

# IOWA DEPARTMENT OF NATURAL RESOURCES

LEADING IOWANS IN CARING FOR OUR NATURAL RESOURCES

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## Air Quality Program Update

### Overview of Air Construction Permitting, Operating Permitting, Asbestos Program

Permit Issuance & Fees

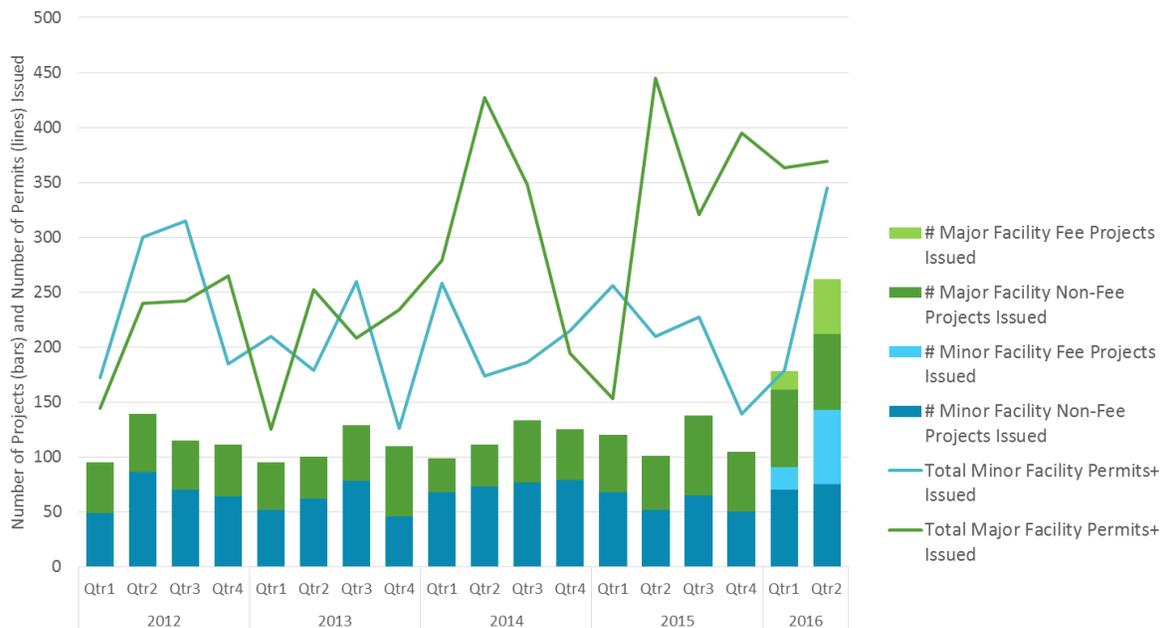
August 18, 2016

Catharine Fitzsimmons, Chief Air Quality Bureau

**Construction Permit Process Improvements.** Significant improvements processing permits has allowed the Construction Permitting Section to decrease the time it takes to issue permits. Permit issuance goals have been met and exceeded for standard permits, and prevention of significant deterioration (PSD) and non-attainment new source review permits! Since July 2014, the time it takes to issue standard permits has decreased from an average of 90 days to 20 days in July 2016. The time it takes to issue PSD and Non-attainment NSR permits has also been reduced from 150 days to 129 days over the same period. Some of the notable process improvements included:

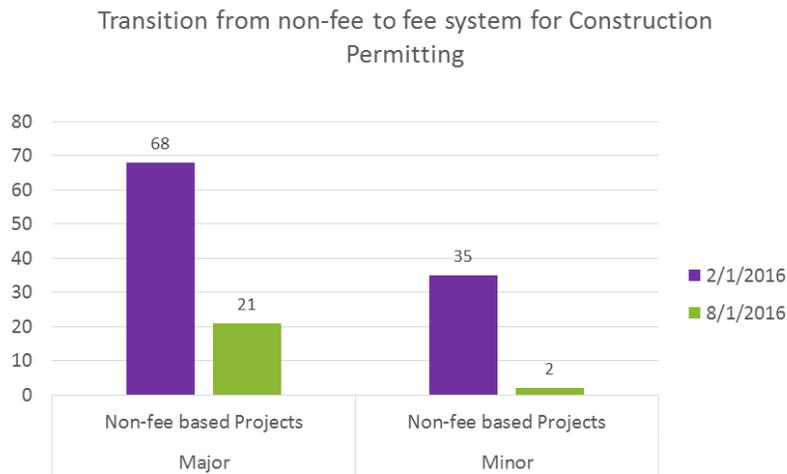
Change in Process	Results
More detailed training and process coordination for staff and applicants	More consistent permit terms, same level of review, better understanding of process flow
Identification of elements slowing processing	Focused clarification and revision of permit forms and instructions
Application form updates and additional guides	More complete applications, less time seeking additional information
Development of new permit formats (eg. GIP, CAP permits)	Consolidation of permit terms and conditions
Implementation of fee for services	Permit engineers spending less time consulting

