

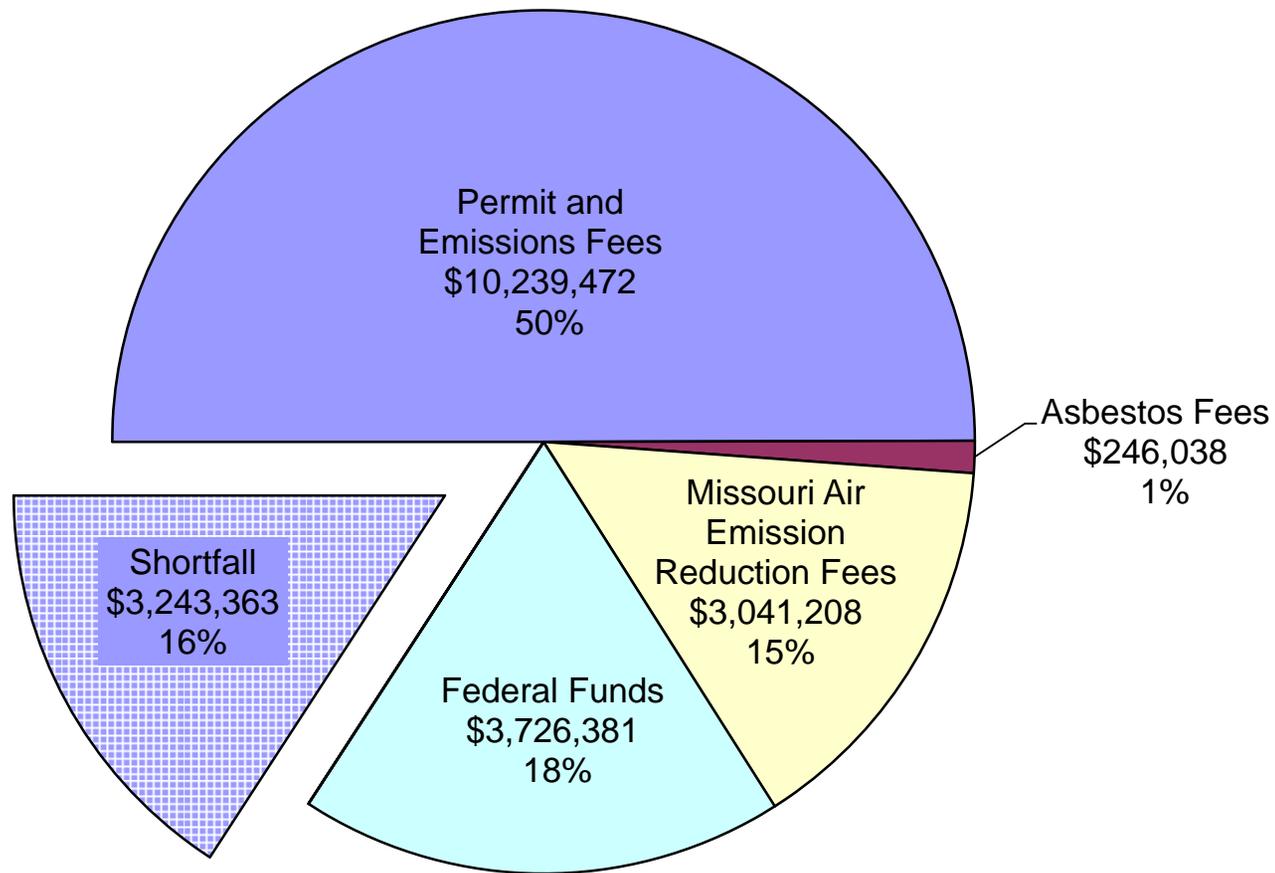
WELCOME
Air Media Fees
Follow-Up Stakeholder Meeting

