

# **PERMIT FEE PROGRAM EVALUATION**

*A Report to the Honorable Ralph S. Northam, Governor  
and the House Committees on Appropriations, Agriculture, Chesapeake and  
Natural Resources, and Finance and the Senate Committees on Agriculture,  
Conservation and Natural Resources and Finance*

**Virginia Department of Environmental Quality**

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## **EXECUTIVE SUMMARY**

This report evaluates the implementation of permit fee programs at the Department of Environmental Quality (DEQ) as required by Sections 10.1-1322, 10.1-1402.1 and 62.1-44.15:6 of the Code of Virginia. These sections require that, on January 1 of every even-numbered year, a report evaluating the implementation of the air, water and waste permit fee programs be provided to the Senate Committees on Agriculture, Conservation and Natural Resources and Finance; and the House Committees on Appropriations, Agriculture, Chesapeake and Natural Resources, and Finance. This evaluation must include “a report on the total fees collected, the amount of general funds allocated to the Department, the Department's use of the fees and the general funds, the number of permit applications received, the number of permits issued, the progress in eliminating permit backlogs, and the timeliness of permit processing.”

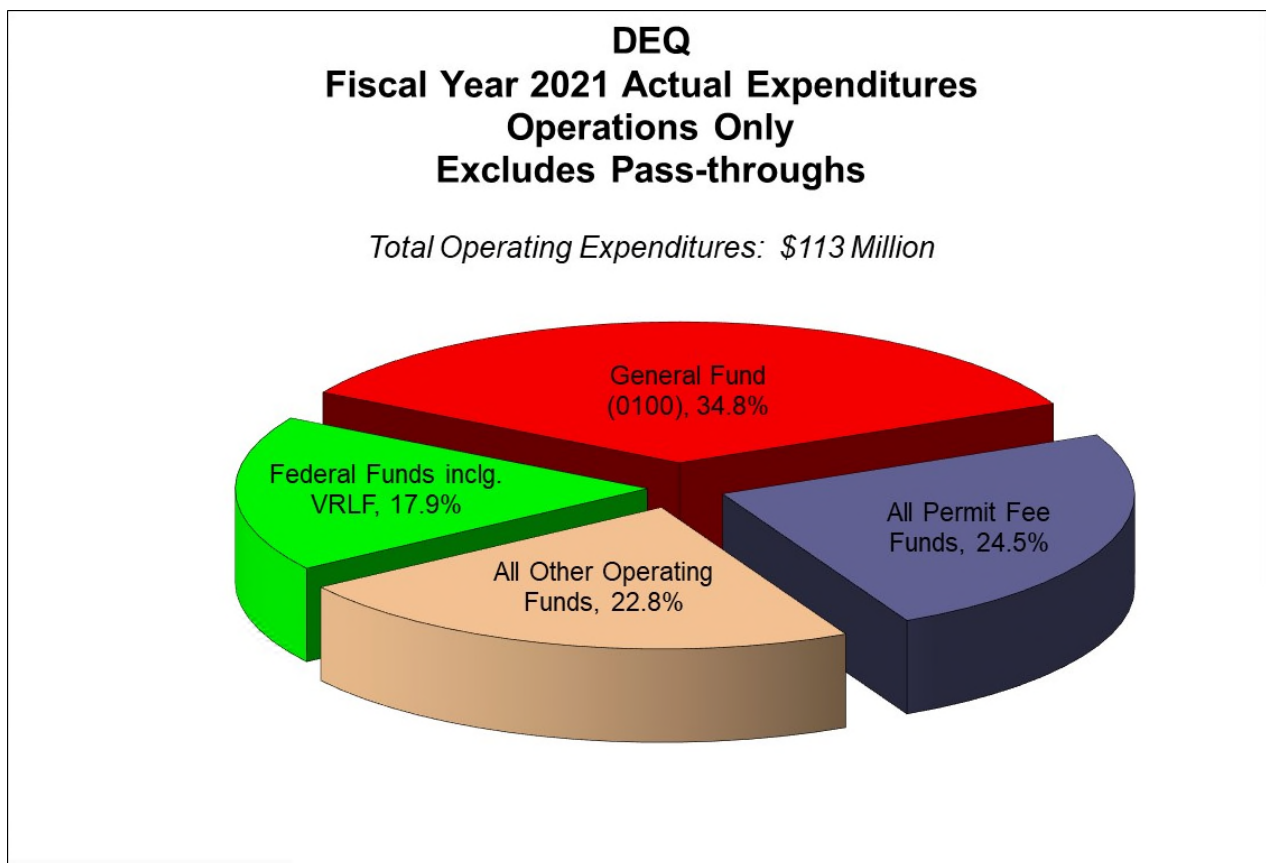
In addition to the requirements identified above, Section 62.1-44.15:6 specifies that for the water permit program, the report must include the following: (1) the total costs, both direct and indirect, including the costs of overhead, water quality planning, water quality assessment, operations coordination, and surface water and ground water investigations, (2) the total fees collected by permit category, (3) the amount of general funds allocated to the Board, (4) the amount of federal funds received, (5) the Board's use of the fees, the general funds, and the federal funds, (6) the number of permit applications received by category, (7) the number of permits issued by category, (8) the progress in eliminating permit backlogs, (9) the timeliness of permit processing, and (10) the direct and indirect costs to neighboring states of administering their water permit programs, including what activities each state categorizes as direct and indirect costs, and the fees charged to the permit holders and applicants.

