Heating Oil Tank Program

HOT Service Provider Focus Group

Fee Increase Legislative Concept

Friday, October 12, 2018

9-10:30

601-Lloyd Building

DEQ State of Oregon Department of Environmental Quality

Agenda

- Welcome and Introductions
- HOT Program Workload
- Service Provider Perspective
- Property Owner Survey
- Program Revenue Needs and Fee Impacts
- DEQ Budget Request and Schedule
- Next Steps

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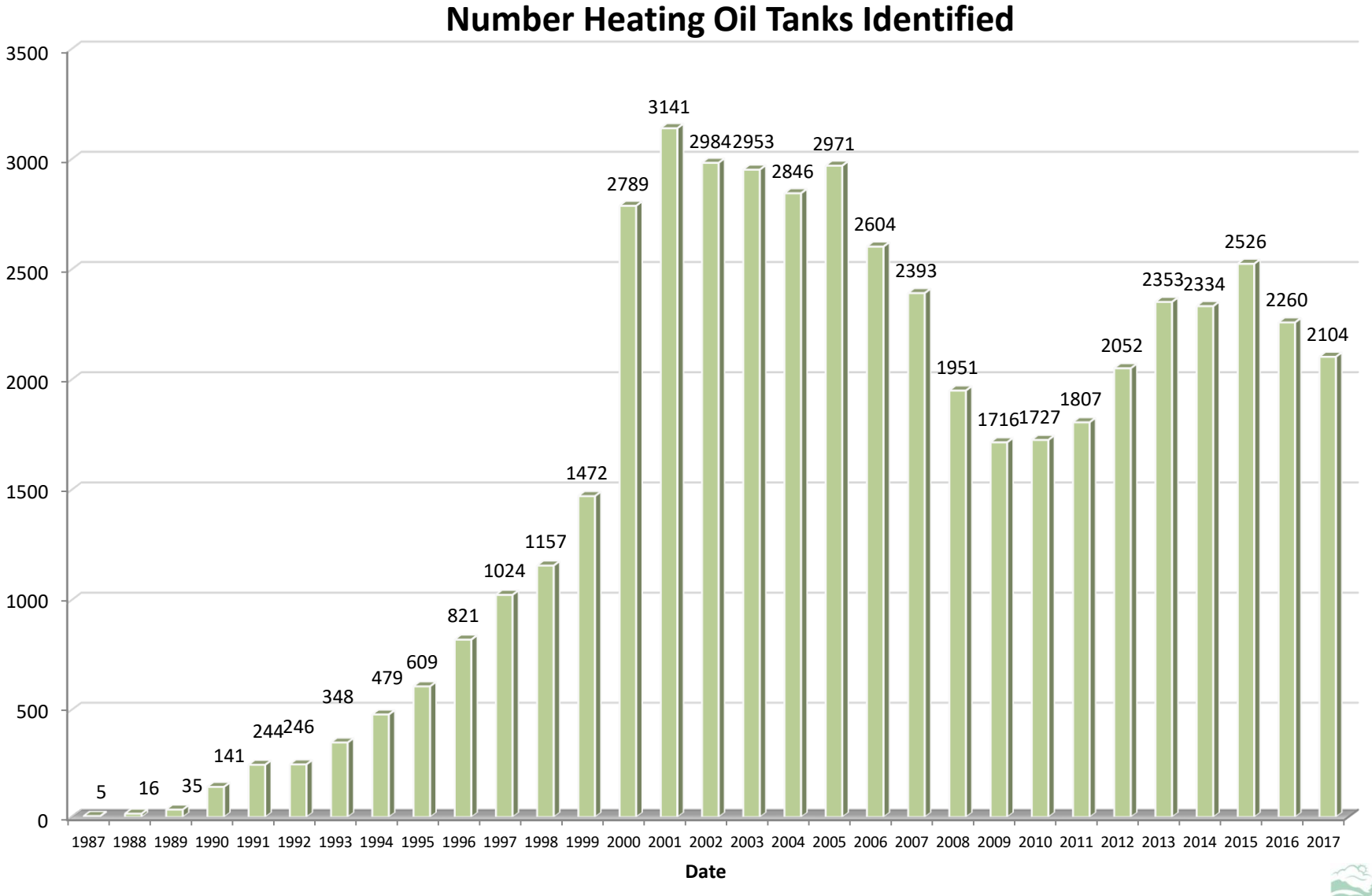
HOT Program Data



