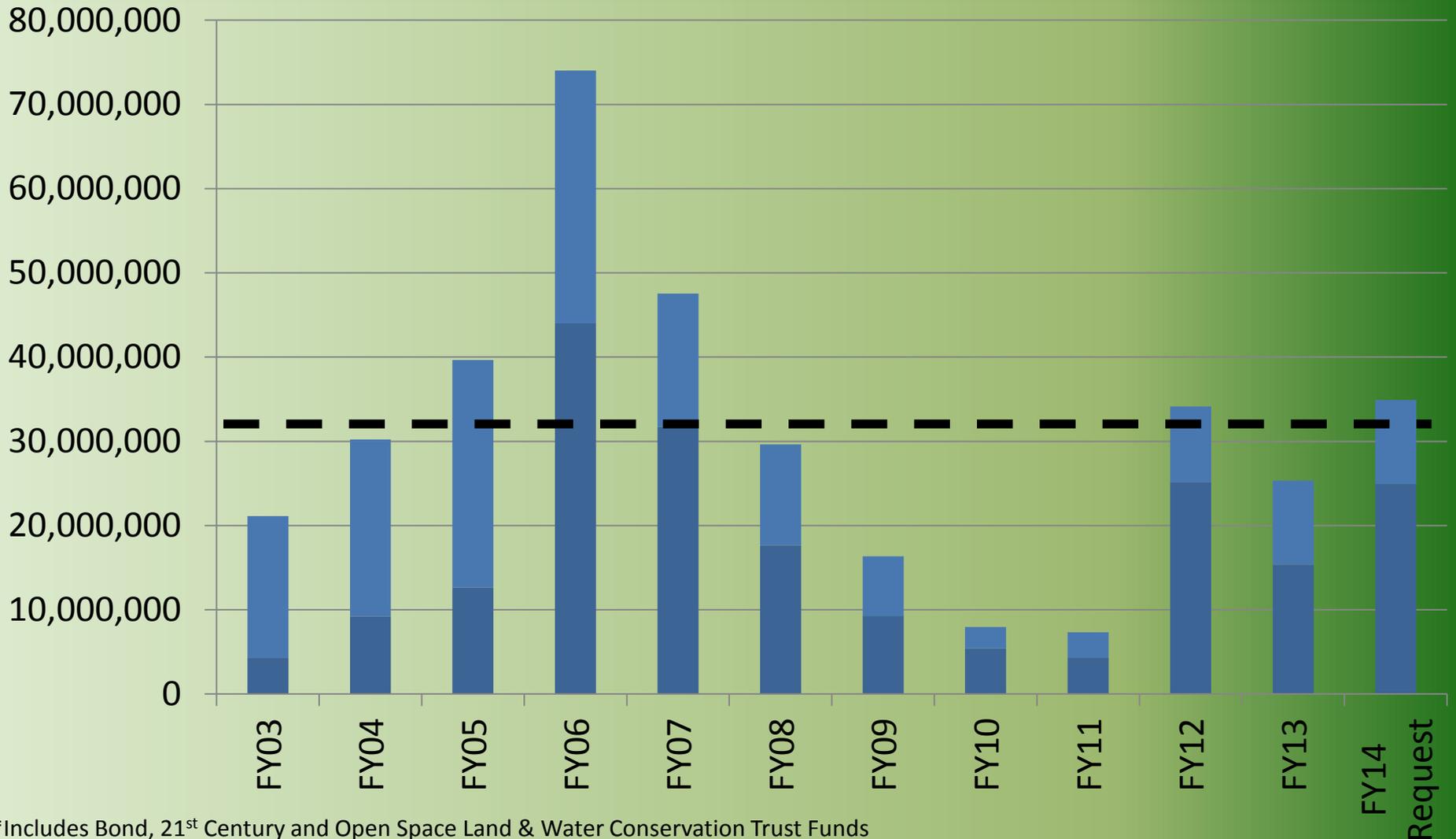
- » State Park Lands = 26,405 acres in 16 state parks, 13 preserves & 9 other areas
- » Fish & Wildlife Lands = 62,674 acres in 16 wildlife management areas
- » Park Attendees = Average 4.4M visitors
- » Wildlife Recreation Participants = 350,000+
- » Pond and marine access areas = 57
- » Miles of roads and trails = 275+
- » Miles of managed shoreline = 29.2
- » Anglers = 101,812
- » Hunters = 19,432
- » Boaters = 57,687



