

Agency Strategic Plan

Department of Environmental Quality

Agency Mission, Vision, and Values

Mission Statement:

The Department of Environmental Quality protects and enhances Virginia's environment, and promotes the health and well being of the citizens of the Commonwealth.

Agency Vision:

The Department of Environmental Quality's vision is that Virginians will enjoy: cleaner water available for all uses, improved air quality that supports communities and ecosystems, and the productive re-use of contaminated land.

Agency Values:

- **Commitment**
We are committed to support each other and the mission and values of the Agency.
- **Collaboration**
We work together and with the community to accomplish our tasks.
- **Consistency**
We apply laws and regulations and provide public services uniformly throughout the Commonwealth.
- **Customer Service**
We are professional, courteous, and responsive when helping citizens, the regulated community, and our co-workers evaluate and solve problems.
- **Communication**
We exchange information openly and freely with each other and with the public.

Agency Executive Progress Report

Current Service Performance

The Department of Environmental Quality touches the lives of all Virginians. The agency serves and protects every citizen of the Commonwealth, regulates many of our businesses and local governments, and works with individuals and organizations representing all of these interests to develop programs and solve problems in a manner that serves the best interest of the Commonwealth. DEQ's vision places a priority on ensuring that all Virginians will enjoy cleaner water available for all uses, improved air quality that supports communities and ecosystems, and the productive re-use of contaminated land.

DEQ recently completed a strategic plan that focuses on outcomes linked to planned initiatives. DEQ developed strategic objectives for four Key Performance Areas that provide a balanced view of the enterprise as a whole: Program Capability, Community, Employees, Financial Resources.

The strategic objectives identified in the agency's strategic plan lay the foundation for DEQ's service area plans.

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Productivity

DEQ's productivity and efficiency has improved steadily since the agency's formation in 1993. The agency is implementing more programs, serving more customers and providing shorter turn-around times with fewer staff.

Over the past 12 years, staffing for DEQ has decreased by 19% (1091 FTE in 1993 to 883 FTE in 2005). During that same time period, significant new programs have been implemented as mandated by EPA or the General Assembly. These include: Title V air permitting program (106 FTE), CAFO and poultry permit programs (13 FTE), nontidal wetlands permit program (24 FTE), vehicle emissions inspections program (16 FTE), voluntary remediation and brownfields restoration (11 FTE), water supply planning (12 FTE), and others.

During this same time period, the number of facilities regulated by DEQ has increased significantly and, at the same time, the agency's response time on permit applications has decreased. For example, the number of VDPES permitted facilities has increased by 260% since 1996, while the number of permitting and compliance staff has decreased by 47%. During that same time-period the time to process Virginia Pollutant Discharge Elimination System permit applications has decreased by 20%.

These improvements in productivity have been made possible by DEQ's continuous efforts to improve how programs are implemented, the maturity of the regulatory programs implemented by the agency which means that both agency staff and the regulated community have a better understanding of what each program requires, and the increased availability and use of computer systems. DEQ continually strives to improve its efficiency and has undertaken a comprehensive evaluation of its permitting programs to improve the long-term effectiveness and efficiency of the programs. DEQ is working with peer review teams for each program and a management consultant to prepare a detailed Business Process Improvement review and analysis of each permitting process. In addition, DEQ performs internal program reviews that assess the efficiency and effectiveness of our programs. These efforts will identify operational changes that will improve the efficiency and effectiveness of the agency's operations and opportunities to reduce the costs of compliance.

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Major Initiatives and Related Progress

The quality of Virginia's air, waters and land depends upon the efforts of Virginia's businesses, local governments, citizens and state agencies. The Department of Environmental Quality has been working with these partners on several initiatives to improve Virginia's natural environment.

- DEQ's Brownfields Land Renewal program provides opportunities for business and industry to develop properties that are under-utilized because of real or perceived environmental issues. Incentives and reduced liabilities offered through this program can make brownfield property development a cheaper option than purchasing and building on undeveloped land. This program is helping to turn once contaminated properties back to productive use. Over \$700 million have been reinvested in brownfields, creating hundreds of new jobs, and saving hundreds of existing jobs.