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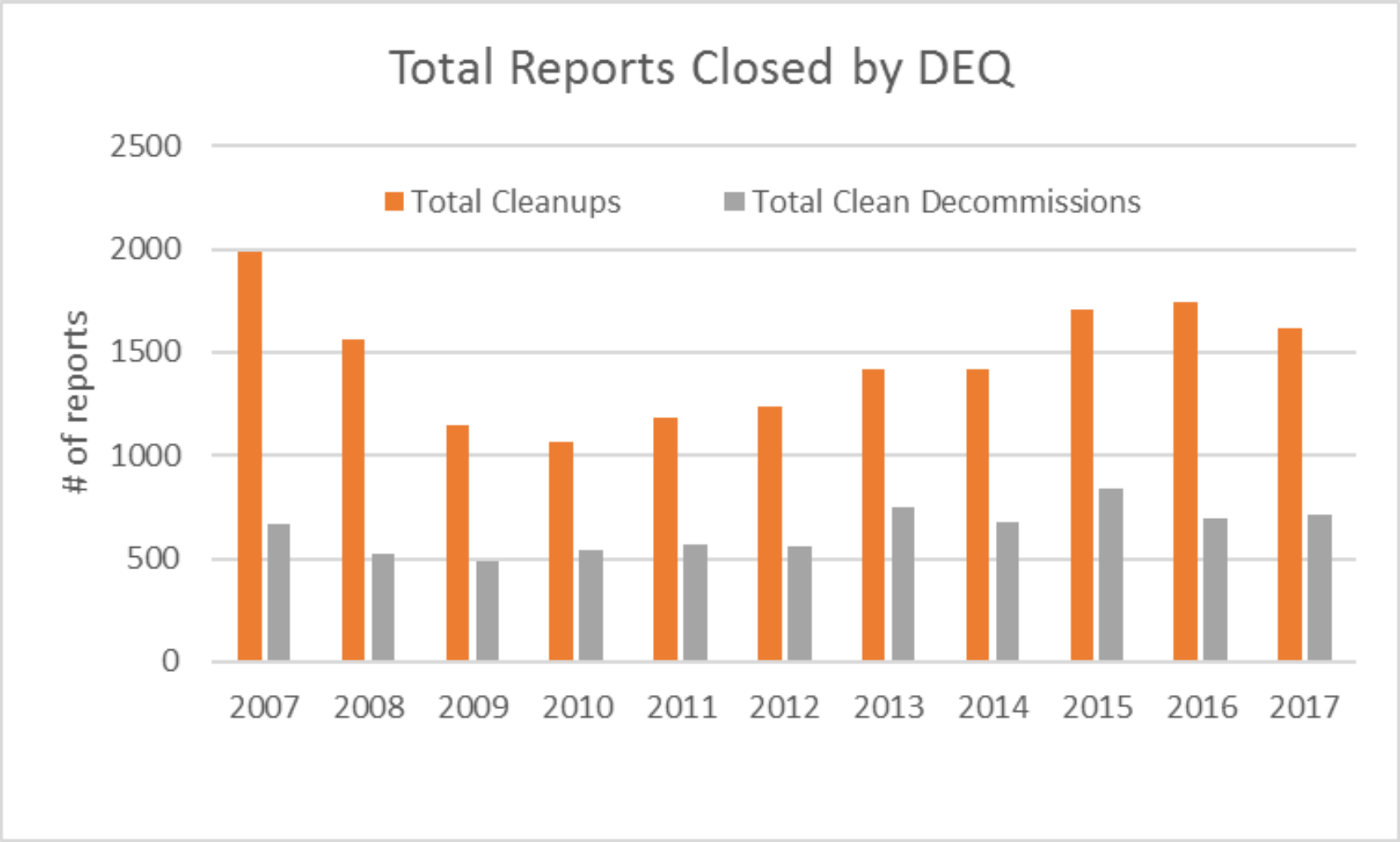
HOT Program Data