November 4, 2009



Missouri
Department of
Natural Resources

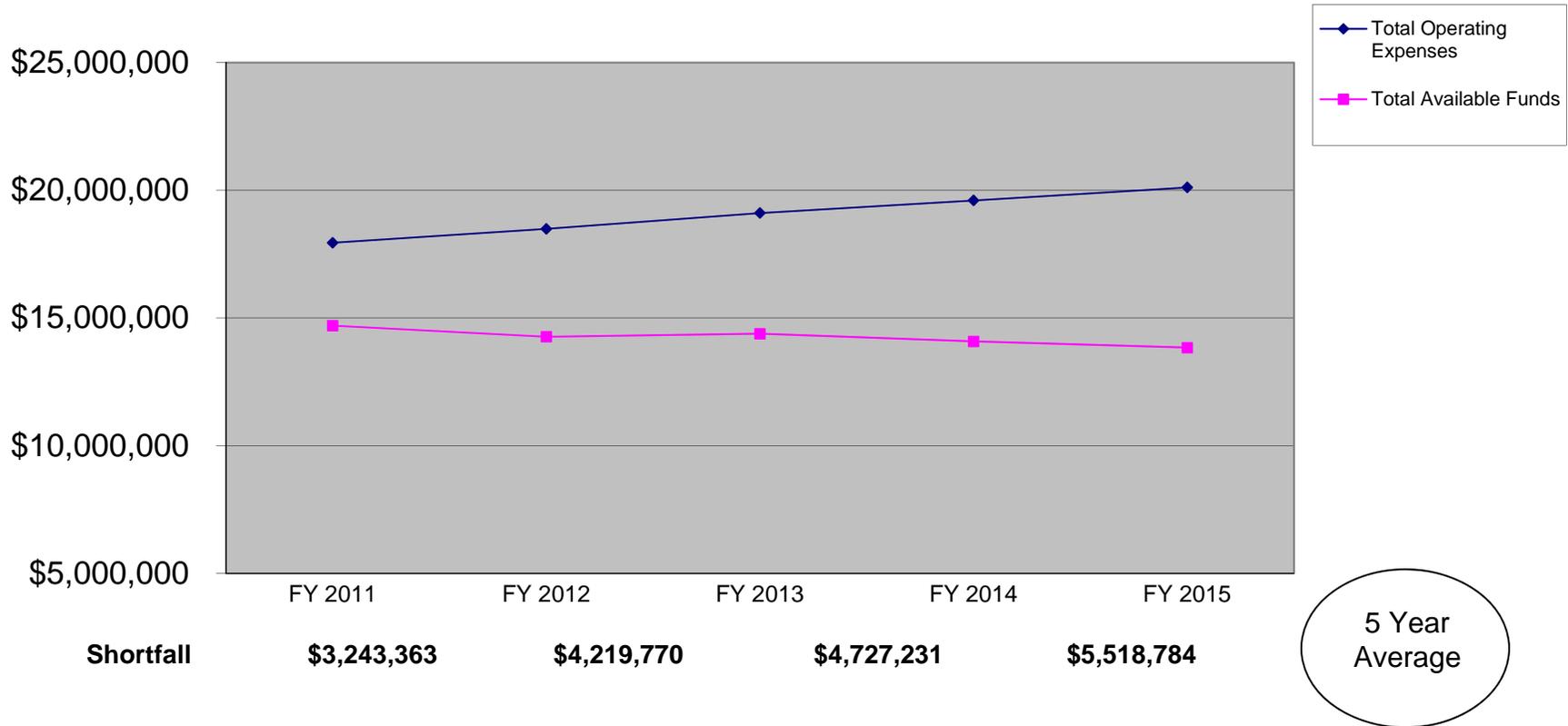
**Missouri Department of Natural Resources
Operating Costs for Air Media Efforts (including GVIP)
All Fund Sources
FY 2011 Projected*
\$20,496,462**



*Based on FY 2010 staffing and planned expenditures
Includes Air Pollution Control Program, Regional Offices, Environmental Services Program and Attorney General's Office
Personal Service, Fringe, E&E, Local Air Agencies and Indirect.

Five Year Projection

Air Media Related Efforts



The 5 year average shortfall is \$4,796,504

As requested by the Air Forum during the October 21, 2009 Stakeholder meeting, the following information is to show what the fees would need to be set at to cover the cost of certain activities.

Slide Layout:

-Cost of Construction Permits

Potential Adjustment to the Portable Source Filing Fee

Potential Adjustment to the Construction Permit Review Fee

Potential Adjustment to the Construction Permit Filing Fee

-Cost of Operating Permits

Potential Adjustment to the Operating Permit Filing Fee

-Cost of the Asbestos Program

Establish a Demolition Review Fee

Potential Adjustment to the Asbestos Certification Fee

Potential Adjustment to the Asbestos Recertification Fee

-Cost of Stationary Source Emissions Tests (Stack Test)

