



Joint Finance Committee
February 15, 2011

Presentation Agenda



- A Year in Review
- Key Environmental Challenges
- Department Budget Request



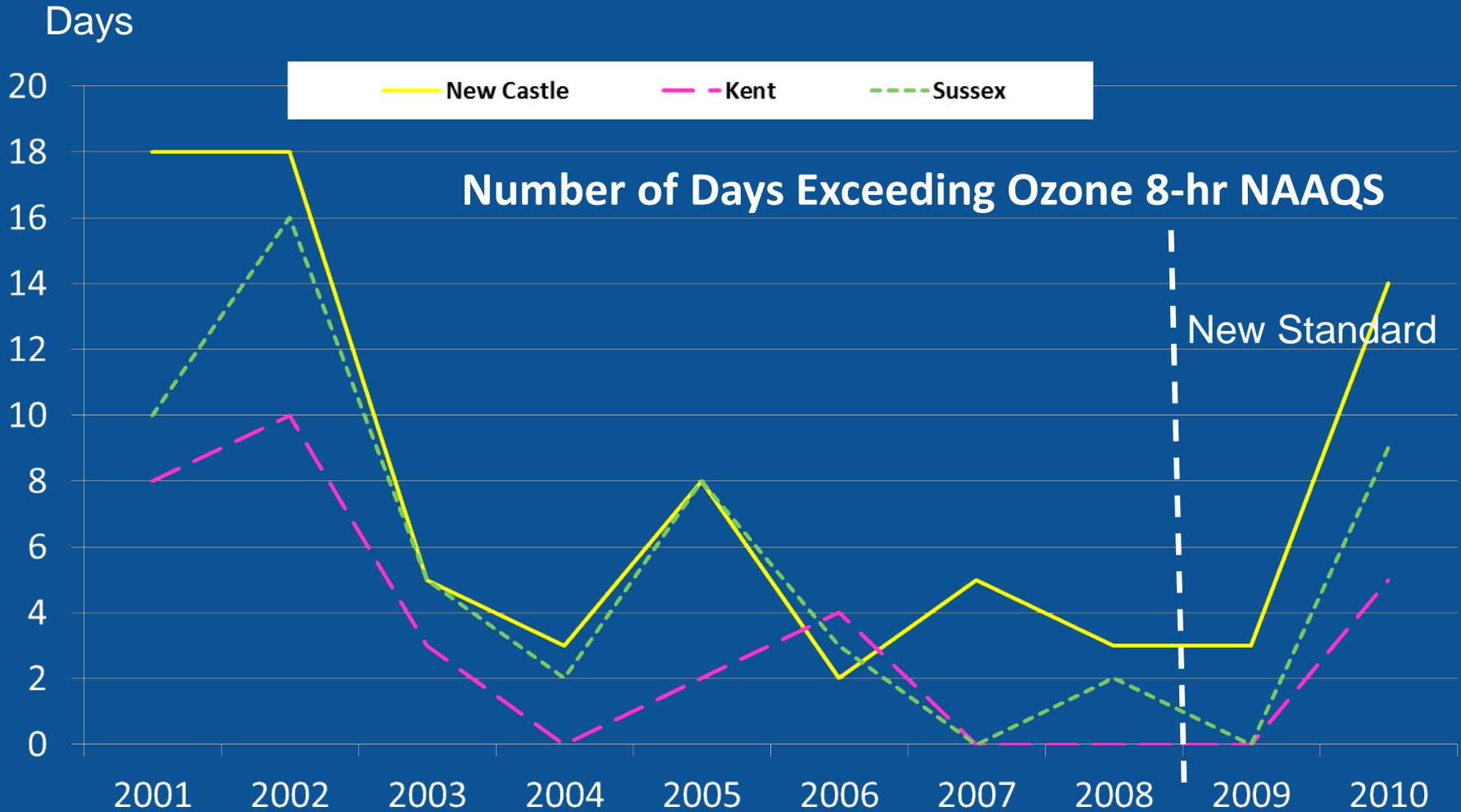
Where we are today

- Working to implement Governor Markell's vision to place public health & environmental sustainability at center of public policy debate
- Appreciate strong support from General Assembly for achieving Department's mission
- Doing more with less:
 - Maintaining and improving core services
 - Leveraging non-GF resources
 - Significant reductions in GF and positions since 2008