This report focuses on activities related to the Department's permit fee programs in FY 2021. Archived versions of previous year's reports are available from the following webpage:  
<https://rga.lis.virginia.gov/?OpenForm&StartKey=2018&ExpandView>

# 1. PERMIT FEE ANALYSIS

## 1.1 Program Funding and Expenditures

The information that follows provides a brief overview and summary of the status of the funding and expenditures for the Department of Environmental Quality's (DEQ) Permit Programs for Fiscal Year (FY) 2021. DEQ's permit programs are funded through a variety of mechanisms. The following table illustrates the funding source for operating expenses during FY 2021.



As a delegated state, DEQ implements many federal permit programs in Virginia. DEQ issues permits in lieu of EPA and is challenged with revising state regulations to maintain consistency with requirements found in federal regulations. In recent years, federal environmental permitting programs have become more complex, and have required the issuance of more guidance and outreach to the regulated community. Federal funding to support DEQ implementing federally delegated permitting programs has not increased in conjunction with the increased complexity of the permitting programs.

The following is a summary of permit program activities at DEQ for FY 2021.

- **Permit Fee Revenues:** In FY 2021, a total of \$24,717,579 was collected by DEQ for all water (including stormwater), air and waste permit programs. This includes biosolids' land application fees and fee revenues associated with Virginia Pollution Abatement (VPA) permits for projects related to application of biosolids.

- General Fund Allocations: In FY 2021, a total of \$12,314,575 in General Funds was allocated for the water, air, and waste permit programs.
- Staffing: In FY 2021, DEQ employed a total of 109 Virginia Pollutant Discharge Elimination System (VPDES), VPA, and groundwater water permit program staff, 29 Virginia Water Protection (VWP) permit program staff, 7 biosolids permit program staff, 50 stormwater staff, 90 air permit program staff, 18 hazardous waste and 56 solid waste permit program staff; this includes permitting, inspection and enforcement staff for all of the permit programs listed above.
- Water and Land Program Costs: In FY 2021, DEQ expended \$2,768,530 in direct VWP water permit program costs, \$12,352,972 in direct VPDES, VPA and groundwater water permit programs, \$3,160,472 in direct and indirect hazardous waste permit program costs, \$5,103,773 in direct solid waste permit program costs, \$722,446 in biosolids program costs, and \$7,084,517 in stormwater program costs. Total program costs for these water and land protection permit programs in FY 2021 were \$31,192,709.
- Air Program Costs: Title V total program costs, including direct and indirect costs, were \$11,707,312 in FY 2021. Non-Title V air program direct costs were \$910,082 in FY 2021.
- Permit Program Costs: The total cost of all air, water and land permit programs in FY 2021 was \$43,810,103.
- VPDES, VPA, and Groundwater Permit Program Funding: In FY 2021, permit fee revenues covered 31.6% of water permit program direct costs, which includes the direct costs to issue and enforce permits.
- VWP Permit Program Funding: In FY 2021, permit fee revenues covered 10.4% of VWP permit program direct costs, which includes the direct costs to issue and enforce permits.
- Biosolids Program Funding: Funds deposited into the Sludge Management Fund are used to pay expenses related to the oversight of the Biosolids program. Permit application and maintenance fees and land application fee collections are all deposited into the Sludge Management Fund. In FY 2021, Sludge Management Fund revenues (including biosolids' land application fees) covered 96.3% of the direct costs associated with the Biosolids program.
- Stormwater Program Funding: Funds deposited into the Virginia Stormwater Management Fund are used to pay a portion of the expenses related to the operation and oversight of the Stormwater Permitting Program. In FY 2021, Virginia Stormwater Management Fund revenues along with stormwater training and certification fees covered 75.6% of the direct costs associated with the stormwater permitting program.
- Hazardous Waste Permit Program Funding: The Waste Management Board adopted regulations pursuant to § 10.1-1402 of the Code of Virginia to ensure that general funds would not be required to cover the direct costs related to the issuance of all permits for the hazardous waste management program. In FY 2021, permit fee revenue covered 32% of hazardous waste permit program direct costs. The remaining costs are covered by federal funds.

- Solid Waste Permit Program Funding: In FY 2021, permit fee revenue covered 56.2% of solid waste permit program direct costs.
- Air Permit Program Funding: In FY 2021, Title V permit fee funds covered 100% of the direct program costs as defined by federal rules; however, Title V permit fee revenues decreased from approximately \$13 million in FY 2020 to \$11.9 million in FY 2021. This decrease caused DEQ to maintain a vacancy rate that supported the reduced revenues. Title V permit fee revenues also covered all of the Title V total costs (this includes air quality monitoring and planning activities that support permit issuance and compliance as well as indirect and overhead costs). Non-Title V air permitting and compliance costs are partially funded through federal collections, and these collections covered 57.3% of the non-Title V air permitting programs' direct costs.