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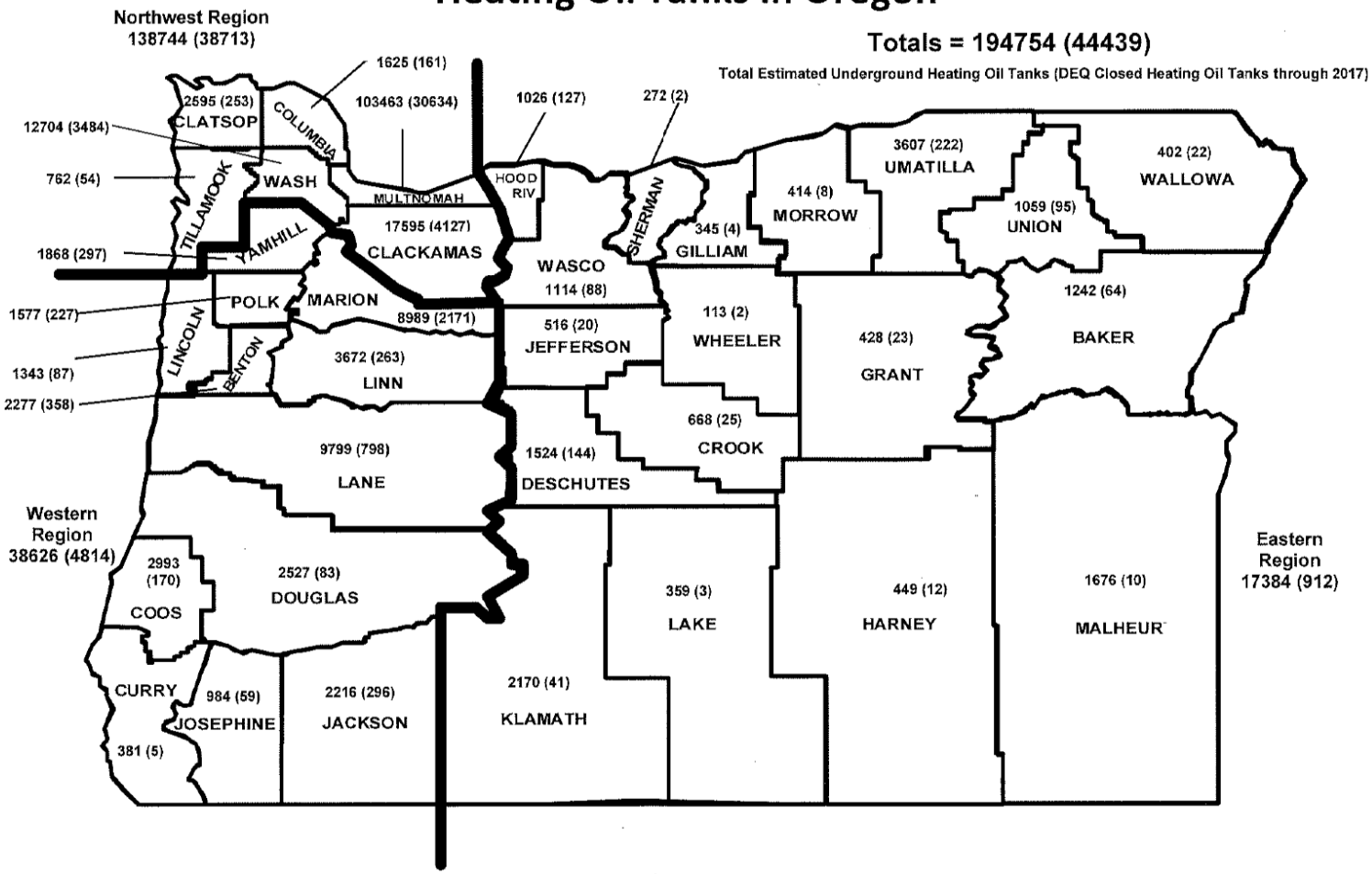
Heating Oil Tanks in Oregon