Delaware's Environmental Challenges

1. Achieving air quality standards
2. Ensuring clean water
3. Cleaning up contaminated sites / brownfields
4. Protecting and restoring wildlife habitat
5. Providing world-class outdoor experiences and getting more children outside
6. Improving preparedness for flooding risks
7. Modernizing energy system to ensure clean, reliable, and cost-effective power

Challenge 1: Air Quality



Challenge 1: Air Quality

Indian River Power Plant

- Shutdown of Unit 2 complete
- Shutdown planned for Units 1 and 3
- Issued permits for air controls on Unit 4



Challenge 1: Air Quality

Calpine / Edgemoor

- Converted from Coal to Natural Gas
- Reduced SO₂, NO_x, smoke stack particulate, CO₂, and landfill material (fly ash, etc)
- Eliminated mercury emissions



Challenge 1: Air Quality

Valero Refinery

- Oversaw orderly shutdown of facility
- Working with new owners to ensure emission reductions and cleaner products



Challenge 1: Air Quality

Evraz Claymont Steel

- Negotiated comprehensive pollution reduction agreement



Challenge 1: Air Quality

Dust Reduction

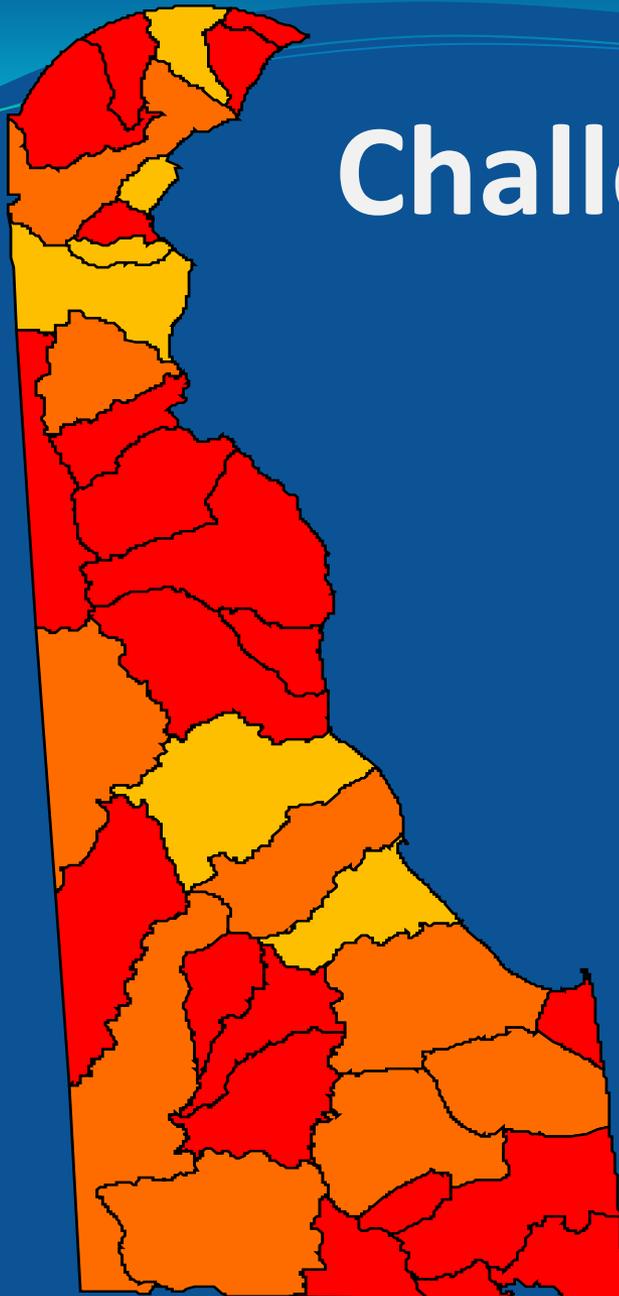
- Dust control plans for Port of Wilmington and New Castle businesses
- Working with companies to reduce pollution from transportation, materials handling, and processing