The following table, *Permit Fee Analysis Summary*, provides more detailed information on DEQ's use of permit fees, general funds, and federal funds for FY 2021.<sup>1</sup>

**TABLE 1.1 – 1 PERMIT FEE ANALYSIS SUMMARY**

**BASED ON ACTUAL COSTS AND REVENUES- FY 2021**

<b>FY 2021 Summary</b>	<b>VWP, VPDES, GWP WATER PERMITS</b>	<b>TITLE V AIR PERMITS</b>	<b>NON TITLE V AIR PERMITS</b>	<b>HAZARDOUS WASTE PERMITS</b>	<b>SOLID WASTE PERMITS</b>	<b>BIO SOLIDS</b>	<b>STORM WATER</b>
<b><u>PROGRAM/PERMIT COSTS</u></b>							
Direct Costs	\$15,121,502	\$8,839,966	\$910,082	\$2,739,766	\$5,103,773	\$719,938	\$7,084,517
Indirect Costs on Title V and HW only	\$0	\$2,867,346	\$0	\$420,705	\$0	\$0	\$0
Reimbursement to localities	\$0	\$0	\$0	\$0	\$0	\$2,508	\$0
<b>Total Costs</b>	<b>\$15,121,502</b>	<b>\$11,707,312</b>	<b>\$910,082</b>	<b>\$3,160,472</b>	<b>\$5,103,773</b>	<b>\$722,446</b>	<b>\$7,084,517</b>
<b><u>PERMIT &amp; FEDERAL REVENUES</u></b>							
Permit Fee Collections	\$4,190,527	\$11,916,963	\$0	\$878,055	\$2,869,378	\$23,000	\$4,169,011
Training and Certification fees	\$0	\$0	\$0	\$0	\$0	\$0	\$855,334
Sewage Sludge Land Application Fee Collections	\$0	\$0	\$0	\$0	\$0	\$670,646	\$0
Interest, Penalties and Prior Year Refunds	\$53,504	\$61,034	\$0	\$6,497	\$21,081	\$0	\$334,467
Federal Collections	\$1,164,470	\$0	\$521,823	\$2,130,048	\$0	\$0	\$0
<b>TOTAL REVENUES</b>	<b>\$5,408,501</b>	<b>\$11,977,996</b>	<b>\$521,823</b>	<b>\$3,014,600</b>	<b>\$2,890,459</b>	<b>\$693,646</b>	<b>\$5,358,812</b>
<b>Percent Permit Fee Revenue / Direct Cost</b>	27.7%	134.8%	0.0%	32.0%	56.2%	3.2%	58.8%
<b>Percent Revenue / Direct Cost</b>	35.8%	135.5%	57.3%	110.0%	56.6%	96.3%	75.6%
<b>Percent Revenue / Total Cost</b>	35.8%	102.3%	57.3%	95.4%	56.6%	96.0%	75.6%
<b>General Fund/Fund Balance Contribution</b>	<b>\$9,713,001</b>	<b>(\$270,685)</b>	<b>\$388,260</b>	<b>\$145,872</b>	<b>\$2,213,314</b>	<b>\$28,800</b>	<b>\$1,725,704</b>

<sup>1</sup> See Attachment A: Cost Allocation Methodology



## 1.2 Program Efficiencies

DEQ works to achieve its vision of cleaner water, improved air quality and productive re-use of contaminated land through a culture of efficient and effective government and continuous improvement. With limited resources, and increasingly complex regulatory permit programs, it is challenging for DEQ to meet all of its core obligations. DEQ is currently addressing this challenge through strategic planning and prioritization of services with current resources. This focus has enabled the agency to maintain a high level of service despite a high rate of staff vacancy. DEQ examines ways to improve services while controlling costs in an environment of limited resources and increasing demands.

DEQ embraces the concept of continuous improvement and allocates resources to process and program improvements. DEQ implements business improvement efforts through the strategic planning process. DEQ actively aligns operational and strategic plans and develops business improvement plans which target operational process improvements. DEQ also performs internal program reviews and audits that assess the efficiency and effectiveness of agency programs. These efforts identify potential operational changes that will improve the efficiency and effectiveness of agency operations and provide opportunities to reduce the costs of compliance.

DEQ continues to work with the U.S. Environmental Protection Agency (EPA) to incorporate more risk based inspection strategies into the waste, water and air programs, where appropriate. Implementation of this strategy has allowed DEQ to focus inspection resources on activities that pose the greatest potential threat to the environment and on sectors where non-compliance with regulatory requirements tends to occur. This risk based inspection strategy currently is limited by EPA's requirement that DEQ continue to meet all federal mandates for existing inspection frequencies and facility types. This forces DEQ to use only those resources available after satisfying federal mandates to conduct risk based inspections. DEQ continues to work with EPA to move toward more risk based inspections at facilities that use continuous monitoring systems.

DEQ's IT strategic plan includes investments in technology that provide tools designed to help both the agency staff and our business partners operate more efficiently. Key areas of the plan include receiving data electronically rather than through current paper processes via the growing DEQ portal and mobile applications. DEQ business operations are most efficient when effective applications to collect, maintain, and report its data are developed. DEQ has an IT governance process in place to ensure business IT projects are evaluated and prioritized based on highest agency business need. DEQ's current technology-based initiatives include:

- Comprehensive Environmental Data System (CEDS): DEQ's system of record for environmental data. DEQ has converted the outdated legacy modules to an architecture that will enable integration among DEQ's enterprise applications and mobile/web deployments. Additionally, the agency has converted to a new reporting tool to extract data from CEDS.
- Enterprise Content Management System (ECM): DEQ's repository for documents of record, implementing approved document retention. DEQ is upgrading the system to include single sign-on and enhanced ability to integrate seamlessly with the other enterprise applications.
- Geographic Information System (GIS): Geospatial information across DEQ used for modeling, analysis, and public information. DEQ is updating its GIS strategic plan to ensure future efforts in this area continue to be focused, cost effective and meet the agency's evolving needs.
- Oracle E-Business Suite (eBiz): DEQ's transaction and reporting database for financials, human resources, purchasing, and project costing. DEQ continues to upgrade and enhance eBiz to meet technical support requirements and evolving business needs.