Data: DEQ databases

HOTMaps.xlsx (LD 10/4/18)

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HOT Program Data

Fixed Costs	17-19 FTE
License Issue/Exam	0.1
Licensee Inspection/Audit	-
Database/Web systems	0.3
Records Retention/Requests	0.2
Guidance/Policy	-
TA: outreach	-
TA: closed site inquiries	0.1
Sub-total:	0.7
Variable Costs (project driven)	
Leak report processing	0.4
Cleanup report processing	0.4
Cleanup Report review	1.0
Decom report processing	0.2
Decom report review	-
TA: discovered tanks	0.3
Sub-Total:	2.3
Total:	3.0

Allocation to activities are estimates; table excludes management and indirect costs

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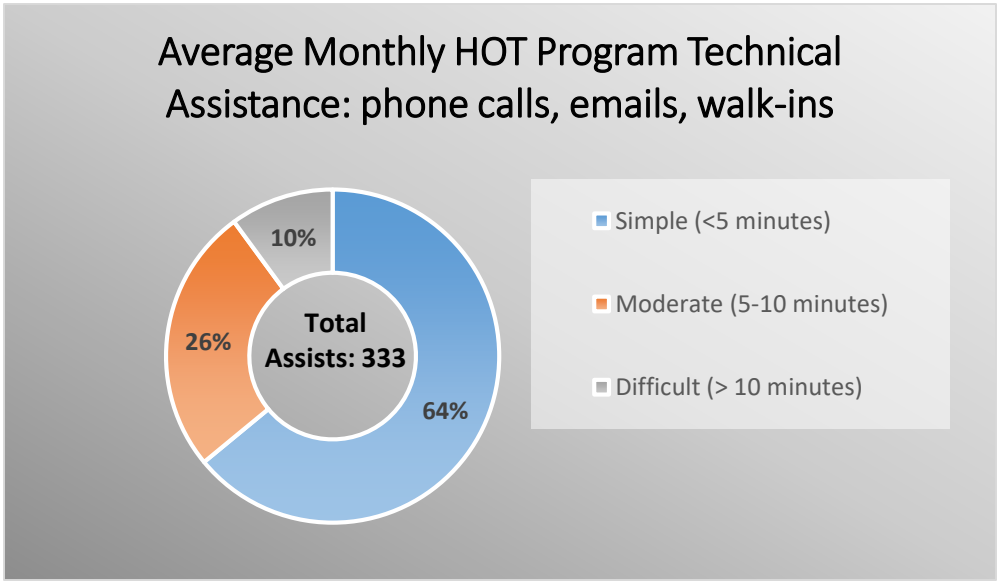
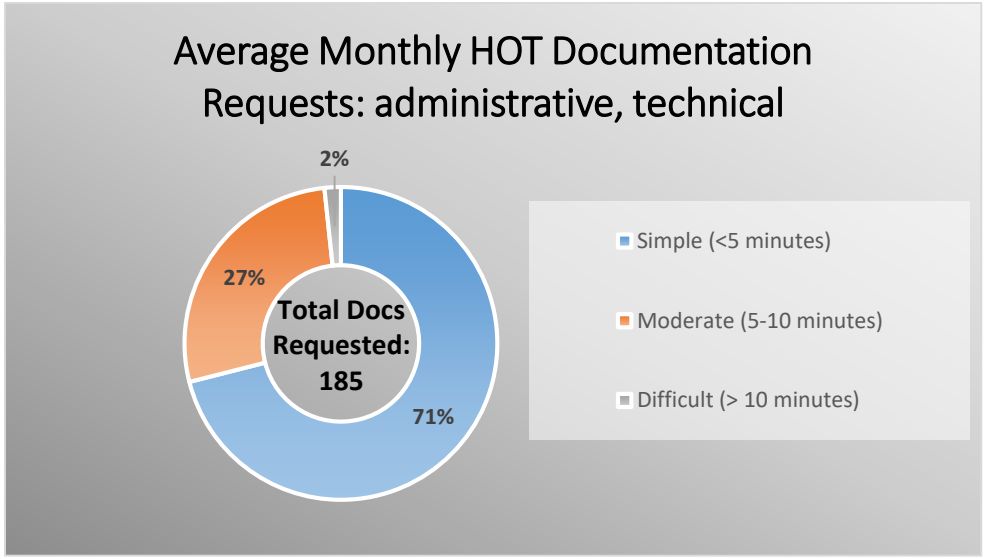
HOT Program Data