Challenge 2: Clean Water

Impaired Waterways
Remain of Concern

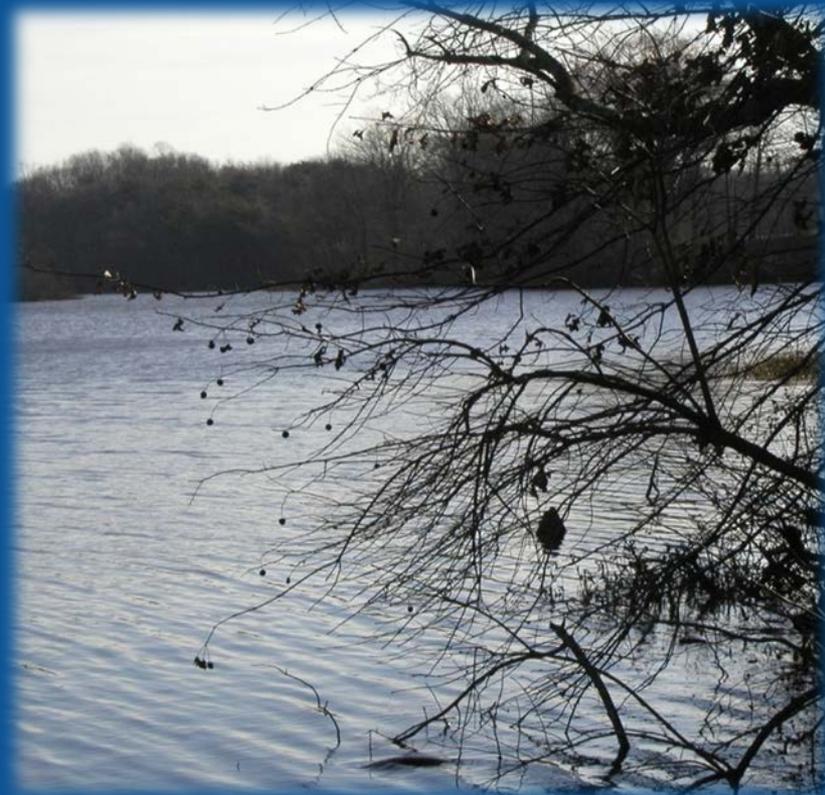
% Impaired Segments
in Each Watersheds



Challenge 2: Clean Water

Chesapeake Watershed

- Chesapeake Bay Phase I Watershed Implementation Plan (WIP) approved by EPA 12/31/10
- Best Management Practices to Meet TMDLs: Cover Crops, Manure Relocation, CAFO permits, Land Use Planning, Restoration, NPDES permits
- Phase II of WIP due in 2011





Challenge 2: Clean Water

Water Infrastructure Investments

- Clean Water Revolving Fund: Leveraged \$18.5M of ARRA to fund \$94M of municipal wastewater, green infrastructure, and stormwater projects



Challenge 2: Clean Water

Beneficial Re-use

- Innovative public-private partnership between Middletown, Artesian Water, and two local farmers
- Utilizing treated wastewater to spray irrigate crops
- Cost savings for farmers (\$9,000 annual/100 acres)



Challenge 2: Clean Water

Restoring the Estuaries

- Collaborating on innovative programs: backyard habitats, clean ups, monitoring, rain gardens, stormwater, living shoreline, wetlands, oysters, etc
- Key Partners:
 - Center for Inland Bays
 - Partnership for Delaware Estuary
 - Delaware River Basin Commission
 - Delaware Nature Society



Challenge 2: Clean Water

Healthy Beaches

- Expanded Coastal Clean Up Efforts
- Delaware ranked second in nation in beach water quality by NRDC in 2010 report



Challenge 3: Clean Up Sites

Brownfield Remediation

- ROI \$17.50 for every \$1 invested
- Projects underway across state



Challenge 3: Clean Up Sites

Chrysler Plant

- Working closely w/ UD to redevelop campus
- Site review underway



Challenge 3: Clean Up Sites

Serving Neighborhoods

- TrashStoppers Campaign
- Targeted Neighborhood Cleanups



Challenge 3: Clean Up Sites

NVF

- Company abandoned site in May 2009
- State implementing plan to restore site



Universal Recycling Program

- Goal to make recycling easy
- Authorized to borrow up to \$22M
- Compliance due date for single-stream recycling: 9/15/11
- Diversion Rate Goals by 2015
 - Solid Waste: 72%
 - Municipal Solid Waste: 50%