- Increasing use of electronic devices: DEQ recently received a federal grant to develop a mobile application in the water monitoring programs. When developed, this application will be the baseline used in all inspection programs at DEQ. In addition, all DEQ staff will be equipped with mobile smart phones to replace existing desk phones. This cost neutral strategy will enable inspectors to use this device during current inspections for photos and notes.

The dynamic nature of environmental regulation demands ever-changing environmental data for analysis and decision-making, requiring a sustained effort towards efficient capture, storage, protection, and exchange of this data. By integrating CEDS, ECM, GIS, and eBiz, DEQ is laying the foundation for future initiatives that will benefit the public, the regulated community and other government agencies. DEQ's plans for the future include:

- Web-based permit application process and reporting for the regulated community;
- Mobilization of inspectors, water quality assessors, and monitoring staff with tools for on-site data capture and global positioning;
- Sophisticated environmental data modeling and forecasting tools;
- Efficient data retrieval using Business Intelligence technology and an enterprise data warehouse; and
- Conversion of paper forms to online forms for use by the regulated community.

DEQ strategically addresses risks of an aging workforce, reduced staffing levels, and recruitment competition through knowledge sharing, recruitment and retention, and continuous improvement initiatives. DEQ has identified key agency roles and core skills, as well as knowledge and abilities (KSAs) for those roles in order to facilitate targeted recruitment for KSA gaps. DEQ faces workforce challenges related to workforce recruitment and retention due to an increasing number of employees who are eligible to retire; the loss of staff to the federal and local governments; and private industry firms that offer salary ranges much greater than DEQ can offer. Currently, 15% of DEQ's workforce will be eligible to retire without a reduced benefit in the next five years. DEQ has developed strategic objectives for workforce development that include a strong workforce development program described below.

- A DEQ Guide Program has been implemented to improve the first year of employment for new employees, as well as their supervisors and team members. This program assists with welcoming the new employees into the workplace culture and instilling a sense of connection to their colleagues and the organizational goal of DEQ. This program aims to onboard new employees quickly, while providing an individual to assist the new employee with successfully integrating into DEQ's workforce.
- DEQ has also hired an agency Talent Acquisition Manager within the Office of Human Resources. The Talent Acquisition Manager will lead the agency's efforts to identify, design, develop, and facilitate implementation and/or enhancement of talent acquisition strategies to include diversity recruitment initiatives, internships, apprenticeships, Virginia Values Veterans (V3) initiatives, and college and university relations.
- A competency-based career progression program (Entry, Senior & Senior II) that develops staff technical competence and provides incentive for staff to stay with the agency by providing advancement and development opportunities within one's current job. For 2021, DEQ's turnover rate was 6.4% compared to the state turnover rate of 15.7%. We believe that this program is contributing to DEQ's retention rate being lower than the state average.

- DEQ seeks to build future leaders through the Emerging Leaders Program (ELP). The ELP is a competency-based leadership development program that identifies and develops high performing staff to ensure the agency has a pipeline of qualified leaders to meet future challenges and bench strength to promote from within. Participants in this program gain practical leadership experience by working on real time business issues, and strengthen leadership skills through training and mentoring.
- DEQ's leadership training program for middle management integrates succession planning into operational areas and increases coaching frequency, facilitates knowledge transfer, and creates development opportunities. The program also holds managers accountable for displaying core leadership competencies through performance appraisals and requires 10 hours of leadership training every year.
- DEQ's focus on lean business processes and operational business improvement plans (BIPs) assists the agency with meeting staffing vacancy challenges by streamlining business processes, identifying inefficiencies, and reducing costs.
- DEQ's Job Partnering Program allows employees to gain new skills and experience greater job satisfaction offered by increased work diversification. The agency benefits by having more versatile staff to address resource constraints or other challenges. This program strives to develop motivated employees through cross-media and cross-program work assignments.
- DEQ's workforce planning committee has developed a Knowledge Transfer Plan that is rolling out to the Leadership Team, Program Managers and Team Leaders. The plan includes best management practices for this effort including training and annual knowledge sharing workshops for management.

The agency continues to identify ways to use resources efficiently and implement changes to business practices to become more efficient while carrying out the agency's mission.

### 1.3 Permit Program Staffing

The following chart contains information on the program staffing levels and funding for permit program positions for FY 2021. In some instances, staff members are involved with and funded through multiple permit programs.

**Table 1.3 – 1 DEQ Permit Fee Analysis Summary – Permit Program Staffing  
Based on Actual FY 2021 <sup>2</sup>**

<b>Program Title</b>	<b>General Fund</b>	<b>Fee Fund</b>	<b>Federal Fund</b>	<b>Total Staffing</b>
<i>VPDES/VPA/Groundwater</i>	69	31	9	109
<i>VWP</i>	19	8	2	29
<i>Biosolids</i>	0	7	0	7
<i>Stormwater</i>	11	39	0	50
<b>Water Total</b>	<b>99</b>	<b>85</b>	<b>11</b>	<b>195</b>
<i>Air</i>	11	73	6	90
<b>Air Total</b>	<b>11</b>	<b>73</b>	<b>6</b>	<b>90</b>
<i>Hazardous Waste</i>	0	4	14	18
<i>Solid Waste</i>	23	28	5	56
<b>Waste Total</b>	<b>23</b>	<b>32</b>	<b>19</b>	<b>74</b>
<b>MEDIA TOTALS</b>	<b>133</b>	<b>190</b>	<b>36</b>	<b>359</b>

<sup>2</sup> Numbers based on actual employees as of June 30, 2021.