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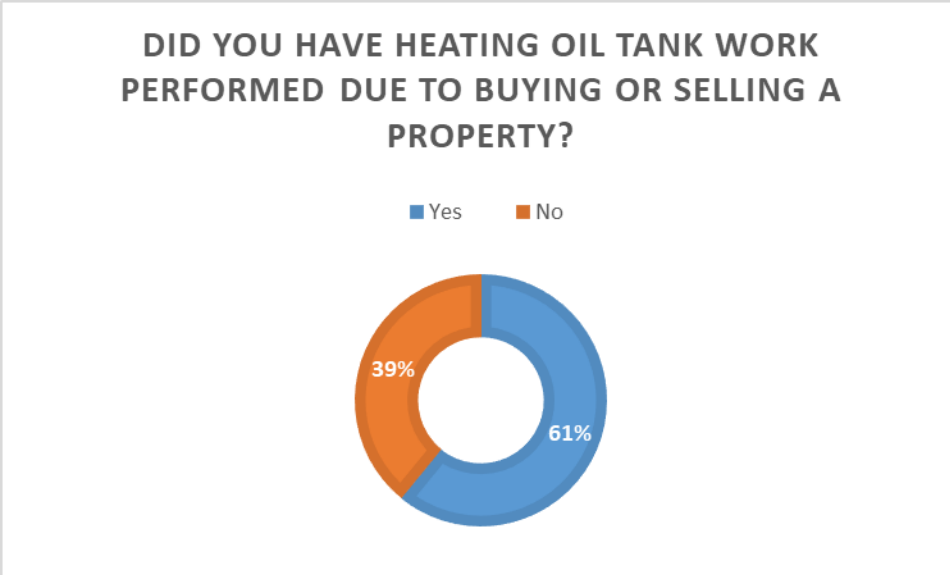
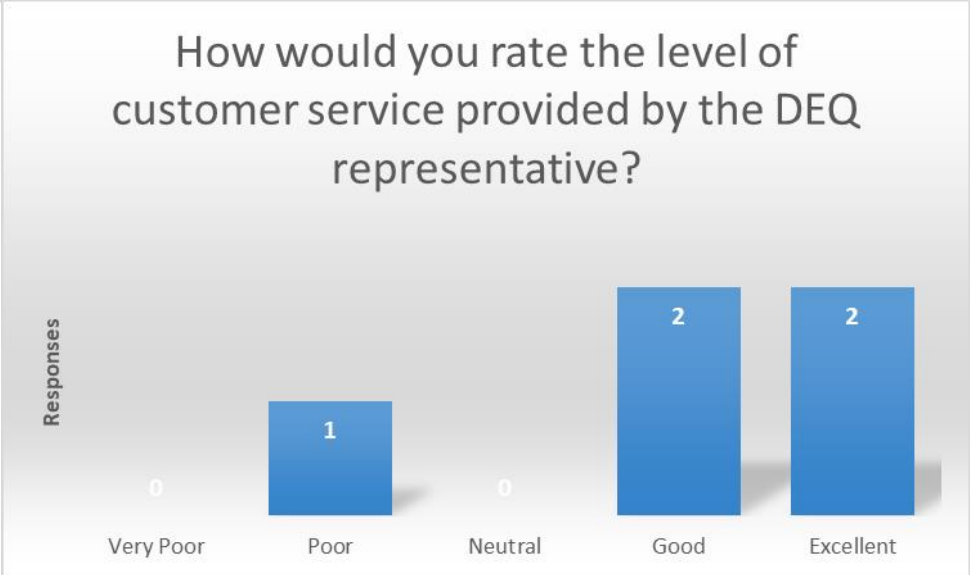