Establish a Stationary Source Emissions Test Fee

-Potential Adjustment to the Current Emission Fee Cap

-Potential Adjustment to the Chargeable Emission Limits

Cost of Construction Permits

| Average Projected 5 Year Construction Permitting Cost | | | | | | |
|--|-------|------------------|-----------|-----------|--|--------------------|
| Fiscal Year | FTE | Personal Service | Fringe | E&E | Indirect | Total |
| 2011 | 20.78 | \$965,564 | \$483,361 | \$121,415 | \$407,189 | \$1,977,529 |
| 2012 | 20.78 | \$994,531 | \$512,780 | \$125,057 | \$423,273 | \$2,055,641 |
| 2013 | 20.78 | \$1,024,366 | \$544,041 | \$128,809 | \$440,088 | \$2,137,305 |
| 2014 | 20.78 | \$1,055,097 | \$560,362 | \$132,673 | \$453,291 | \$2,201,424 |
| 2015 | 20.78 | \$1,086,750 | \$577,173 | \$136,654 | \$466,890 | \$2,267,467 |
| 20.78 FTE Total (Construction Permit Unit 11.50 FTE, Permit Modelers 4.00 FTE, 1/2 of Initial Review Unit 1.50 FTE, 1/2 of Section Chief and Clerical 1.50 FTE and 2.28 FTE for Cost Allocation) | | | | | Average Annual Construction Permitting Cost | \$2,127,873 |

Potential Adjustment to the Current Portable Source Filing Fee

| | |
|--------------------------------------|-------------|
| Average Construction Permitting Cost | \$2,127,873 |
|--------------------------------------|-------------|

| Current Portable Source Filing Fees are \$200 per Application | | | |
|---|------------------------|-------------|--|
| Fiscal Year | Estimated # of Permits | Current Fee | Average Portable Source Filing Fee Revenue |
| N/A | 66 | \$200 | \$13,200 |

Note: The average cost of issuing Portable Source Permits is \$314,230.

| Potential Adjustment to Portable Source Filing Fee | |
|--|------------------------------|
| Fee Level | Projected Additional Revenue |
| \$300 | \$6,600 |
| \$400 | \$13,200 |
| \$500 | \$19,800 |
| \$600 | \$26,400 |

*each \$100 increase equates to \$6,600 in additional revenue

Potential Adjustment to the Current Construction Permit Review Fee

| | |
|---|--------------------|
| Average Construction Permitting Cost | \$2,127,873 |
|---|--------------------|

| Current Construction Permit Review Fee | | | |
|---|--------------------------|--------------------|---|
| Fiscal Year | # of Review Hours | Current Fee | Average Construction Permit Review Fee Revenue |
| 2009 | 4675 | \$50 | \$233,750 |
| *2008 | 6516 | \$50 | \$325,800 |
| 2007 | 4098 | \$50 | \$204,900 |
| 2006 | 5494 | \$50 | \$274,700 |
| 2005 | 7270 | \$50 | \$363,500 |
| Average | 5611 | | \$280,530 |

* Subtracted \$123,275 from FY2008 Revenue. This was a one time special project.

| Potential Adjustment to Construction Permit Review Fee | |
|---|-------------------------------------|
| Fee Level | Projected Additional Revenue |
| \$70 | \$112,212 |
| \$80 | \$168,318 |
| \$90 | \$224,424 |
| \$100 | \$280,530 |
| \$120 | \$392,742 |
| \$130 | \$448,848 |

*each \$10 increase equates to \$56,106 in additional revenue

Potential Adjustment to the Current Construction Permit Filing Fee

| | |
|---|--------------------|
| Average Construction Permitting Cost | \$2,127,873 |
|---|--------------------|

| Current Construction Permit Filing Fee \$100 per Filing Fee | | | |
|--|--------------------------|--------------------|---|
| Fiscal Year | # of Applications | Current Fee | Average Construction Permit Filing Fee Revenue |
| 2009 | 357 | \$100 | \$35,700 |
| 2008 | 407 | \$100 | \$40,700 |
| 2007 | 479 | \$100 | \$47,900 |
| 2006 | 452 | \$100 | \$45,200 |
| 2005 | 532 | \$100 | \$53,200 |
| Average | 445 | | \$44,540 |

| Potential Adjustment to Construction Permit Filing Fee | |
|---|-------------------------------------|
| Fee Level | Projected Additional Revenue |
| \$300 | \$89,080 |
| \$600 | \$222,700 |
| \$900 | \$356,320 |
| \$1,200 | \$489,940 |
| \$1,500 | \$623,560 |
| \$1,800 | \$757,180 |

