

Notes from Air Quality Stakeholder Group Meeting

July 17, 2014

Introduction and Workgroup Overview – Director Chuck Gipp, Facilitator Darrell Hanson

- Director Gipp provided a general welcome along with an explanation of the task at hand for the group – making a recommendation on funding the air quality program in the future.
- Attendees introduced themselves.
- Director Gipp introduced Darrell Hanson as the facilitator for the stakeholder group meetings.
- Darrell Hanson requested that the group review the Draft Charter – available in the binder (also now on the internet). The Charter provides an explanation on how Facilitator Hanson would like the workgroup to run. If there are comments on the charter, please provide those to Catharine Fitzsimmons, and plan on approving the charter (with revisions as needed) at the next meeting.
- Please try to attend all meetings or have your company's alternate attend every group meeting. If by chance a meeting is missed, DNR staff is available to answer questions.
- Presentations and additional items from the stakeholder group will be posted at: <http://www.iowadnr.gov/InsideDNR/RegulatoryAir/StakeholderInvolvement.aspx> > Workgroups > AQ Stakeholder Group.

Need for Workgroup – Catharine Fitzsimmons

See “Need for Workgroup” presentation

- Q: How do the Title V fee rates compare to other states?
A: There is a wide range; some states are higher, some states are lower. Iowa only requires fees to be paid for the first 4,000 tons of pollutants. Some states do not cap the amount of tons instead it is based on the potential to emit. **Action:** A national survey will be conducted this summer and DNR will provide a chart identifying Title V fee rates of other states that share the information.

Air Program Services: Construction Permits – Sarah Piziali

See “Air Construction Permitting Services” presentation

- Q: What are the nonattainment areas?
A: Muscatine – 1 hour SO₂; Council Bluffs – lead
- Q: Thoughts on the new GHG tailoring ruling and how it will affect construction permits?
A: The ruling has been looked at. There is a likelihood this will be a short term increase in the amount of permits in-house as facilities will have to come back to modify permits.
- Q: Please provide more information about the staff level and training. Is staff trained well enough to handle complex projects? What pay grade do new employees receive?
A: The majority of the staff has been here at least 10 years, with many of the seniors having 15+ years. There is an established training program for all new hires and staff continues training throughout their employment. Staff begins with standard projects and gets more complex projects as time goes on; it is usually 3-5 years after they start before they begin any PSD projects. Complex projects are given primarily to Environmental Engineer Seniors. However, some Environmental Engineers are doing complex projects since there are more complex projects in-house than can be completed by the senior engineers alone. AQ Management makes sure that the Environmental Engineers are not working on complex projects more than 50% of the time as this may mean they need to be reclassified as an Environmental Engineer Senior at a higher pay grade. New hires start at the base pay allowed by the State of Iowa.
- Q: On the slide with the statistics – is the number for 2014 the amount completed or in-house? A: Completed. Complex gets priority; Standard projects become 2nd in line.
- Q: Can you give an estimate on the number of permits from established facilities versus new facilities?
A: Yes, an estimate can be provided. Established facilities have a large number of PSD permits.
Established facilities that currently pay Title V fees do pay for new companies (major and

minor) coming into the state until the new company is established. **Action:** *DNR will provide a breakdown of PSD-Complex permits from established vs. new facilities during calendar year 2013 and 2014.*

- Q: Are there any construction permit fees?
A: Currently there are no construction permit fees.
- Q: Facilities in the Local Program areas pay construction permit fees. How does their turn-around time compare?
A: Polk County currently averages about 30-40 days for big projects and 7-10 days for small. For the DNR AQ staff, if the time a project is waiting for assignment to an engineer is removed, approximately 60-70% of the projects are issued in 30 or less days.
- Q: Project versus Permit Action?
A: There typically are multiple permits related to a project; the number of permits can vary. Permit action includes a new permit, determination, or modification. Modification requests when possible are given to same engineer that did the initial permit; this provides a greater efficiency as they are already familiar with the company and can complete the project faster.

Air Program Services: Dispersion Modeling – Jim McGraw

See “Dispersion Modeling” presentation

- Q: Are the costs associated with modeling projects tracked? Do costs include personnel, software, and hardware?
A: Costs are not normally tracked since fees are not currently charged. Some software used is free, hardware costs can be determined from the budget and personnel costs can be back calculated based on salary and time spent on a specific project.
- Q: For the statistics provided (slide 5) – Does this include projects submitted by the client that are just reviewed by staff?
A: Yes; it includes both modeling projects completed by modeling staff and projects reviewed. The statistics are only for standard projects and do not include complex projects. Staff do not model that many complex projects; modeling is usually submitted by the applicant and only reviewed by modeling staff. Complex projects normally take precedence over standard projects.
- Q: Are Title V facilities modeled for their permit?
A: No.
- Q: Is modeling done only for the project or for the whole facility?
A: PSD projects have specific guidance to be followed. Non-PSD projects also have guidance but usually modeling is only for the project. Certain situations do require modeling for the whole facility for non-PSD projects.

Air Program Services: Title V Operating Permits – Lori Hanson

See “Iowa Title V Operating Permits” presentation

- Q: What is the projected impact on fees for the Greenhouse Gas (GHG) facilities that may now try to get out of Title V?
A: Most of the facilities are low-emitting and provide minimal fees (about \$180,000). Not all of the 22 facilities initially pulled into Title V due to GHG will choose to leave Title V since most have relaxed other pollutant limits. A meeting is scheduled for August 12th with the affected facilities to discuss options and to provide better insight into how many will try to leave Title V at that time.
- Q: Some pollutants are not subject to fees. Is this in Code or is it Iowa’s choice?
A: This is Iowa’s choice. When the Title V program originated, it was based on a model provided by EPA.