Challenge 4: Wildlife Habitat

Game & Non-Game
Species Recovery



Challenge 4: Wildlife Habitat

Species Recovery



Challenge 4: Wildlife Habitat



Oyster & Reef Restoration Projects

Challenge 4: Wildlife Habitat

Habitat Protection & Restoration

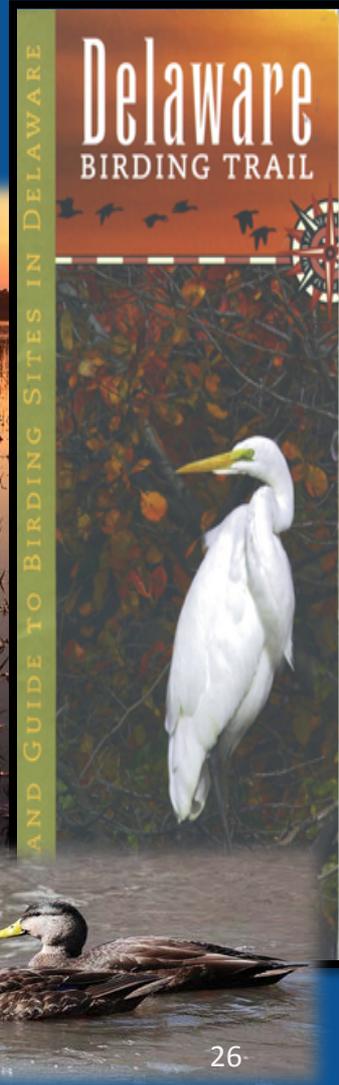
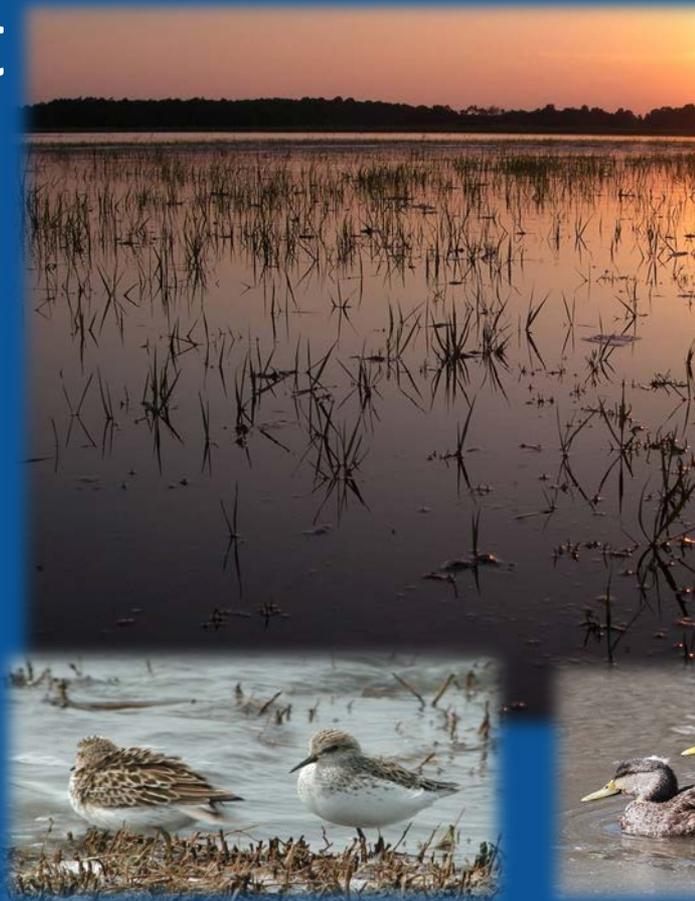
- Key Partnerships w/ Nature Conservancy, Delaware Wildlands, Ducks Unlimited & Delmarva Ornithological Society
- Restoration provides critical habitat for red knots & others



Challenge 4: Wildlife Habitat

Economic Benefit from Protecting Habitat

- Wildlife watchers and hunters/anglers spend \$265M+ in Delaware on trip-related/ equipment expenditures annually



Challenge 5: Outdoor Experiences

Parks & Wildlife Areas

- State Park Lands = ~26,000 acres
- Park attendees - ~5M visitors
- Fish & Wildlife Lands = ~62,000 acres
- Wildlife-Associated Participants 395,000
(Wildlife Watchers 237,000)
- Fishing licenses = 102,498
- Hunting licenses = 18,746