FY2014 Bond Bill Request

Capital Projects:	Requested
High Hazard Dam and Dike Repair/Replacement	\$2,500,000
Critical Facilities	\$3,500,000
Shoreline and Waterway Management	\$5,600,000
Tax Ditches	\$1,400,000
Delaware Bayshore Initiative	\$1,500,000
Statewide Trails and Pathways	\$3,000,000
Conservation Cost Share	\$1,500,000
Clean Water State Revolving Fund	\$1,400,000
Critical Equipment for Operations	\$1,416,750
Minor Capital Improvements	\$1,083,250
Redevelopment of Strategic Sites (NVF)	\$700,000
Refitting of the Richardson and Robbins Building	\$1,320,000
TOTAL	\$24,920,000

DNREC Capital History



*Includes Bond, 21st Century and Open Space Land & Water Conservation Trust Funds

Resiliency to Flooding/Storms

Repairing/Replacing Dams & Dikes

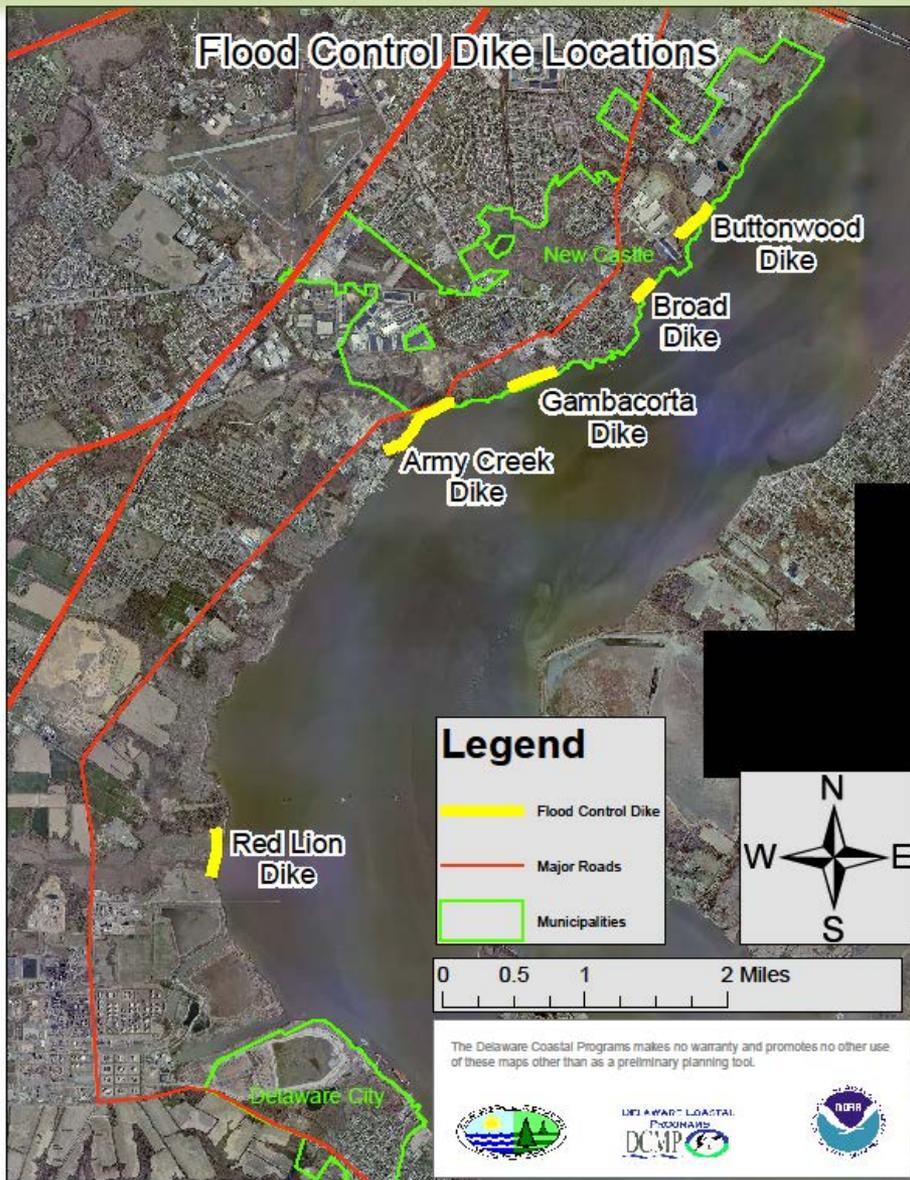
Requested: \$2.5M



- This year, for the first time, all 43 state-owned, regulated dams were inspected.
- All state-owned dams were inspected before and after Hurricane Sandy.