*each \$300 increase equates to \$133,620 in additional revenue

Cost of Operating Permits

| Average Projected 5 Year Operating Permit Cost | | | | | | |
|---|-------|------------------|-----------|----------|---|--------------------|
| Fiscal Year | FTE | Personal Service | Fringe | E&E | Indirect | Total |
| 2011 | 13.75 | \$656,077 | \$328,432 | \$80,366 | \$276,122 | \$1,340,997 |
| 2012 | 13.75 | \$675,760 | \$348,422 | \$82,776 | \$287,034 | \$1,393,992 |
| 2013 | 13.75 | \$696,032 | \$369,663 | \$85,260 | \$298,443 | \$1,449,398 |
| 2014 | 13.75 | \$716,913 | \$380,753 | \$87,818 | \$307,396 | \$1,492,879 |
| 2015 | 13.75 | \$738,421 | \$392,175 | \$90,452 | \$316,618 | \$1,537,666 |
| 13.75 FTE Total (Operating Permit Unit 7.50 FTE, 1/2 Initial Review Unit 1.50 FTE, 1/2 Section Chief and Clerical 1.50 FTE, RO 2.00 FTE, and 1.25 FTE for Cost Allocation) Note: The average cost to issue Basic Operating Permits is \$104,743. | | | | | Average Annual Operating Permitting Cost | \$1,442,986 |

Potential Adjustment to the Current Operating Permit Filing Fee

| | |
|--|--------------------|
| Average Operating Permitting Cost | \$1,442,986 |
|--|--------------------|

| Operating Permit Filing Fee \$100 per Filing Fee | | | |
|---|---|--------------------|--|
| Fiscal Year | # of Applications 63% Basic 37% P70/Interm | Current Fee | Average Operating Permit Filing Fee Revenue |
| 2009 | 364 | \$100 | \$36,400 |
| 2008 | 463 | \$100 | \$46,300 |
| 2007 | 464 | \$100 | \$46,400 |
| 2006 | 292 | \$100 | \$29,200 |
| 2005 | 322 | \$100 | \$32,200 |
| Average | 381 | | \$38,100 |

Note: The average revenue for Basic Operating Permits is \$24,000.

| Potential Adjustment to Basic Operating Permit Filing Fee | |
|--|---|
| Fee Level | Projected Additional Revenue |
| \$150 | \$12,002 |
| \$200 | \$24,003 |
| \$250 | \$36,005 |
| \$300 | \$48,006 |
| \$350 | \$60,008 |
| \$400 | \$72,009 |

*each \$50 increase equates to \$12,000 in additional revenue

| Potential Adjustment to P70 & Intermediate Operating Permit Filing Fee | |
|---|---|
| Fee Level | Projected Additional Revenue |
| \$300 | \$28,194 |
| \$600 | \$70,485 |
| \$900 | \$112,776 |
| \$1,200 | \$155,067 |
| \$1,500 | \$197,358 |
| \$1,800 | \$239,649 |

*each \$300 increase equates to \$42,291 in additional revenue

Cost of the Asbestos Program

| | | |
|---|-----------|----------------|
| Total Estimated Asbestos Revenue without Fee Adjustments | \$ | 246,038 |
|---|-----------|----------------|

| Average Projected 5 Year Asbestos Cost | | | | | | |
|--|------|------------------|-----------|----------|--------------------------------------|--------------------|
| Fiscal Year | FTE | Personal Service | Fringe | E&E | Indirect | Total |
| 2011 | 7.08 | \$261,557 | \$130,935 | \$41,376 | \$112,502 | \$546,369 |
| 2012 | 7.08 | \$269,403 | \$138,904 | \$42,617 | \$116,925 | \$567,849 |
| 2013 | 7.08 | \$277,485 | \$147,372 | \$43,895 | \$121,548 | \$590,301 |
| 2014 | 7.08 | \$285,810 | \$151,794 | \$45,212 | \$125,194 | \$608,010 |
| 2015 | 7.08 | \$294,384 | \$156,347 | \$46,569 | \$128,950 | \$626,250 |
| 7.08 FTE Total (Asbestos Unit 4.86 FTE, RO 1.85 FTE, and 0.37 FTE for Cost Allocation) | | | | | Average Asbestos Program Cost | \$587,756 |
| | | | | | Projected Asbestos Shortfall | (\$341,718) |

Note: Asbestos Revenue is made up of the following fees; Asbestos Worker Certification Fee, Asbestos Registration Fee, Asbestos Recertification Fee, Asbestos Exam Fee, Asbestos Accreditation Fee, Asbestos Inspection Fee, Asbestos Abatement Notification Fee, and Other Asbestos Discipline Cert Fee.