Air Program Services: Emissions Inventory & State Permitting and Reporting System – Jason Marcel

See “Emissions Inventory and Support Services” presentation

Air Program Services: Compliance Assistance, Asbestos & Ambient Monitoring – Brian Hutchins

See “Compliance Assistance and Ambient Air Monitoring” presentation

- Suggestion was made to consider sending components of the air program related to health standards (ambient air monitoring, asbestos) to health-based organizations.

A: Standards come from EPA, not health agencies. The Iowa Department of Health currently does not work with outdoor air regulations. Ambient air monitoring is integral to the other Air Quality sections and determining if the bureau is meeting EPA standards.

Air Program Services: Field Inspections – Joe Sanfilippo

See “Field Services and Compliance Bureau” presentation

- Q: How many inspections are done to satisfy EPA grant requirements?
A: Title V Facilities – every other year; Synthetic Minor Facilities – every 5 years; Minor Facilities – number is usually negotiated between DNR & EPA and depends on the number of sources and time available in each Field Office region. Minor source inspections are not always met due to funding running out; money allocated in the budget to complete minor source (including complaints) activities usually is gone by April.
- Q: How does the AQ budget relate to Field Office services?
A: Ten percent (10%) of the Air Quality budget - \$338,000-minor/\$741,000-major is dedicated for Field Office activities. This includes personnel, vehicles, training, etc.
- Q: How many Field Office FTEs are included in the budget?
A: Title V funds 6 FTE/Minor source funds 3 FTE.
- Q: What happens when run out of budget money before the year is over?
A: The department curtails work on minor source air items. Staff then focuses on either air major source activities or other ESD services.

Air Program Services: State Implementation Plans & Nonattainment Planning – Jim McGraw

See “State Implementation Plans, Nonattainment Planning and Local Programs” presentation; slides 1 – 9

Air Program Services: Local Program Implementation & Oversight – Jim McGraw

See “State Implementation Plans, Nonattainment Planning and Local Programs” presentation; slides 10-17

- Q: Do Title V fees from Linn and Polk County come to the state and then get issued back to the Local Programs?
A: Each Local Program has between 18-20 Title V facilities. Facilities pay their fees to the state. The portion of Title V fees that the Local Programs receive is based on the number of Title V facilities in their county and past costs of providing services for major sources. Usually an annual cost increase similar to that for DNR (1-2% to cover personnel increases) is factored into the contract budget.
- Q: How are federal funding levels for the programs determined?
A: The Clean Air Act section 105 federal allocation is based on population and the number of nonattainment areas. Section 103 federal allocations are based on the number of PM monitors for the county. For the local programs, the Title V allocation is based on the number of sources, along with previous year expenses, and negotiated expenses.
- Q: Is it a bargain for the state to have Local Programs?
A: Previous research shows that it is marginally more expensive for the state to have Local Programs compared to what it would cost for DNR to implement the program in that county.
- Q: Why would a county want to have a program?
A: Response provided by Polk County - in the past Polk County has had nonattainment areas.

The local program allows for a higher presence and better enforcement.

- Q: (Directed to Polk County) What do the permit fees charged by the Local Program cover?
A: Fees make it possible for the Local Program to meet the matching funds required by the contract. Fees are currently in the ordinance and for minor sources depend on the emission point. Currently about \$77/emission point.

AQ Budget Overview – Catharine Fitzsimmons

See “AQ Budget Overview”

- Q: What is the approximation of what the fee/ton would be if it were not capped at \$56/ton?
A: To provide the same level of services the fee would be approximately \$115/ton in FY2019.
Action: DNR will provide calculation projection of what the fee/ton would have been if the fee was not limited to the first 4,000 tons per pollutant at each facility.
- Q: What percentage of the fee payers are utilities? Is it known how many fee payers may no longer pay based on completely getting out of Title V or having better control technologies, etc. that decrease their pollutant tons?
Action: DNR will provide the information.
- Q: Is there a summary of the total ton/pollutant?
Action: DNR will provide the information.
- Q: How many FTEs are covered in the Air Quality Budget?
A: 73.5; this includes all AQ staff, FO staff & legal staff.
- Comment: A statement was made recommending that the Stakeholder Group look at instituting Local Programs in all counties through the state. It possibly is a cost savings to move to more Local Programs and not put as much money into the state program.

Wrap-Up – Darrell Hanson

- Regarding lunch breaks:
 - For future meetings there will be a 20-30 minute break over the noon hour coupled with a working lunch period. Feel free to eat lunch at the table during the meeting.
 - For those interested in ordering a lunch, the option will be available for the next meeting. The DNR will provide an order form, order the food and have it delivered to the meeting. Group members who order a lunch will need to plan to pay for the meal by check or cash the day of the meeting. If lunch is ordered and the attendee can't make it, still plan to pay as the DNR cannot cover this cost.
- Additional Topics/Information the group would like to see at the next meeting:
 - Funding mechanisms used by other states,
 - New expenses in the future (sulfur dioxide monitoring, SPARS)
 - A request was made to have information presented on previous expenses of SPARS,
 - A request was made to have information presented on how other DNR bureaus are being funded – specific groups mentioned include NPDES, Landfill, Water use & withdrawal
- Meetings will be scheduled monthly through September, with two meetings scheduled for October to finish up the recommendations:
 - Wednesday, August 20th 10 AM – 3:30 PM.
 - September: tbd
 - October: TBD, and Tuesday, October 28th 10 AM – 3:30 PM.
 - Watch for a survey to help determine dates for future meetings. Please plan to answer for the company (so either the primary or alternate can/not attend).