- DEQ is working to better inform and engage citizens in environmental decision making. This initiative includes the development of a Community Involvement Policy and work-plan, improved access to information, reliance on more collaborative approaches to problem solving, and improved responsiveness to concerns identified by businesses and communities impacted by DEQ's decisions.

- The Commonwealth is better prepared to ensure that everyone has a safe and adequate drinking water supply – even during times of drought – than every before. DEQ led stakeholders in developing a state-wide drought response, criteria and standards for local water supply planning, and the framework for the first comprehensive state-wide water supply plan.

- DEQ has developed a series of regulations that provide a solid technical and scientific basis for the nutrient reductions needed to protect and restore the Chesapeake Bay. Virginia has, for the first time, enforceable nutrient standards to limit discharges from wastewater treatment plants. These standards are designed to protect the Chesapeake Bay. The permit limits based on these standards will be implemented through an innovative watershed general permit that will significantly reduce the costs of restoring the Chesapeake Bay.

- DEQ's efforts have resulted in the clean-up of several contaminated sites. Two-hundred forty-eight sites have enrolled in the Voluntary Remediation Program and, since 2002, 18 waste tire piles containing 2.4 million tires have been removed. By mid-2006, DEQ will remove the last 2 million tires, located in about 340 sites.

- DEQ and the State Air Pollution Control Board have worked with local stakeholders to develop voluntary plans to improve air quality in Roanoke and Winchester. These Early Action Compact Agreements will mean cleaner air in those parts of Virginia sooner than would be expected if they had to adhere to the normal process for non-attainment areas.

- DEQ is also working to improve air quality, as well as the process for collecting and reporting information about air quality, statewide. Many initiatives are integrated into this effort, including: the issuance of air quality forecasts that include information on particulate levels in Richmond, Roanoke and Hampton Roads areas; support of the Shenandoah Valley Air Quality Initiative to work with citizens, elected officials, educators and regulators to integrate economic and comprehensive planning with ecological considerations; promotion of the Clean Air Champions campaign to educate citizens on the role vehicle maintenance plays in reducing air pollution; the establishment of new monitoring stations to collect data in additional locations.

- DEQ has worked to recognize those facilities that have strong environmental compliance records and are committed to reducing their environmental impacts and to encourage others to take voluntary steps to improve Virginia's environment. Virginia's Environmental Excellence Program can now offer technical assistance, public recognition, reduced fees and meaningful regulatory flexibility for those facilities that meet these stringent performance standards and make environmental protection a top priority.

- DEQ has also worked to strengthen our enforcement authority so that those facilities who repeatedly violate

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environmental protection requirements and who refuse to take the steps necessary to come into compliance. Our primary goal is to ensure compliance with these environmental protection standards. DEQ has worked hard not only to increase the consequences for failure to comply, but to develop enforcement actions that not only return facilities to compliance but result in meaningful improvements to Virginia's environment.

- DEQ is working to reduce the time and effort required for environmental data submissions. Recent projects include standardizing environmental data exchanges with EPA and implementation of electronic discharge monitoring data reporting scheduled to be available to DEQ's regulated community September 2005.

Virginia Ranking and Trends

Based on 2002 Census Bureau statistics, Governing State & Local Sourcebook 2005 reports that Virginia ranks 37th among the 50 states in environmental spending per capita. The regulatory responsibilities are nevertheless significant, as Virginia's 2003 reported toxic chemical releases ranked 20th among states, according to the Sourcebook, from U.S. EPA data. Among the 50 largest urban metropolitan areas in the country, Washington, D.C. ranked 14th worst, Richmond 33rd worst, and Norfolk 46th worst in a measure of urban air quality over the decade ending in 2003. The BioCycle 2003 State of Garbage In America survey report concluded that the nation continues to generate increasing volumes of solid waste, most of which is landfilled. Virginia ranked 3rd in the volume of waste imported, among 47 states reporting.

EPA has compiled data regarding leaks from regulated petroleum underground storage tanks. The national case closure rate (site cleanup is complete and the case has been closed) is 72% of the reported leaks. Virginia ranks 4th in the nation with a 91% case closure rate. No state with as many site cleanups ranked as high as Virginia.

DEQ and individual staff members have received numerous recognitions for initiative and leadership.