Resiliency to Flooding/Storms



• Working with NCC Conservation District to rebuild failing dikes:

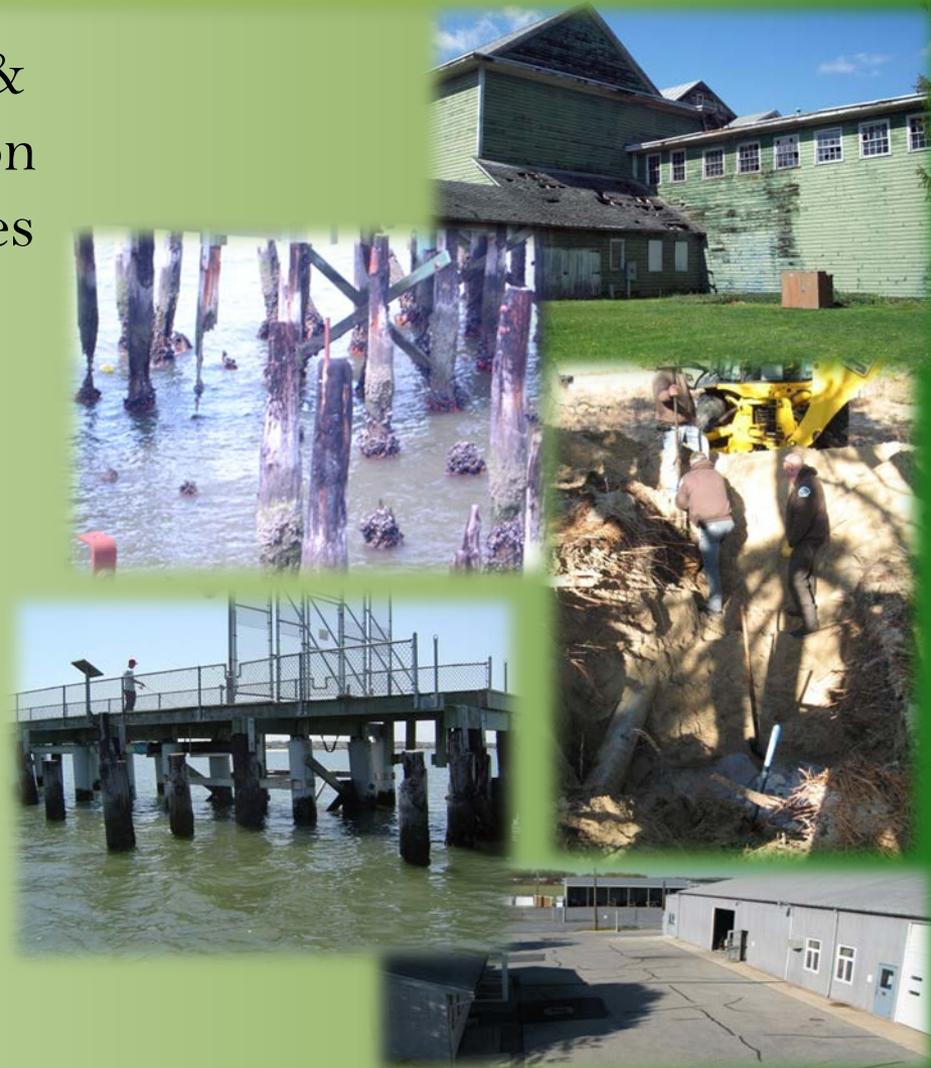
- Red Lion Dike
- Broad Dike
- Gambacorta Dike
- Buttonwood Dike
- Army Creek Dike



Parks and Wildlife Areas

Rehabilitation of Critical Facilities: \$3M

- >\$66M Deferred maintenance & facility upgrades, and demolition of unsafe & unneeded structures
- Critical roofing repairs & replacements
- Repair of 40+ miles of roads providing public access, not covered by state or federal transportation funds
- Replacement of aging utility including electrical and wastewater infrastructures



Shoreline & Waterway Management

- **Shoreline nourishment is a multi-year capital investment**
- 3M+ cubic yards of sand to nourish the ocean beaches in the next 3-5 years with 65:35 federal funding ratio will require \$10M in state match.
- 53k+ cubic yards of sand annually to nourish bay beaches with the current rate of \$14 per cubic yard.