Challenge 5: Outdoor Experiences

No Child Left Inside

- Help promote healthy lifestyles and fight childhood obesity
- Established partnership with Nemours, DOE, DHSS, DNS & NGOs
- Developing programs such as Healthy Kids Day and Trail Challenge



Challenge 5: Outdoor Experiences

Expanding opportunities for underserved youth

- Expanding access to Baynard Stadium and Parks
- Expanding access to the Peterson Wildlife Refuge



Challenge 5: Outdoor Experiences

Recently Completed
Recreational Facilities

- Baldcypress Nature Center at Trap Pond
- New bridge in Alapocas Run State Park



Challenge 6: Flooding

Focusing on Bay Beaches

- Recently formed Bay Beach Workgroup produced recommendations aimed to alleviate:
 - Shoreline erosion
 - Flooding
 - Drainage issues



Challenge 6: Flooding

Coastal Emergency Repair



Storm Damage 2009



Storm Damage Repair 2010/11

- Working with U.S. Army Corps of Engineers on \$17M project to restore coastal beaches (100% funded by Corps)
- Work almost complete in Bethany Beach and will continue in Ocean communities

Challenge 6: Flooding

Protecting Wetlands

- Rapid loss of wetlands is contributing to growing flooding program
- Avg. wetland acre holds 300,000 to 1M gallons of water and critical water quality role
- Support 25% of wildlife species of concern, and 35% of rare plant species in DE



John D. Willson, USGS



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Challenge 6: Flooding

Modernizing Stormwater & Floodplain Program



Challenge 6: Flooding

Accelerating water management projects



Challenge 6: Flooding

Implementing Dam Safety Regulations

- First annual inspections completed on all 43 state owned regulated dams
- Dam Safety Inspections / Emergency Action Plans nearing completion for 29 state owned dams



Challenge 7: Clean Energy

- Implementing Diversified Strategy
 - Energy Conservation/Efficiency (w/SEU)
 - Expanding in-state generation: natural gas, solar, offshore wind, fuel cells
 - Transmission/Smart Infrastructure
- Leading By Example – Executive Order #18
 - Energy Efficiency, clean vehicles, renewable energy, recycling, green cleaning, green buildings

Challenge 7: Clean Energy

Helping Residents & Businesses Save

- Diverse programs delivered by the Sustainable Energy Utility
 - Appliances, Residential, Commercial/ Industrial, Government Facilities
- Federal resources: State Energy Program, Weatherization, EECBG, Appliance Rebates



Challenge 7: Clean Energy

SEU Program Up and Running

- Appliance Rebates: 15,967
- Home performance: 2,450
- CFL Rebates: 491,000



Challenge 7: Clean Energy

Green for Green

- Incentives for homebuyers to build homes that meets Green Standards
- Delaware ranks #1 per capita in number of NBGS certified homes