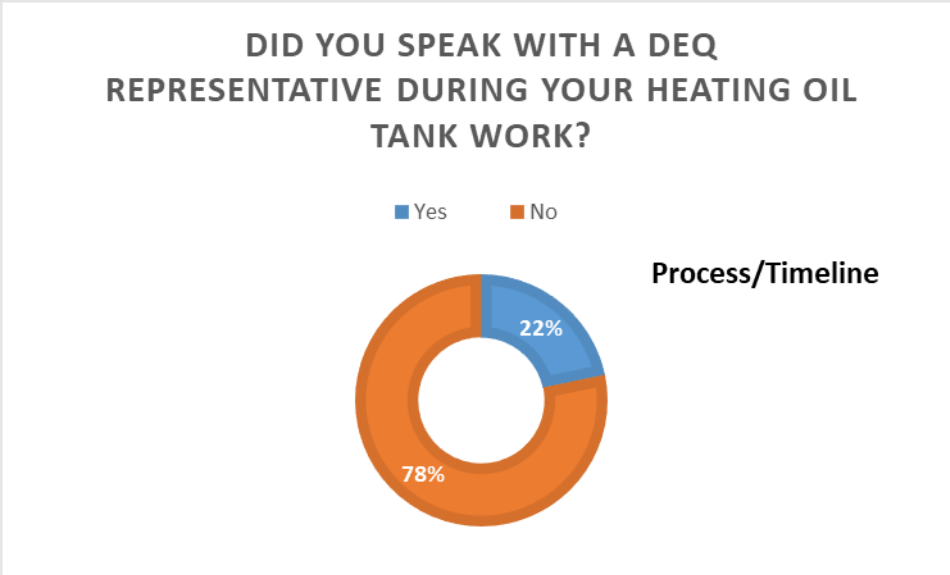
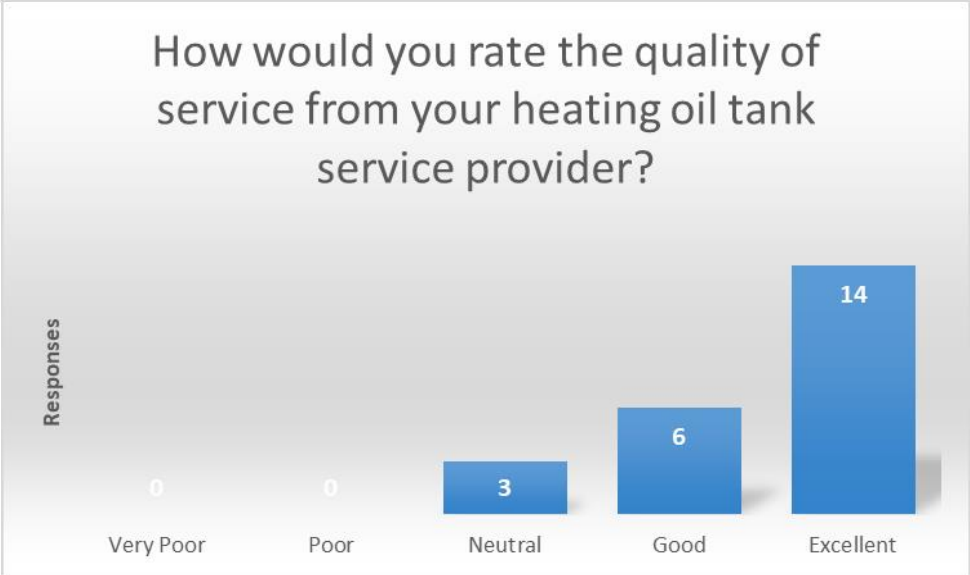
Property Owner Survey