## 1.4 Executive Order Number 6

Governor Northam signed Executive Order Number 6 (EO6): *Supporting the Critical Role of the Virginia Department of Environmental Quality in the Protection of Virginia's Air, Water, and Public Health* in April 2018. DEQ's funding and staffing has decreased significantly since it was formed in 1993 and have impacted DEQ services and programs. Due to the reductions in general fund appropriations, DEQ is now more reliant on limited permit fee revenue and federal funds.

In response to EO6, the Department of Environmental Quality's ability to carry out its mission of protecting and enhancing Virginia's environment, and promoting the health and well-being of the citizens of the Commonwealth was assessed. Areas in which additional funding or authorities necessary to protect Virginia's environment were also examined. This was achieved through DEQ holding a series of roundtable meetings with stakeholders to gather feedback concerning agency operations as well as DEQ conducting an internal review with staff. Findings and recommendations related to EO6 were reported to Governor Northam by the Secretary of Natural and Historic Resources in August 2019. The EO6 report included activities and initiatives to support Governor Northam's long-term vision for environmental protection in the Commonwealth. The report recognizes the need for DEQ to be fully restored to protect environmental resources and support the economy through the timely and consistent review of permit applications and recommends additional resources and other initiatives to improve efficiency and responsiveness in DEQ's permitting programs. The full report submitted by the Secretary of Natural and Historic Resources to Governor Northam pertaining to EO6 is available at: <https://www.governor.virginia.gov/media/governorvirginiagov/media/EO-6-Final-Report-from-SNR.pdf> . Agency staff are continuing to implement changes in response to the EO6 report.

## 2. PERMIT PROGRAM MEDIA AREA EVALUATIONS

### 2.1 Water Permitting

An analysis of the status of the Water Permit Programs within DEQ is provided in this section.

- The average length of time needed to process a VPDES individual permit for the 2021 fiscal year period was generally similar to the 2019 period. Over the past decade, permit turnaround times have trended upward, reflecting increased complexity in processing renewal applications. FY2021 processing times were also uniquely influenced by reduced staffing levels and revised agency operating protocols to respond to and comply with restrictions during the COVID-19 pandemic. Five (5) VPDES individual permits were reissued that had been previously administratively continued for more than two years.
- The average length of time needed to process a VPA individual permit for the 2021 fiscal year period increased compared to 2019 turnaround times, attributed to extensive periods needed to secure complete application submittals. An increase in VPA general permit turnaround times was due to permit administrative continuances until such time as the reissued Poultry Waste Management general permit regulation became effective.
- During FY 2021, DEQ issued and reissued a total of 130 VPDES and 10 VPA individual permits (IPs), and certified general permit (GP) coverage for 1,505 VPDES and 555 VPA facilities. This compares to a total of 190 VPDES and five (5) VPA IPs processed to completion in FY2019, and GP coverage certified for 1,907 VPDES and 24 VPA facilities. Permit productivity for a given fiscal year is generally dependent on the permit reissuance cycle (every 5 years for VPDES permits; and every 10 years for VPA permits). During FY2021, no VPDES GP regulations were renewed, but two (2) regulations expire within 60 days following the end of FY2021: 1) 9VAC25-110, Domestic Sewage Discharges < 1000 GPD (VAG40); and 2) 9VAC25-115, Seafood Processing Facilities (VAG52). One (1) VPA GP regulation was renewed during FY2021: 9VAC 25-630, Poultry Waste Management (VPG2), representing a significant VPA manpower focus during the year.
- No permits were administratively appealed during FY2021.
- The average length of time needed to process a Virginia Water Protection (VWP) individual permit and to process a VWP General Permit coverage decreased slightly between FY 2019 and FY 2021. Individual permit and general permit coverage processing times are shown for VWP permits in Table 2.1-1.
- In FY 2021, VWP actions incurring fees included the issuance of 23 VWP individual permits and 138 general permit coverages (where impacts totaled *more than* 1/10 acre or 300 linear feet). Also in FY 2021, VWP Permit Program staff conducted 156 permit-related actions that *do not* require fees per statute, even though these actions are processed by staff in a similar manner as permits: 33 minor modifications to VWP individual permits; issuance of 69 VWP general permit coverages where impacts are *less than* 1/10 acre or 300 linear feet; and 38 changes to VWP general permit coverages (where impacts totaled *more than* 1/10 acre or 300 linear feet); and 16 changes to VWP general permit coverages (where impacts totaled *less than* 1/10 acre or 300 linear feet).

- In July 2013, Stormwater Management Programs were transferred from the Department of Conservation and Recreation (DCR) to DEQ. This is the fourth Permit Fee Evaluation Report issued since the transfer of the Stormwater Management Programs from DCR to DEQ. The number of permits overseen by DEQ has increased since 2013 in response to the transfer of the Stormwater Management Program.