Air Construction Permit Project and Permit Issuance 2012 - 2016 2<sup>nd</sup> Quarter



**Construction Permit Challenges.** A significant challenge encountered during this period of transition has been to issue the large number of projects that were in-house when the new fee system began on January 15, 2016. This has been a time management as well as funding challenge. Keeping track of the different funding sources on a project by project basis, and balancing available funds while developing new billing and time-tracking systems has taken time away from permitting and management of other program elements. An unusually large number of projects were submitted just prior commencement of permitting fees, and the permitting fee start date was delayed from the anticipated January 1, 2016 date. Therefore, no alternative funding was provided for the processing of those in-house projects, nor the resources needed to transition to the new funding systems.

The following chart shows the number of projects for Major facilities and Minor facilities that were in-house on February 1, 2016 and August 1, 2016, and are still being funded with Title V emission fees (major), or federal and state funds (minor). For purposes of funding discussions, these are referred to as “non-fee” projects. DNR recently received a special “multi-purpose” grant from EPA for \$227,000 that will be used primarily for issuing the remaining permits.



Construction Permitting Fees and Permits Issued for Major, Minor and Other Facilities  
(not yet limited below major source thresholds)

Facility Classification	Fee	Total Number of Permits+ Issued	Sum of Hours
<b>Minor Facility</b>			
Flat-Fee Project	\$ 48,000.00	145	1,636.00
Non-Fee Project*		89	
<b>Minor Facility Total</b>	<b>\$ 48,000.00</b>	<b>234</b>	<b>1,636.00</b>
<b>Other Facility</b>			
Hourly Fee Project	\$ 30,063.75	178	258.75
<b>Other Facility Total</b>	<b>\$ 30,063.75</b>	<b>178</b>	<b>258.75</b>
<b>Major Facility</b>			
Non-Fee Project*		560	652.25
Hourly Fee Project	\$ 123,843.75	172	1095.00
<b>Major Facility Total</b>	<b>\$ 123,843.75</b>	<b>732</b>	<b>1747.25</b>
<b>Grand Total</b>	<b>\$201,907.50</b>	<b>1,144</b>	<b>3,642</b>

Permits+: means permits, determinations, withdrawals.

**Operating Permit Process Improvements.** In October stakeholders and program staff will work to develop a Value Stream Map (VSM) to prioritize and drive additional process improvements.

**DRAFT Operating Permit VSM Charter**

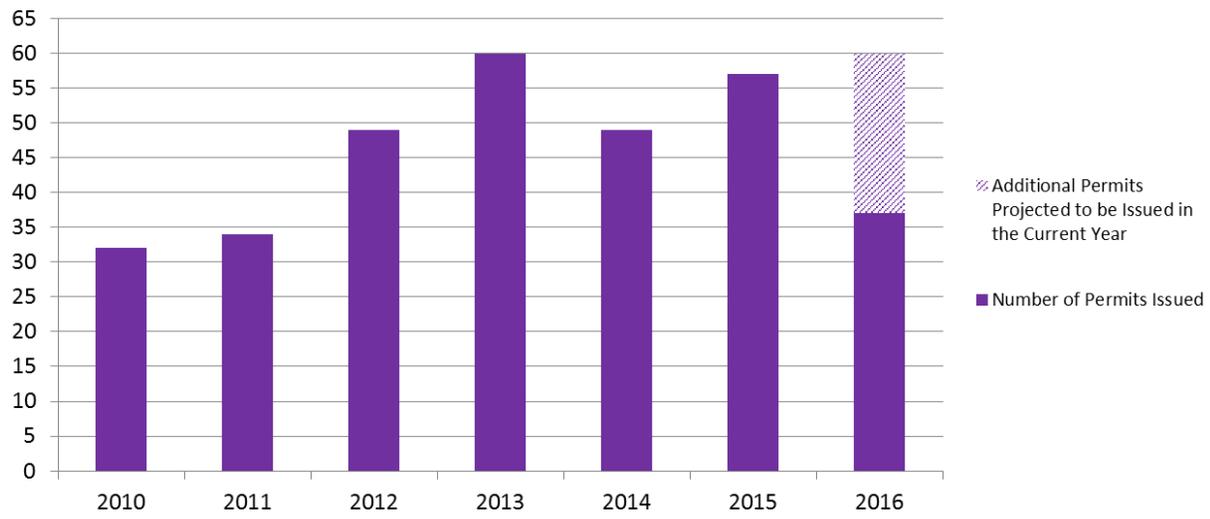
**SCOPE**  
This event will address the Title V permitting process from the time the DNR notifies the applicant that their application is due to when the final permit is issued by the DNR.