Process/Timeline



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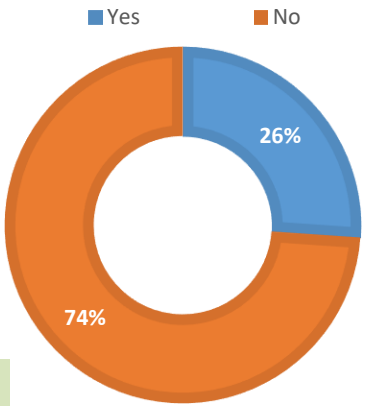
Property Owner Survey

DEQ IS CONSIDERING OFFERING SITE VISITS THAT WOULD INCLUDE A SITE INSPECTION. IN HINDSIGHT, WOULD YOU HAVE PREFERRED A SITE VISIT?



"No, project was already time consuming and expensive enough."

"I don't think it would have helped"

"Less government means quicker turnaround"

"It wouldn't have helped in this situation. I wouldn't have wanted to risk slowing down the process."

"Process out of my control. There were a lack of clear answers from City/contractor."

"I wouldn't have minded either way. The contractor was very environmentally conscious and knew the rules"

"Service provider did excellent work"

"Wouldn't have hurt"

"As long as contractor doing the work accurately, I don't see the need."

"Maybe. Not this one, but there are others that need unannounced visits to check for compliance."

"As an environmental scientist, I definitely think DEQ should be auditing contractors."

"Maybe. Not this one, but there are others that need unannounced visits to check for compliance."

"Don't know if I need to interact directly with DEQ. Thought inspection was part of process."

"Unsure; possibly unnecessary however it could have been helpful for contractor to receive technical assistance"

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Service Providers

How does the certification process work for you?

- Documentation requirements?
- Reporting schedules?
- Access to/obtaining technical assistance?
- Approval for deviations from rule?
- Homeowner communication?
- Guidance and webpage information adequate?

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Budget Proposal

DEQ Activity	FTE		
	17-19 Estimated	19-21 Current fees	19-21 Proposed
Fixed			
License Issue/Exam	0.1	0.1	0.1
Licensee Inspection/Audit	-	0.2	0.5
Database/Web systems	0.3	0.4	0.5
Records Retention/Requests	0.2	0.2	0.2
Guidance/Policy	-		0.3
TA: outreach	-		0.3
TA: closed site inquiries	0.1	0.1	0.1
Sub-total:	0.7	1.0	2.0
Variable (project driven)			
Leak report processing	0.4	0.4	0.4
Cleanup report processing	0.4	0.4	0.4
Cleanup Report review	1.0	0.8	0.5
Decom report processing	0.2	0.2	0.2
Decom report review	-	0.1	0.1
TA: discovered tanks	0.3	0.3	0.4
Sub-Total:	2.3	2.2	2.0
Total:	3.0	3.2	4.0

Allocations to activities are estimates; table excludes management and indirect costs