Shoreline & Waterway Management : \$5.6M

- Shoreline Nourishment
- Gaining responsibilities for waterway navigation and management
- Maintenance Dredging
- Replacement of 8-year old Sand Bypass 160-ton Crawler Crane with extreme corrosion
- Indian River Bypass Pump facility expansion for maintenance shop and restroom



Tax Ditches: \$1.4M



A Partnership Among Agencies

- DNREC Division of Watershed Stewardship
- Sussex, Kent and New Castle Conservation Districts
- Tax Ditch Organizations



- » Right of Way research requests performed
- » Tax Ditch meetings attended
- » Hundreds of construction permits, financial audits and court ordered changes assisted

Delaware Bayshore Initiative

Requested: \$1.5M

➤ 2012-13 Successes:

➤ Priorities for 2014:

- Improving Bayshore Scenic Byway wildlife viewing, parking, restrooms, and interpretative information by leveraging \$840K federal grant.



- Enhancing public interpretative and recreation facilities.
- Leveraging federal resources.
- Improving habitat protection and restoration infrastructure.

- Partnering with National Wildlife Federation and Wildlife Conservation Society to leverage \$250K grant funds on major habitat restoration at Ted Harvey.



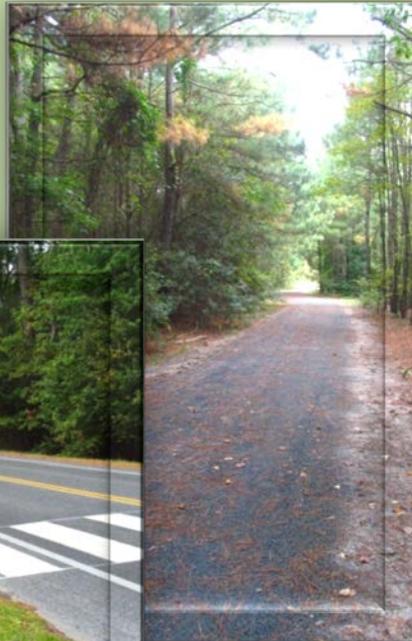
First State Trails & Pathways: \$3M

Successes – DNREC & Partners

- ↗ C&D Canal/Michael Castle Trail
- ↗ Auburn Heights Preserve
- ↗ Pomeroy & Newark Rail Trail
- ↗ Thompson Island Trail
- ↗ Fresh Pond & Fred Hudson Road
- ↗ New Castle Industrial Trail
- ↗ Lums Pond State Park
- ↗ Redd Park Trails
- ↗ Mispillion Riverwalk
- ↗ Ocean View Park

Active & Continuing

- ↗ Gordons Pond Trail
- ↗ Capital City Trail
- ↗ Junction & Breakwater
- ↗ C&D Canal
- ↗ White Clay Creek State Park
- ↗ Buena Vista Trails
- ↗ Junction & Breakwater
- ↗ New Castle Industrial Trail



Clean Water Infrastructure



- **Clean Water Revolving Funds:** \$1.4M will leverage \$7M in capitalization funds for loans from Clean Water Act
 - Working with Finance, DHSS, and EPA to more effectively leverage water investments



- **Conservation Cost Share Funds:** \$1.5M will leverage \$7M to meet the nutrient load reduction goals

Critical Equipment

Fiscal 2014 Requested: \$1.42M



Minor Capital Investments in Recreational Facilities: \$1.08M

- Improvements to aging structures, facility improvements, security and safety.
- Replacement of deteriorated decking at coastal parks.
- Enforcement shop security and lighting
- C&R Center Rehabilitation