**Table 2.1 – 1 Average Water Permitting Processing Times in Days (FY 2015 – FY 2021)<sup>3</sup>**

<b>Year</b>	<b>VPDES<sup>4</sup></b>	<b>VPA<sup>5</sup></b>	<b>VWP<sup>6</sup></b>
<b>2015</b>	339/93 <sup>7</sup>	429/56	120/0/35
<b>2017</b>	298/77 <sup>8</sup>	2114/50	92/0/27
<b>2019</b>	329/83 <sup>9</sup>	287/86	128/0/26
<b>2021</b>	322/79 <sup>10</sup>	577/200	120/0/21

<sup>3</sup> The amount of days shown is the difference between the date the application was deemed complete and the date the individual permit or general permit coverage was issued. The records used for this calculation have an issuance or major modification data date within the fiscal year. In 2016, VWP determined that periods of inactivity (suspension) would be factored into these calculations.

<sup>4</sup> Processing time for VPDES individual permits and general permits are shown as (IP/GP).

<sup>5</sup> Processing time for VPA individual permits and general permits are shown as (IP/GP).

<sup>6</sup> VWP permit data is shown as Individual Issuance/Individual Reissuance/General Permit Coverage Issuance. Only those actions having associated permit application fees are included.

<sup>7</sup> Includes Stormwater related permits.

<sup>8</sup> Includes Stormwater related permits.

<sup>9</sup> Includes Stormwater related permits.

<sup>10</sup> Includes Stormwater related permits.

**Table 2.1 – 2 Water Permits Processed FY 2021  
Comparison of FY 2021 and FY 2019 Data**

Permit type	VPDES <sup>11</sup> (IP/GP)		VPA (IP/GP)		VWP <sup>12</sup> (IP/GP)	
	2021	2019	2021	2019	2021	2019
<b>Applications Received</b>	115/1,475	127/5,398	14/554	26/22	53/197	39 / 170
<b>Applications Deemed Complete</b>	110/1,505	101/4,752	18/552	9/20	30/151	32 / 147
<b>Permits Issued</b>	130/1,505 <sup>13</sup>	190/1,907 <sup>14</sup>	10/555 <sup>15</sup>	5/24 <sup>16</sup>	23/138	31 / 138
<b>Permits Appealed<sup>17</sup></b>	0/0	0/0	0/0	0/0	NA	NA
<b># Expired Permits</b>	69	54	41	14	42/120	51 / 119

Abbreviations utilized in table above: IP- individual permit, GP- general permit coverage

<sup>11</sup> Includes Stormwater related permits.

<sup>12</sup> “Permits Issued”, “# Expired Permits”, "Applications Deemed Complete", and "Applications Received" apply to VWP individual permits and general permit coverage for projects incurring impacts *greater than* 1/10 acre or 300 linear feet. Issuance of general permit coverage for projects incurring impacts that are less than these limits are not included in these values, since no fees are assessed per the current fee regulations. Likewise, modifications to VWP individual permits and general permit coverage, where no fees are incurred for the modification, are not included.

<sup>13</sup> No VPDES General Permit regulations were issued in FY 2021. This number reflects the number of facilities issued coverage under a general permit during FY 2021.

<sup>14</sup> Three VPDES General Permit regulations were issued in FY 2019. This number reflects the number of facilities issued coverage under a general permit during FY 2019.

<sup>15</sup> This number reflects the number of facilities issued coverage under a general permit during FY 2021.

<sup>16</sup> This number reflects the number of facilities issued coverage under a general permit during FY 2019.

<sup>17</sup> Permit appeals filed by permittee during FY.



## 2.2 Air Permitting

An analysis of the DEQ Air Permit Program is presented in this section.

- In FY 2021, DEQ met its processing time goals for processing major and minor source permits requiring hearings 40% of the time. DEQ met its processing time goal for processing minor source permits not requiring hearings 94% of the time. The processing time goal for permits with administrative amendments was met 64% of the time. DEQ met its processing time goals for processing PSD permits 100% of the time.
- In FY 2021, DEQ issued a total of 443 air permits. The total number of permits issued in FY 2019 was 363.

**Table 2.2 – 1 Air Permitting Processing Times (FY 2015 – FY 2021)**

Air Permit Processing Time Comparison (Average number of days)						
Year	Major or Minor Permits w/Public Hearing	Minor Permits w/No Public Hearing	Administrative Amendments	PSD Permits	Title V	Title V Renewals
2015	81	35	21	129	267	217
2017	98	32	23	13	45 <sup>18</sup>	188
2019	156	41	19	146	205	259
2021	235	34	64	153	425 <sup>19</sup>	479 <sup>20</sup>

<sup>18</sup> Only one Title V permit was issued in FY 2017. The original application for this permit was submitted during FY 2014 and a draft permit was submitted to EPA for review. In response to EPA’s comments, a revised permit application was submitted by the applicant and deemed complete in FY 2016. For purposes of this report, the calculation for average number of days was based on the “deemed technically complete” date from the revised permit application and the final “permit issuance date”. Processing of a Title V permit generally takes up to 548 days, but was significantly lower in this specific case due to submission of a revised permit application after drafting of the permit had occurred.

<sup>19</sup> Title V extended issuance times reflect current staffing level (permit writer) constraints.

<sup>20</sup> Title V extended reissuance times reflect current staffing level (permit writer) constraints.

