

**Minutes**  
**Environmental Protection Committee**  
2 Martin Luther King, Jr. Drive, S.E.  
Suite 1252 East Tower  
Atlanta, GA 30334

**April 27, 2016**

**Attending:**

Committee Members

Ray Lambert, Chairman  
Dwight Evans, Vice Chairman  
Dwight Davis  
Aaron McWhorter  
Mike Phelps  
Paul Shailendra  
Brother Stewart  
Philip Watt  
William Bagwell, Board Chair, ex-officio

Board Members

Duncan Johnson, Jr.  
Mark Mobley  
Matt Sawhill  
Bodine Sinyard  
Philip Wilheit  
Dee Yancey (via conference call)

Guests

Andrew Schock, The Conservation Fund  
Bryan Tolar, Georgia Agribusiness Council  
Jonathan Harding, Georgia Agribusiness Council  
Chris Manganiello, Georgia River Network  
Ronny Just, Georgia Power  
Fuller Callaway, Georgia Environmental Finance Authority  
Doug Fulle, Oglethorpe Power Corporation  
Debbie Phillips, Georgia Industry Environmental Coalition  
John Eberhart, Georgia Earth Alliance  
Chris Wells, Governor's Office of Planning and Budget  
Alex Bradford, Georgia Farm Bureau

Staff Members

Mark Williams  
Kyle Pearson  
Wes Robinson  
Cathy Barnette  
Amber Carter  
Melanie Johnson  
Dave Crass  
Stephanie Cherry-Farmer  
Dan Forster  
Becky Kelley  
Steve Friedman  
Jeff Weaver  
Doc Watson  
Spud Woodward  
Terry West  
Artica Gaston  
Jud Turner  
Mary Walker  
Chuck Mueller  
Doralyn Kirkland  
Karen Hays  
Erin Ruoff  
Mark Walker

The April 27, 2016 meeting of the Environmental Protection Division was called to order by Chairman William Bagwell.

Chairman Bagwell called on Ray Lambert, Chairman of the Environmental Protection Committee.

Mr. Lambert thanked the Board for their recent support and encouragement after the passing of a family member.

Mr. Lambert called on Karen Hays, Chief of the Air Protection Branch of the Environmental Protection Division, to present the proposed amendments to Rules for Radioactive Materials, Chapter 391-3-17.

Ms. Hayes stated that she was bringing an action item on some proposed amendments to the Georgia Rules and Regulations for Radioactive Materials, Chapter 391-3-17. She further stated that these rules are periodically amended to make sure we are consistent with the United States Nuclear Regulatory Commission requirements. She added that Georgia is an agreement state and we are required to keep our rules up to date to show that they meet the compatibility and health and safety requirements established by the Nuclear Regulatory Commission.

Ms. Hayes stated that in February she came before the Environmental Protection Committee and the Board to brief them on the rule changes. She further stated that we had a public period that began March 1 and ended April 5 with a public hearing on March 31 and received no comments on these rules. She added that today she comes before you with this action item to adopt these proposed amendments and asks for your favorable consideration.

Mr. Lambert called for a motion.

A motion was made by Mr. Evans, seconded by Mr. Stewart and carried unanimously that the Committee recommend that the Board adopt the Resolution to approve the proposed amendments to Rules for Radioactive Materials, Chapter 391-3-17, as presented.

Mr. Lambert called on Karen Hayes, Chief of the Air Protection Branch of the Environmental Protection Division to brief the Board on the proposed amendments to the Rules for Air Quality Control and to introduce Erin Ruoff, Finance Director of the Environmental Protection Division, to give the first part of the briefing related to the permit fee shortfall.

Ms. Ruoff stated that Title V is part of the Clean Air Act, which regulates the hazardous air emissions that are produced during the manufacturing process and we are required to collect sufficient revenue to sustain operations. She further stated that some of the things they are noticing is that air emissions are decreasing so as some systems are retiring or converting to natural gas, our air emissions are going down which means our revenue is also going down. She added that what we are facing is about a \$2 million dollar reduction in Title V revenue over time.

Ms. Ruoff stated that in Fiscal Year 2017 the first significant dip in revenue will occur because we are losing one facility and in Fiscal Year 2018 three additional facilities are coming offline. She further stated that even with very conservative projections, our expenditures are steadily increasing over time. She added that the hope is that those increases, like fringe benefit increases, would plateau over time.

Ms. Ruoff stated that there is essentially a lag in when revenue is collected. She further stated that an example would be that calendar year 2016 fees are collected in fiscal year 2018. She added that the lag allows us to see some of the things before they impact us on a revenue basis.

Ms. Ruoff stated that there have been several steps taken to address this; the first being that they have been building reserves for the last couple of years to try to defer and delay those fee increases as much as possible. She further stated that the second thing the program has done is they have convened a fee workgroup to explore options for additional fee revenue. She added that the next item is that they are maximizing the use of their Inspection and Maintenance (I/M) revenue.

Ms. Ruoff stated that the last item is the phase in of application fees that we are going to recommend which would not begin until Fiscal Year 2018. She further stated that for the upcoming year there would be no fee changes recommended. She added that in Fiscal Year 2018, they would recommend to phase these in these fees at a 50% level.

Ms. Ruoff stated that in Fiscal Year 2019 another 50% increase will be recommended and by Fiscal Year 2020, the complete phase-in of application fees would take place. Ms. Ruoff further stated that at the 100% level, they are projecting that they can generate about \$774,000 in annual revenue. She added that based off an expenditure projection, by Fiscal Year 2010 their expenditures and their revenue will be equivalent.

Ms. Ruoff stated that in June of 2016, they would not be seeking any fee increases. She further stated that in March of 2017, the Board will be briefed on proposed fee changes for Fiscal Year 2018 and the phase-in timeline. She added that a public comment period and hearing would occur during April of 2017 and in May of 2017, they would come to the Board requesting adoption.

Mr. Johnson encouraged the Environmental Protection Division to look at cutting expenses at the same percentage that fees are raised.

Discussion ensued concerning the fee increases.

Mr. Lambert stated that this shortfall has been predicted for numerous years and for us to retain primacy, we must access fees to run a proper Title V program.

Ms. Hayes stated that she would now brief the Board on the proposed amendments to the fee rule for Fiscal Year 2017. She further stated that these fees will be due September 1 of this year and we are proposing no change for the fees. She added that for coal-fired power plants, the fees are \$37.34/ton and for all other facilities the fees are \$35.50/ton.

Ms. Hayes stated that there is a minimum fee for Title V sources, which is \$4,500 and Synthetic Minor sources pay a flat fee of \$1,700. She further stated that certain sources subject to what is called New Source Performance Standards pay a flat fee of \$1,500 per year. She added that these are the same fees that have been in place for several years now.

Ms. Hayes stated that they also updated the Fee Manual Reference to include the Fiscal Year 2017 fees. She further stated that the public comment period and public hearing will take place in May and she will return to the Board to request adoption of rule update at the June 29 meeting.

There being no further business, the meeting was adjourned.