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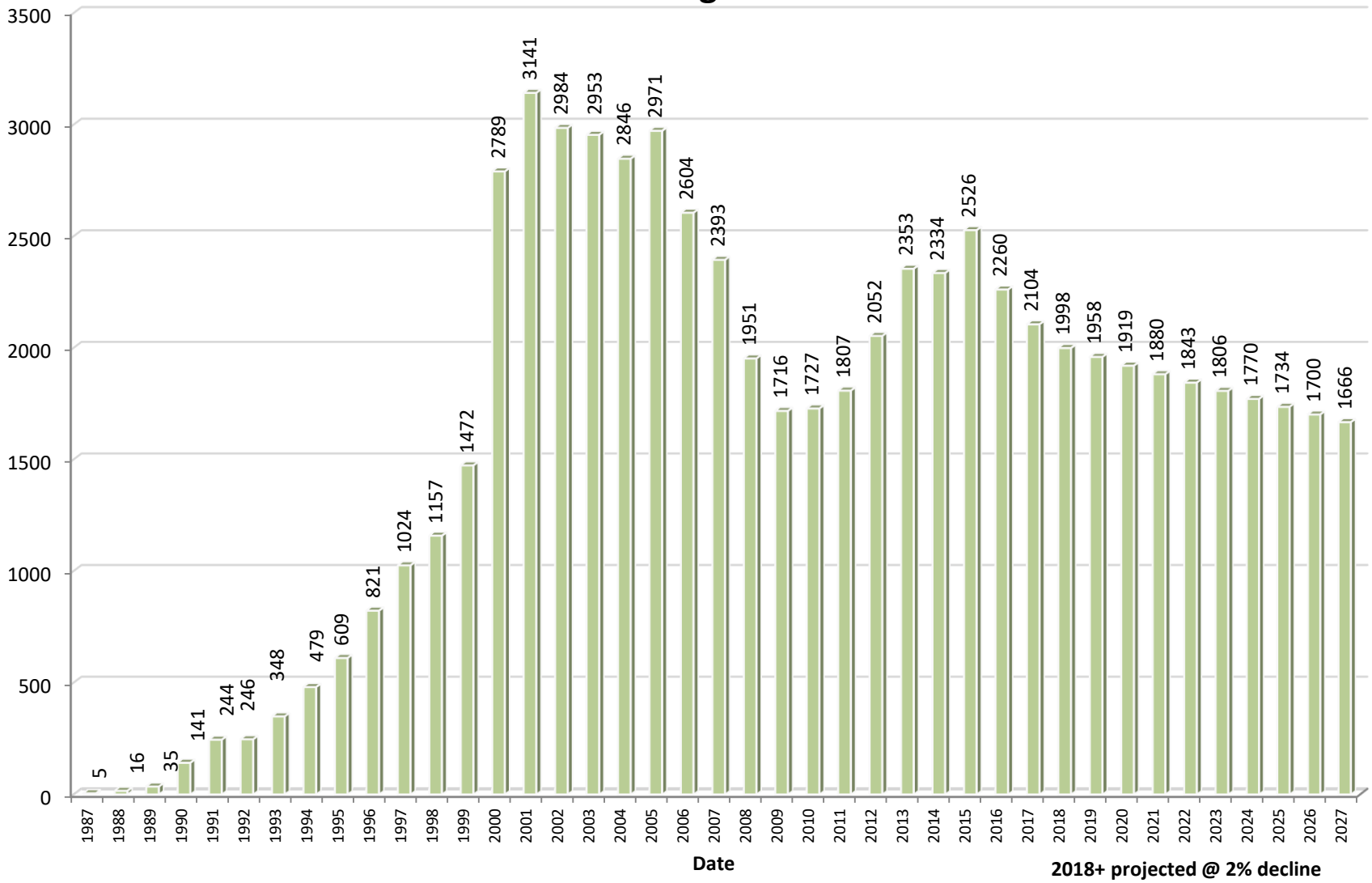
Workload Projection

Number Heating Oil Tanks Identified



2018+ projected @ 2% decline

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HOT Program Revenue Needs/Fee Impacts

Fee Revenue 2017-19: $843,000

Revenue Estimate 2019-2021: $871,700

Cost 4.4 FTE 2019-21: $1,296,700

Revenue Gap: $425,000

DEQ proposal for individual fee changes to be completed January 2019

	Transactions CY2017	Enacted	Current	Inflation Alone (CPI)	55% increase if all fees are increased equally
Business License Fee	48	June 1999	$750	$1,112	$1163
Supervisor Fee	112	June 1999	$75	$112	$117
HOT Cert Fee ("Clean Decomm")	714	June 2007	$75	$90	$117
Corrective Action Cert Fee	1633	June 2007	$200	$240	$310

Cost Recovery revenue could reduce license or report fees

Estimate: 15 projects/yr x 5 hrs/project x $200/hr billed = $15,000/yr

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Service Providers

1) What do you hear from your customers about the HOT Program?

2) Do you have workload projections/goals?

3) Is phasing in license fee increases important?

4) Do you think the technical rules should be reviewed for possible revisions?

5) What percentage of tanks that you test leak?

6) How many clean decommissionings (voluntary reporting) do you perform that are not reported to DEQ?

7) On average, what is the residual volume of heating oil in tanks prior to decommissioning?

8) Are you a member of any trade associations?

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What do you think?

Are there DEQ activities to add or drop?

Do you have comments about allocating the fee increase?

How do we communicate this information to all Service Providers?

- **Contractor Day?**
- **Service Provider Bulletin?**

Do you have an interest in testifying before the legislature in support of the fee increase?

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Next Steps

- Service Provider Outreach - TBD
- Realtor Webinar – November 14
- Fee proposal – Jan 2019
- Legislative Session – Feb 2019

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