**Table 2.2 - 2 Air Permits Processed FY 2021**

<b>AIR PERMITS PROCESSED FY 2021</b>												
	<b>PSD &amp; Non-attainment</b>	<b>Major</b>	<b>Minor w/Hearing</b>	<b>Minor – No Hearing</b>	<b>Admin. Amendment</b>	<b>Exemptions</b>	<b>Title V</b>	<b>Title V Renewals</b>	<b>State Operating</b>	<b>Acid Rain</b>	<b>General</b>	<b>Total</b>
<b>Draft Permits in Process (07/01/2020)</b>	11	1	1	122	10	1	15	150	35	4	1	351
<b>Apps. Received <sup>21</sup></b>	6	3	0	309	19	31	4	39	47	2	2	462
<b>Apps. Withdrawn</b>	2	1	14	0	0	1	0	2	17	0	2	39
<b>Apps. Denied</b>	0	0	0	0	0	0	0	0	0	0	0	0
<b>Permits Issued</b>	7	1	0	312	27	23	1	24	44	3	1	443
<b>Draft Permits in Process (06/30/2021)</b>	8	2	0	119	2	8	18	163	21	3	0	331

<sup>21</sup> Includes both complete and incomplete applications; including applications that were exempt, denied, deferred, and withdrawn.

## 2.3 Waste Permitting

An analysis of the Solid and Hazardous Waste permitting programs within DEQ for FY 2021 is presented in this section. A comparison with permitting programs for previous fiscal years also is presented in the tables that follow.

- In FY 2021, DEQ issued a total of 75 solid waste permits and 11 hazardous waste permits, compared to a total of 58 solid waste permits and 21 hazardous waste permits in FY 2019.

**Table 2.3 – 1 Average Solid Waste Permitting Processing Times (FY 2015 – FY 2021)**

Year	Part A	Part B <sup>22</sup>	Permits-by-Rule
2015	0 days <sup>23</sup>	0 days <sup>24</sup>	18 days
2017	107 days	145 days <sup>25</sup>	14 days
2019	203 days <sup>26</sup>	239 days <sup>27</sup>	29 days <sup>28</sup>
2021	282 days	0 days <sup>29</sup>	46 days <sup>30</sup>

**Table 2.3 – 2 Average Hazardous Waste Permitting Processing Times (FY 2015 – FY 2021)**

Year	Storage and Treatment	Emergency	Post-Closure
2015	172 days	7 days	352 days
2017	NA	6 days	247 days
2019	266 days	5 days	137 days
2021	164 days	14 days <sup>31</sup>	273 days <sup>32</sup>

<sup>22</sup> Includes “new” Part B applications and multi-module, comprehensive permit amendments.

<sup>23</sup> No Part A applications or amendments were issued during FY 2015; however, staff worked on processing a Part A application during FY 2015 and other permit amendments during FY 2015.

<sup>24</sup> No “new” Part B applications or multi-module, comprehensive permit amendments were issued during FY 2015; however, staff worked on processing a Part B permit application and other permit amendments during FY 2015.

<sup>25</sup> Only one Part B permit was issued during FY 2017. This permit was related to a coal combustion residuals surface impoundment. The increase in time required to process this permit was related to the increased public interest in this permit.

<sup>26</sup> The increase in the average processing time was due to one Part A permit application requiring multiple revisions and limited staff resources.

<sup>27</sup> The increase in the average processing time can be attributed to the issuance of permits for the closure of Coal Combustion Residual surface impoundments.

<sup>28</sup> The increase in the average processing time was higher due to delays related to facilities providing financial assurance documentation.

<sup>29</sup> No “new” Part B applications or multi-module, comprehensive permit amendments were issued during FY 2021; however, staff worked on processing a Part B permit application and other permit amendments during FY 2021.

<sup>30</sup> The increase in the average processing time was higher due to delays related to facilities providing financial assurance documentation.

<sup>31</sup> Increase in average processing times was higher due to due to staff turnover and vacancies.

<sup>32</sup> Increase in average processing times was higher due to due to staff turnover and vacancies.

**Table 2.3 – 3 Solid Waste Permits Processed FY 2021**

<b>Permits Processed</b>	<b>Permit Amendments</b>	<b>Part A Applications</b>	<b>Part B Applications</b>	<b>Emergency Permits</b>	<b>Permit-by-Rule</b>	<b>Total</b>
<b>Applications Pending on July 1, 2020</b>	70	6	4	7	2	89
<b>Applications Received</b>	60	2	0	3	4	69
<b>Applications Deemed Complete</b>	5	0	0	0	0	5
<b>Permits Denied</b>	0	0	0	0	0	0
<b>Permits Withdrawn</b>	3	0	0	0	0	3
<b>Permits Issued</b>	70	3	0	0	2	75
<b>Applications Pending on June 30, 2021</b>	57	5	4	10	4	80

**Table 2.3 – 4 Hazardous Waste Permits Processed FY 2021**

<b>Permits Processed</b>	<b>Permit Amendments</b>	<b>Part B Applications</b>	<b>Emergency</b>	<b>Total</b>
<b>Applications Pending on July 1, 2020</b>	1	8	0	9
<b>Applications Received</b>	5	2	1	8
<b>Applications Deemed Complete</b>	6	3	1	10
<b>Permits Denied</b>	0	0	0	0
<b>Permits Withdrawn</b>	0	0	0	0
<b>Permits Issued</b>	6	4	1	11
<b>Applications Pending on June 30, 2021</b>	0	6	0	6

### **3. WATER PERMIT PROGRAM-ADDITIONAL INFORMATION**

#### **3.1 Program Costs and Fees in Virginia and Other States**

The DEQ recently researched water permit costs and fees in Delaware, Kentucky, Maryland, New Jersey, North Carolina, Pennsylvania, South Carolina, Tennessee and West Virginia in an effort to provide information on permit costs and fees in other states. A summary of program costs and fees is included in Table 3.1-1.