DNREC Employees in Action



Natural Resources Police & Emergency Services





Making DNREC more efficient

Improving Permitting Processes

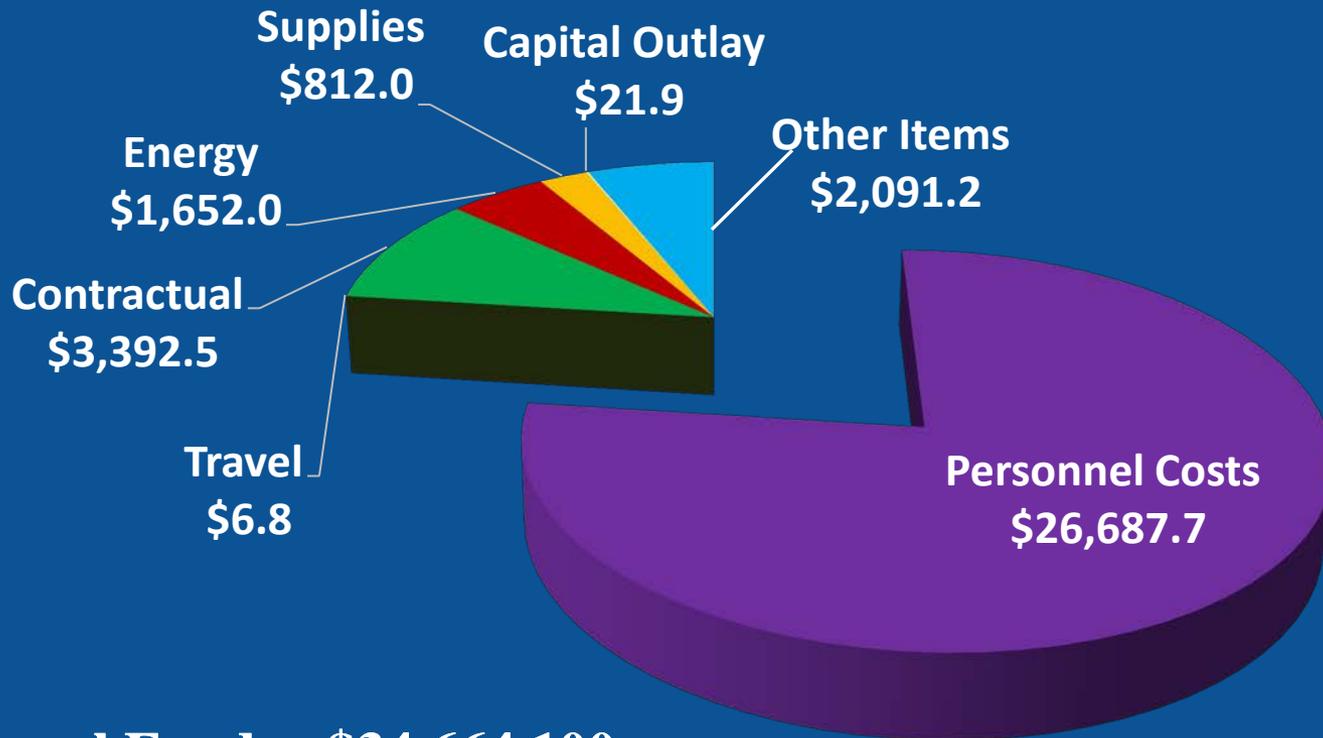
- Working to provide a 15-day review to determine completeness of application and 60-day technical review for most applications
- Continue efficiency assessments using LEAN techniques and building on success such as reductions in some air permitting turnaround times of 51% and Brownfield remediation by 31%
- Increasing efficiency: septic systems, wells, construction permits, wetlands, underground storage tanks, stormwater, waste transporters

Making DNREC more efficient

Streamlining Fee Funded Programs

- Working on additional steps forward to ensure expedited permitting
- Evaluating a “cost-recovery” or “user pays” model for regulatory programs to ensure permitting efficiency and reduce general fund subsidy