- The U.S. Environmental Protection Agency EPA recently presented DEQ with a Resource Conservation and Recovery Act Corrective Action award. The award was for the successful development of a pilot Brownfield Intervention Team program to establish an effective approach for facilitating revitalization at targeted corrective action facilities.
- EPA Region 3 recognized VA DEQ at the 2004 states meeting for its outstanding job on the reduction of NPDES (National Pollutant Discharge Elimination System) permit backlog. Virginia's component is identified as VPDES.
- DEQ was recognized with EPA's Chief Information Officer Partnership Award in recognition of excellence in the development of the first outbound information flow from EPA to the states using the National Environmental Information Exchange Network (NEIN). Virginia is one of only four states piloting the simultaneous submission of Toxic Release Inventory (TRI) data by business and industry to EPA and the state. The simultaneous submission of data should result in more accurate and current information for the annual Virginia TRI Report and will allow businesses and industry to eliminate duplicate reporting to EPA and the state.

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Customer Trends and Coverage

Environmental concerns continue to be a large part of everyday life for Virginia's citizens. A number of observable trends are apparent.

Air Protection:

Stricter Federal regulations and standards have been imposed for air pollution control. As a result, DEQ's efforts to monitor for, and to ensure compliance becomes more challenging. Compliance also becomes more difficult for the regulated community.

Water Protection:

An ever increasing demand for useable water for industrial, recreational, and residential use, paired with a growing population, continues to strain the available water supply. As a result, the need for water supply planning, as well as treatment of wastewater and pollution control, continues to grow.

In addition, the health of the Chesapeake Bay, its tributaries and Virginia's other rivers, streams and lakes is becoming increasingly critical. Pollution discharged into the state's waterways must be reduced and limited.

Land Protection:

Waste disposal requires the use of limited land resources. As time goes by, the land disposal options become fewer and more difficult. Importation of municipal solid waste seriously exacerbates this situation.

As population grows, this challenge generally becomes exacerbated. Disposal alternatives such as recycling and other conservation and treatment measures are becoming increasingly important, in order to optimize the management of land resources.

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Future Direction, Expectations, and Priorities

Air Protection:

Virginia has made significant progress improving air quality in the past several years, but we must continue working to meet the challenges ahead. Air quality needs to be maintained in areas where conditions are good and improved in localities that do not meet air quality standards. Better air quality means Virginians will have a cleaner environment, improved opportunities for economic development and a healthier way of life. Virginia has not attained the new ozone air quality standard in Northern Virginia, Richmond, Hampton Roads, Fredericksburg, Roanoke and Winchester. The Northern Virginia area has also failed to meet air quality standards for particulates. Virginia will need to develop plans and strategies to improve air quality and to meet federal requirement for these non-attainment areas. Furthermore, Virginia will need to increase the number of ambient air monitoring stations, with state-of-the-art instrumentation.

Water Protection:

Despite the positive steps Virginia has taken to develop regulations for the reduction of nutrient pollution in the Chesapeake Bay and its rivers, there remains a long way to go before the Commonwealth's goals can be met. Though nitrogen discharges have been reduced by more than 2 million pounds in the past two years, we will need an additional reduction of more than 20 million pounds per year by 2010. In addition, there are areas across the state where our rivers and streams do not support aquatic life, is not safe for swimming, or otherwise fails to meet standards for water quality. Working to improve water quality in these areas will require reductions from waste water treatment plants, businesses, agricultural operations, urban areas, and other sources.

DEQ is on schedule with the development of Total Maximum Daily Loads (TMDLs). However, as the number of TMDLs steadily increases, the demands on the water quality monitoring program are also increasing. In addition, the considerable investment already made to develop TMDLs needs to be protected by ensuring follow-up with the preparation of TMDL implementation plans, on-the-ground implementation, and monitoring their beneficial effects on water quality. Modest increases in staffing will therefore be needed to accomplish these objectives, but should result in long-term savings through the reduction in the number of future TMDLs needed, and the need to prepare fewer TMDLs with contractual services.

Land Protection:

With the ever increasing volumes of solid waste that is disposed of in the Commonwealth, we will need to focus more attention on reducing the volume of waste that is disposed of and providing adequate oversight and monitoring for waste management facilities, especially abandoned landfills and unpermitted sites.