Establish a Asbestos Demolition Review Fee

| | |
|--------------------------------------|--------------------|
| Average Asbestos Program Cost | \$587,756 |
| Projected Asbestos Shortfall | (\$341,718) |

| Establish a Asbestos Demolition Review Fee | | | |
|---|--|------------------|-------------------------------------|
| Fiscal Year | Estimated # of Demolition Reviews | Fee Level | Projected Additional Revenue |
| N/A | 600 | \$100 | \$60,000 |
| | 600 | \$200 | \$120,000 |
| | 600 | \$300 | \$180,000 |
| | 600 | \$400 | \$240,000 |
| | 600 | \$500 | \$300,000 |

*each \$100 increase equates to \$60,000 in additional revenue

Potential Adjustment to the Current Asbestos Certification Fee

| | |
|--------------------------------------|--------------------|
| Average Asbestos Program Cost | \$587,756 |
| Projected Asbestos Shortfall | (\$341,718) |

| Asbestos Certification Fee (Initial Fees) | | | |
|--|--|---------------------|--|
| \$25 for Workers | | | |
| \$75 All Other Disciplines | | | |
| Fiscal Year | # of Projects 51% Workers 49% Other Disciplines | Current Fees | Average Asbestos Certification Fees |
| 2009 | 684 | \$25/\$75 | \$33,858 |
| 2008 | 721 | \$25/\$75 | \$35,690 |
| 2007 | 699 | \$25/\$75 | \$34,601 |
| 2006 | 904 | \$25/\$75 | \$44,748 |
| 2005 | 826 | \$25/\$75 | \$40,887 |
| Average | 767 | | \$37,957 |

| Potential Adjustment to Worker Asbestos Certification Fee | |
|--|---|
| Fee Level | Projected Additional Revenue |
| \$50 | \$9,777 |
| \$75 | \$19,553 |
| \$100 | \$29,330 |
| \$125 | \$39,107 |
| \$150 | \$48,884 |
| \$175 | \$58,660 |

*each \$25 increase equates to \$9,776 in additional revenue

| Potential Adjustment to Other Disciplines Asbestos Certification Fee | |
|---|---|
| Fee Level | Projected Additional Revenue |
| \$100 | \$9,393 |
| \$125 | \$18,787 |
| \$150 | \$28,180 |
| \$175 | \$37,573 |
| \$200 | \$46,967 |
| \$225 | \$56,360 |

*each \$25 increase equates to \$9,394 in additional revenue

Potential Adjustment to the Current Asbestos Recertification Fee

| | |
|--------------------------------------|--------------------|
| Average Asbestos Program Cost | \$587,756 |
| Projected Asbestos Shortfall | (\$341,718) |

| Potential Increase to Asbestos Recertification Fee | | | |
|---|---|--------------------|--|
| Fiscal Year | # of Projects 95% Workers 4% Contractor 1% Training Provider | Current Fee | Average Asbestos Recertification Fees |
| 2009 | 2,060 | \$5 | \$10,300 |
| 2008 | 2,102 | \$5 | \$10,510 |
| 2007 | 2,017 | \$5 | \$10,085 |
| 2006 | 2,091 | \$5 | \$10,455 |
| 2005 | 2,136 | \$5 | \$10,680 |
| Average | 2,081 | | \$10,406 |

| Potential Adjustment to Worker Asbestos Recertification Fee | |
|--|---|
| Fee Level | Projected Additional Revenue |
| \$25 | \$39,543 |
| \$50 | \$88,971 |
| \$75 | \$138,400 |
| \$100 | \$187,828 |
| \$125 | \$237,257 |
| \$150 | \$286,685 |

*each \$25 increase equates to \$49,428 in additional revenue

| Potential Adjustment to Other Discipline Asbestos Recertification Fee | |
|--|---|
| Fee Level | Projected Additional Revenue |
| \$50 | \$4,683 |
| \$75 | \$7,284 |
| \$100 | \$9,886 |
| \$125 | \$12,487 |
| \$150 | \$15,089 |
| \$175 | \$17,690 |