Recommended FY2012 GF Budget

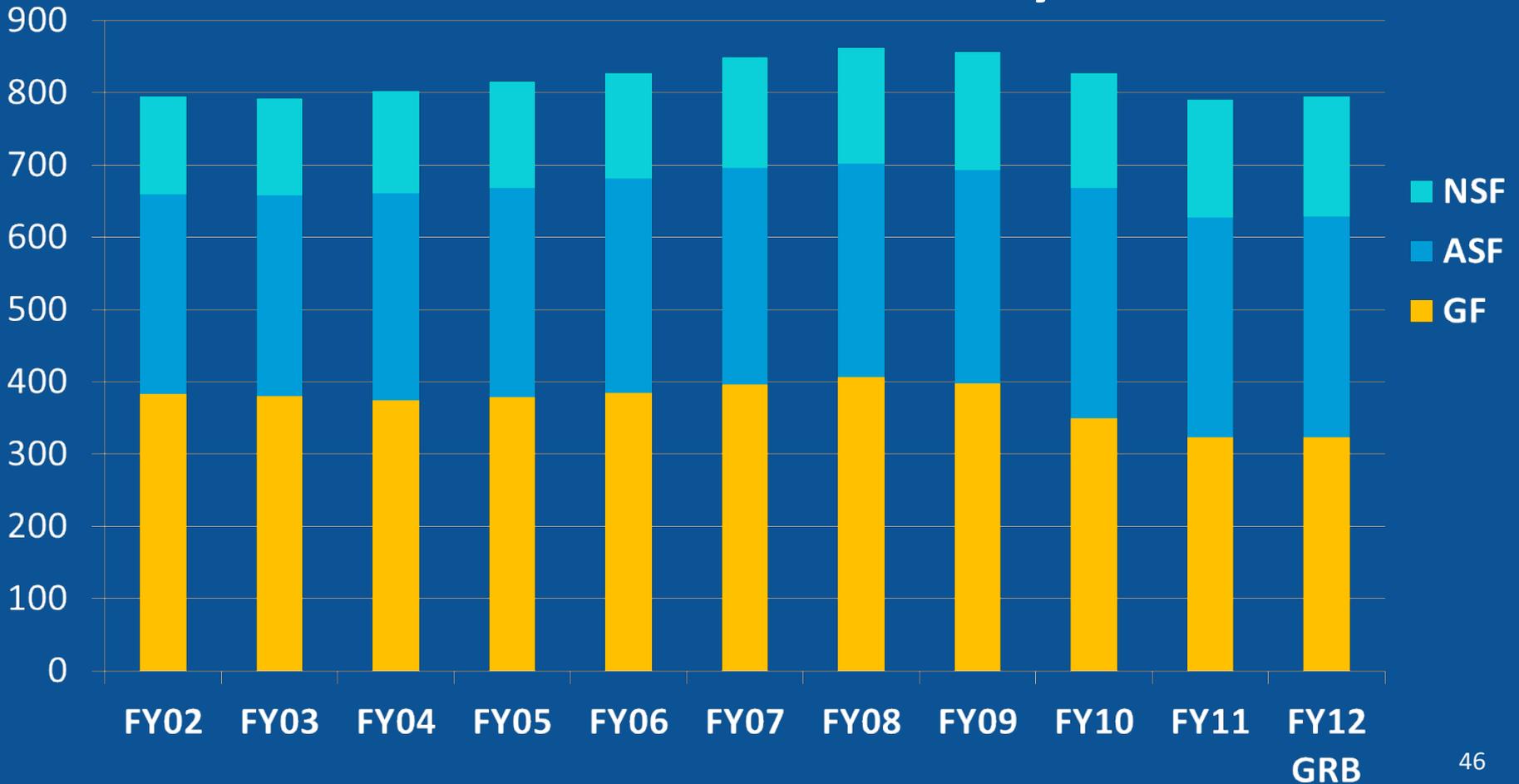


General Funds: \$34,664,100

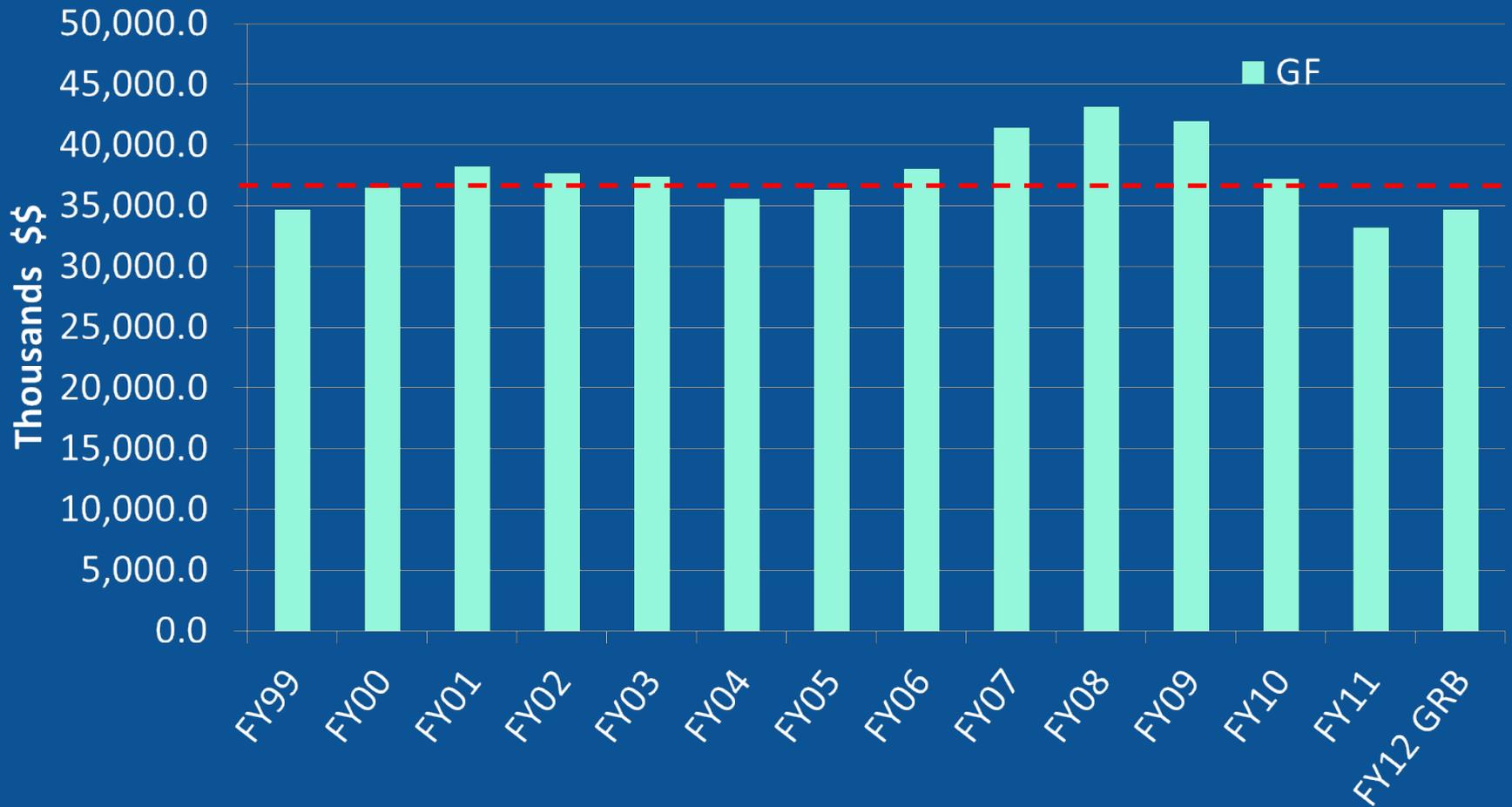


Recommended FY2012 Budget

DNREC Position History



DNREC GF Budget History





Recommended FY2012 Budget

Proposed Changes:

- Reductions: (\$532.3)
- FY11 Health Care Contingency: \$1,884.6
- Reallocation from DHSS for Weatherization: \$100.0 (3 FTE)
- Formalize Division of Energy and Climate
- Minor Structural Changes with FTEs



FY2012 Budget: Reductions

- Watershed Stewardship: (\$225.0)
 - Eliminate New Castle County Conservation District Dredge Program
 - Minor dredging of small areas may be reduced (boat ramps, small harbors)
 - Re-distribution of assets with reduction of service capacity
 - 2.0 District employees associated with this Program



FY2012 Budget: Reductions

- Fish and Wildlife: (\$73.0)
 - Personnel Costs: Switch Fund 1.0 GF FTE Environmental Scientist to .4 ASF and .6 NSF
- Parks and Recreation: (\$93.0)
 - Contractual Services/Supplies & Materials: Reductions in buildings/grounds maintenance at Angola Neck and Wilmington State Parks



FY2012 Budget: Reductions

- Air Quality: (\$19.7)
 - Supplies & Materials: Reduction in administrative expenditures (i.e. paper, supplies, etc.)
- Water: (\$71.6)
 - Reduction in Contractual Services and Supplies & Materials for the Environmental Laboratory