**OBJECTIVES**  
Enhance application success – reduce additional information requests  
Revisit the 2012 Value Stream Mapping Event - crosscheck on ways to improve communication within the process  
Outline opportunities for efficiency when e-permitting goes live in Fall of 2017  
Provide information on our suite of services – promoting the services we provide

**GOALS**  
Identify and establish a schedule to address high impact and relatively easy changes resulting in an optimized permit process (internal).  
Identify opportunities and develop a strategic plan for Title V and stakeholders to facilitate improvements to the permit process

Continued implementation and improvement of processes since the 2012 Kaizen event have helped to sustain improved permit issuance rates over the past 4 years.

Number of Title V Operating Permits Issued by Year

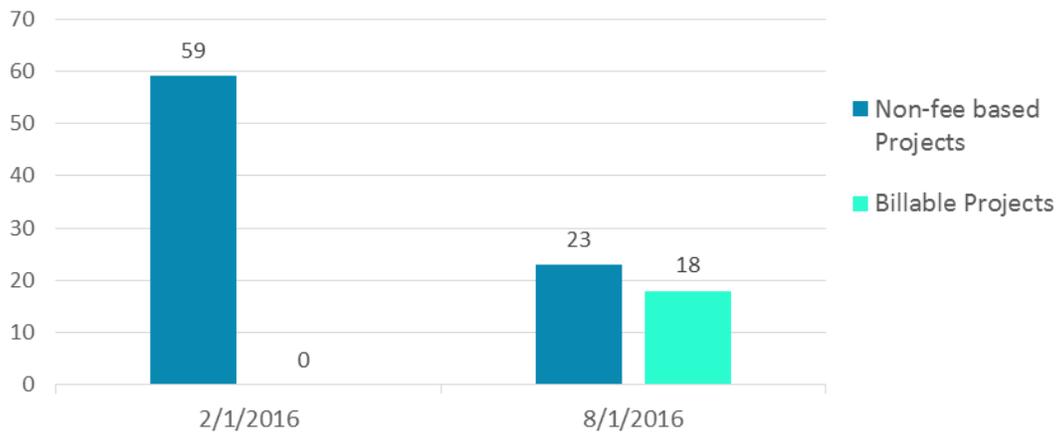


Updated: 07/29/2016

**Operating Permit Challenges.** Like Construction Permit activities, a significant challenge encountered during this period of transition has been to issue the large number of projects that were in-house when the new fee system began on January 15, 2016. This has been a time management as well as funding challenge. Keeping track of the different funding sources on a project by project basis, and balancing available funds while developing new billing and time-tracking systems has taken time away from permitting and management of other program elements. In-house projects have therefore been funded with Title V emission fees.

The following chart shows the number of Operating Permit Projects that were in-house on February 1, 2016. For purposes of funding discussions, these are referred to as “non-fee” projects. The chart also shows the issuance of more than half of the in-house permits, and the receipt of 18 new billable projects.

## Transition from non-fee system for Title V Operating Permits



The remainder of the non-fee based projects are expected to be issued by late 2017. Some of these projects are delayed by complex ongoing construction permitting, legal issues, or other issues not directly associated with the Operating Permit.

A single quarterly billing cycle for operating permit application work has occurred since the outset of the new fee. Thus far, about \$16,000 has been billed to Title V facilities for application and permitting work.

**Asbestos Revenue and Hiring.** Revenue from asbestos notifications reached almost \$90,000 by the end of June, 2016. At current rates, one additional asbestos inspector/educator will be able to be hired before the end of summer.