**Table 3.1 - 1 Summary of Water Program Costs and Permit Fees**

State	Application Fee	Annual Fee	Notes	Direct Program Costs (% fee funded)	10 year fees for Facility#1	10 year fees for Facility #2	10 year fees for Facility #3	10 year fees for Facility #4	10 year fees for Facility #5
VA	\$750-24,000	\$100-9,041	Application fees are assessed for new applications only, there is no renewal fee assessed for existing facilities, only annual fees are assessed. Annual fees adjusted annually for inflation.	31.6%	\$94,884	\$85,542	\$40,323	\$1,000	\$0
DE	\$1,125-\$6,000	\$40 - 9,000	Application fees are assessed for wastewater treatment plant construction permits.	24%	\$90,000	\$0	\$22,500	\$2,000	\$0
KY	\$1,200- 7,000	No	Publically owned facilities exempted from fees. Charges fees for Application and Construction.	35%	\$15,800	\$0	\$9,900	\$0	\$4,400
MD	\$50 - 20,000	\$100 - 5,000	Formula derived based on numerous variable- fees calculated by state and billed to applicant or permit holder- amounts listed may be increased if additional evaluations of a permit application are required	Not available	Application fee and annual fee formula derived	\$0	Application fee and annual fee formula derived	\$1,200	\$1,200
NJ	No	Yes	Formula derived- annual fees are revised annually to cover program costs	100%					
NC	\$60-3,440	\$60-3,440	Additional \$250 - 500 annual fee for facilities under an order	<20%	\$34,400	\$34,400	\$8,600	\$1,000	\$600
PA	\$100- 50,000	\$0-25,000	Annual fees due on anniversary of permit issuance.	18%	\$55,000	\$14,000	\$16,500	\$5,000	\$1,570
SC	No	\$100- 2,660+	Formula derived	Not available	\$21,300	\$21,300	\$10,650	\$750	\$1,000
TN	\$250-1,500	\$140 – 10,380	Charges plan review fees for applications	40%	\$73,200	\$84,240	\$12,040	*formula derived based on acreage	\$3,500
WVA	\$50-15,000	\$50-5,000	Formula derived	100%					

Facility #1: A major industrial facility discharging 4MGD  
 Facility #2: A major municipal facility discharging 4MGD  
 Facility #3: A minor industrial facility discharging 40,000 gallons per day

Facility #4: An industrial site covered by a stormwater general permit  
 Facility #5: A confined animal feeding operation with 200 cows.

**ATTACHMENT A -- COST ALLOCATION METHODOLOGY  
VIRGINIA DEPARTMENT OF ENVIRONMENTAL QUALITY  
PERMIT FEE ANALYSIS**

This permit fee report identifies the direct costs for DEQ's permitting, compliance and enforcement programs that include water, biosolids, Title V air, air non-Title V, hazardous waste and solid waste. In addition, indirect costs are reported for Title V air and hazardous waste programs. Indirect costs are chargeable to non general fund sources as allowable by federal regulation or state law.

The service area structure now incorporated in the budgeting process of the Commonwealth of Virginia has been used to identify the direct and indirect costs for the permitting programs. Direct costs have been determined to be those associated with permitting, enforcement and compliance activities for most programs. Indirect costs are apportioned based on an annual rate established by applying allowable costs to direct program salary and wage personnel costs in accordance with the requirements of 2 CFR Part 200.

The Land Protection program consists of the solid and hazardous waste permit programs. In the solid waste program, Land Protection Permitting (509025) and Land Protection Compliance and Enforcement (509026) service areas contain the direct costs. The hazardous waste program is fully funded by federal funds and permit fee collections. Direct costs contained in Land Protection Permitting (509025) and Land Protection Compliance and Enforcement (509026), as well as indirect costs on hazardous waste, based on an annual established rate, are included in the report.

The Water Protection Permitting (512025), Water Protection Compliance and Enforcement (512026) service areas contain the direct costs for the VWP, VPDES and Groundwater permit programs. Indirect costs for the water programs are not paid from permit fees.

Beginning in Fiscal Year 2014, DEQ assumed responsibility of the stormwater program. The costs associated with this program are analyzed separately from other water programs. This program is partially funded by permit fee collections and training/certification fees. The Stormwater Management service area (512030) contains the direct costs for the stormwater program.

Beginning in Fiscal Year 2008, DEQ assumed responsibility of the biosolids program. The costs associated with this program are analyzed separately from other water programs in this permit fee analysis. The program is funded by a dedicated special revenue fund. Water Protection Permitting (512025), Water Protection Compliance and Enforcement (512026), and Water Protection Outreach (512027) service areas contain the direct costs for the biosolids program.

The Air Protection program is comprised of Title V and non-Title V air programs. Air Protection Permitting (513025) and Air Protection Compliance and Enforcement (513026) service areas contain the direct costs for air non-Title V permit programs. The costs for mobile source inspection and maintenance program identified in the Air Protection Compliance and Enforcement (513026) service area costs have been excluded from the direct costs of the permit programs.

Consistent with Federal requirements, the Title V air program is intended to be fully funded by a special revenue fund. Direct costs of the Air Protection Permitting (513025), Air Protection Compliance and Enforcement (513026), Air Protection Outreach (513027), Air Protection Planning and Policy (513028), and Air Protection Monitoring and Assessment (513029) service areas are included in this analysis. In addition, a full cost method of apportioning indirect costs is used for Title V. This rate is expressed as the ratio of total allowable indirect costs to total direct salary and wage costs.