FY2012 Budget: Reductions

- Waste Management: (\$50.0)
 - Elimination of GF support for recycling community outreach (replaced by New Universal Recycling Program)



FY2012 Budget: Changes

- Minor Structural Changes
 - Moved Community Services from Office of Environmental Protection to Office of Secretary
 - Minor Internal reallocations of FTEs
 - Reallocation of Weatherization Program from DHSS \$100.0 (3 FTE)
 - Formalized Division of Energy and Climate



**Recommended FY2012
Bond Bill Investments: \$7,348.7**



GRB Bond Bill Investments

- Water Quality Management: \$3,648.7
 - Clean Water Grant – \$1,000.0
(Matches Federal \$5M)
 - Conservation Cost Share – \$1,500.0
(Leverages \$7.2M of Federal funding)
 - Tax/Public Ditch – \$1,148.7



GRB Bond Bill Investments

- Redevelopment of Strategic Sites: \$2,500.0
 - NVF – Unique mixture of economic redevelopment, environmental remediation, recreation and park development, historic preservation and flood mitigation; Strong public/private partnership
 - Fort DuPont – Protection of failing historic resource; Creation of a thriving community



GRB Bond Bill Investments

- Minor Capital Improvement/Equipment:
\$1,200.0
 - Key operational equipment to improve operational efficiency
 - Key capital investments to maintain/improve the safety, security and function of buildings, systems, and grounds



Questions ?