*each \$25 increase equates to \$2,602 in additional revenue

Cost of Source Testing (Stack Test)

| Average Projected 5 Year Stack Test Cost | | | | | | |
|---|------|------------------|----------|----------|--------------------------------|------------------|
| Fiscal Year | FTE | Personal Service | Fringe | E&E | Indirect | Total |
| 2011 | 2.00 | \$95,544 | \$47,829 | \$11,688 | \$40,207 | \$195,269 |
| 2012 | 2.00 | \$98,410 | \$50,740 | \$12,039 | \$41,796 | \$202,986 |
| 2013 | 2.00 | \$101,363 | \$53,834 | \$12,400 | \$43,458 | \$211,054 |
| 2014 | 2.00 | \$104,404 | \$55,449 | \$12,772 | \$44,761 | \$217,385 |
| 2015 | 2.00 | \$107,536 | \$57,112 | \$13,155 | \$46,104 | \$223,907 |
| 2.00 FTE from the APCP Compliance/Enforcement Section | | | | | Average Stack Test Cost | \$210,120 |

Establish a Source Test Fee (Stack Test)

| | |
|--------------------------------|------------------|
| Average Stack Test Cost | \$210,120 |
|--------------------------------|------------------|

| Establish a Stationary Source Emissions Test Fee (Stack Test) | | | |
|--|-----------------------------|------------------|-------------------------------------|
| Fiscal Year | Estimated # of Tests | Fee Level | Projected Additional Revenue |
| N/A | 75 | \$500 | \$37,500 |
| | 75 | \$1,000 | \$75,000 |
| | 75 | \$1,500 | \$112,500 |
| | 75 | \$2,000 | \$150,000 |
| | 75 | \$2,500 | \$187,500 |

*each \$500 increase equates to \$37,500 in additional revenue

Potential Adjustment to the Current Emission Fee Cap of \$40 per ton

| Projected Tons of Chargeable Emissions | Emission Fee Level | Projected Additional Revenue |
|--|--------------------|------------------------------|
| 241,144 | \$41 | \$241,144 |
| 241,144 | \$42 | \$482,287 |
| 241,144 | \$43 | \$723,431 |
| 241,144 | \$44 | \$964,575 |
| 241,144 | \$45 | \$1,205,718 |
| 241,144 | \$46 | \$1,446,862 |
| 241,144 | \$47 | \$1,688,006 |
| 241,144 | \$48 | \$1,929,149 |
| 241,144 | \$49 | \$2,170,293 |
| 241,144 | \$50 | \$2,411,437 |
| 241,144 | \$51 | \$2,652,580 |
| 241,144 | \$52 | \$2,893,724 |
| 241,144 | \$53 | \$3,134,868 |
| 241,144 | \$54 | \$3,376,011 |
| 241,144 | \$55 | \$3,617,155 |
| 241,144 | \$56 | \$3,858,299 |
| 241,144 | \$57 | \$4,099,442 |
| 241,144 | \$58 | \$4,340,586 |
| 241,144 | \$59 | \$4,581,729 |
| 241,144 | \$60 | \$4,822,873 |

*each \$1.00 increase equates to \$241,144 in additional revenue

Projected Tons of Chargeable Emissions are based on a 5 year average assuming a 1% reduction in emissions each year.

Potential Adjustment to the Chargeable Emission Limits

| Potential Changes in Tonnage Caps from 4,000 and 12,000 to... | Potential Additional Tons of Chargeable Emissions | Current Emission Fee per Ton | Projected Additional Revenue with Tonnage Limit Increase |
|---|---|------------------------------|--|
| 5,000/13,000 | 31,018 | \$40 | \$1,240,720 |
| 6,000/14,000 | 56,630 | \$40 | \$2,265,200 |
| 7,000/15,000 | 77,187 | \$40 | \$3,087,480 |
| 8,000/16,000 | 92,206 | \$40 | \$3,688,240 |
| 9,000/17,000 | 105,101 | \$40 | \$4,204,040 |
| 10,000/18,000 | 116,352 | \$40 | \$4,654,080 |
| 11,000/19,000 | 126,766 | \$40 | \$5,070,640 |

CONCLUSION

Inadequate Funding Could Result in:

- The Department's Inability to Protect Human Health and the Environment
- EPA Withdrawing Delegation of the Program and Implementing Sanctions, Including Industry Offsets and/or Withholding Highway Funds
- EPA May Also Issue a Federal Implementation Plan

If the State could not adequately administer the Air Program, and EPA withdrew delegation, the cost to Missouri emitters would increase from approximately \$10.8M to \$25.6M.

Discussion