Continuing the Redevelopment of Auburn Valley/NVF: \$700k

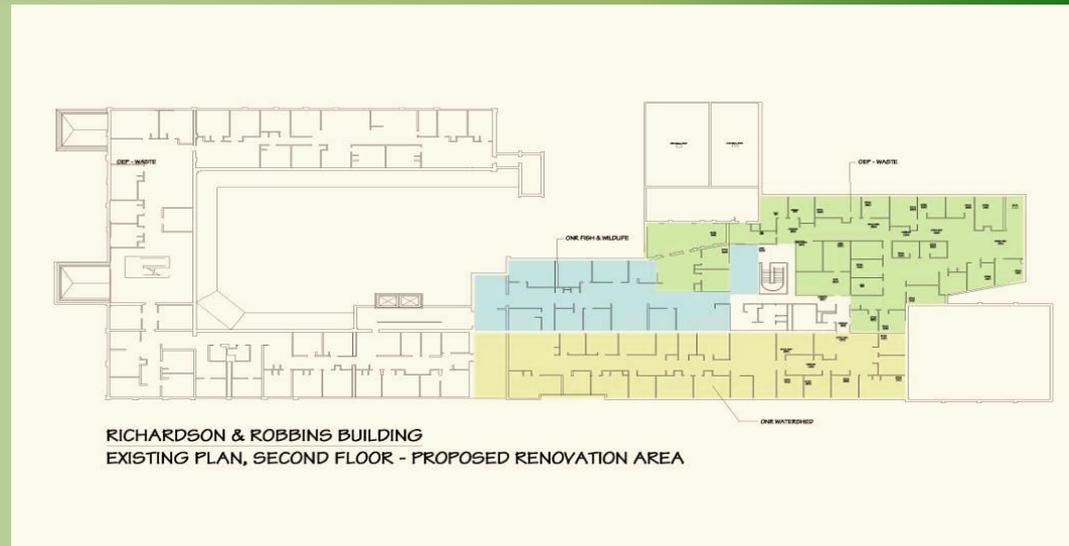
- Stabilize/remediate state-owned structures onsite
- Install flood mitigation measures and create wetlands onsite
- Begin development of park components and recreational open space areas



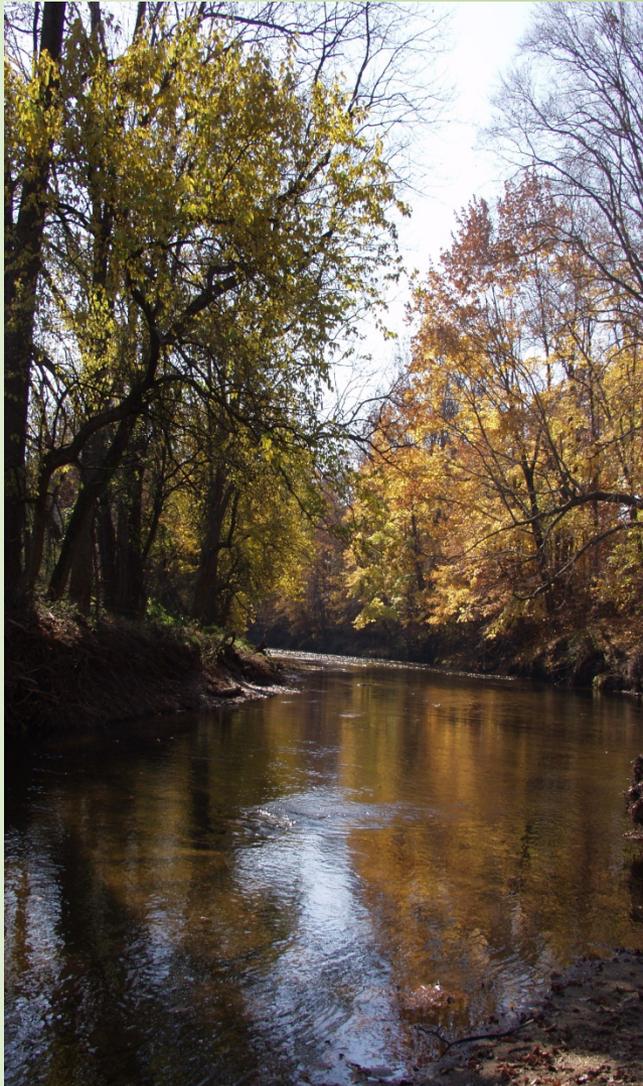
**Completed Clearing of the NVF HI
Parcel in partnership with FEMA.**

Refitting of the Richardson & Robbins Building: \$1.32M

- Phase 1 of 3-year plan to repurpose R&R to function as a support center for larger workforce
- Goal to reduce by >50% the overall agency leased space
- Create versatile and innovative work spaces
- Goal to increase building seating capacity by 15%
- Leverage recent energy conservation investments to the R&R (LEED/EO18)



Open Space Program: \$10M



- **Land and Water Conservation Trust Fund Investments**
 - » Protected 1,146 acres in Piedmont area, Sussex forestlands, Delaware Bayshore, Inland Bays and Nanticoke River watersheds (\$2.1M state leveraging \$4.2M federal/other)
 - » Current year projects will protect more than 1,800 acres
- **Protection, Conservation, and Recreation Priorities**
 - » Emphasis on Delaware Bayshore and Nanticoke River Watersheds
 - » Conserve in-holdings and making connections statewide





Riley in Nature