Persistent Pollutants:

As DEQ has studied our natural resources to see what condition they are in, we have found contamination from chemicals like mercury and PCBs across the Commonwealth. DEQ is committed to working with numerous other state and federal agencies to identify the sources of the contamination and working to reduce exposure in the future.

Technology:

The demands for increased environmental data and more efficient means to exchange data continue to grow. DEQ seeks to build on the solid technical infrastructure that was designed to support the dynamic nature of environmental regulation. To this end, we envision the following automated systems:

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- (1) an enterprise-wide Document Management System to provide electronic storage, retrieval and management of DEQ's documents
- (2) an enterprise-wide data warehouse to support DEQ's need for efficient retrieval of its environmental system of record data
- (3) implementation of automated data flows between the DEQ's environmental system of record and the EPA's databases
- (4) implementation of an electronic permitting and compliance reporting system to provide DEQ's regulated partners with an efficient web-based method for filing reports. This system is planned to be integrated with DEQ's Document Management System.

Impediments

Workforce retention:

DEQ is facing increasing competition from the private sector and from local and federal agencies as it strives to hire and retain effective, highly skilled employees. In addition, 25% of the workforce is eligible for retirement over the next five years. The time spent recruiting and training new employees detracts from the agency's ability to fulfill other obligations. DEQ has strategic initiatives underway to help address workforce recruiting and retention issues by offering effective training, recognition, and career path development opportunities.

Capacity for partnerships:

The Department of Environmental Quality relies heavily on the assistance and guidance from the agency's many stakeholders to help solve the complicated issues that surround environmental protection. In order for this to be productive, the agency must be able to provide access to environmental data, facilitate collaborative approaches to problem solving, and foster an environment where the diverse stakeholders will work together to find solution. Our ability to meet these needs is limited by the need to improve understanding of environmental protection, the vast amount of information that may be of interest to the different stakeholders, and the information management technology available so that we can provide information to the facilities we regulate and the public in the most efficient manner.

Funding and technology:

Other factors impacting services include limited funding for program administration, education and training of staff and regulated community, and increasing development pressures resulting in increasing work load. Most of the environmental programs have relied on federal funding for a significant portion of support. Funding has not kept up with cost increases, and future federal funding is even more uncertain. DEQ also faces increasing demands in keeping its workforce knowledgeable and familiar with new technology being introduced by business and industry, and subject to regulation.

Agency Background Information

Statutory Authority

Department of Environmental Quality Law [Chapter 11.1 (§ 10.1-1182 et seq.) of Title 10.1 of the Code of Virginia establishing the Department of Environmental Quality and establishing its purpose, including the enhancement of public participation, pollution prevention, and public education on environmental protection.

The federal Clean Air Act (42 USC 7401 et seq.) is the federal law that provides the enabling authority for the U.S. Environmental Protection Agency and provides the principal framework for national, state, and local efforts to protect air quality.

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Title 40 Code of Federal Regulations, Parts 1 through 99, are the regulations promulgated by U.S. Environmental Protection Agency to implement the federal Clean Air Act.

The Virginia Air Pollution Control Law [Chapter 13 (§ 10.1-1300 et seq.) of Title 10.1 of the Code of Virginia], along with the Department of Environmental Quality Law [Chapter 11.1 (§ 10.1-1182 et seq.) of Title 10.1 of the Code of Virginia], are the state laws that provide the enabling authority for the State Air Pollution Control Board and the Department of Environmental Quality, provide the authority for the promulgation of associated regulations, and provide the principal framework for efforts to protect air quality in the Commonwealth.

Virginia Motor Vehicle Emissions Control Law [Article 22 (§ 46.2 1176 et seq.) of Chapter 10 of Title 46.2 of the Code of Virginia] is the state law that provides the enabling authority for the motor vehicle emissions inspection program, provides the authority for the promulgation of associated regulations, and provides the principal framework for the operation of the program.

Regulations for the Control and Abatement of Air Pollution in Virginia. These regulations, promulgated by the State Air Pollution Control Board to implement the federal Clean Air Act, the Virginia Air Pollution Control Law, and the Virginia Motor Vehicle Emissions Control Law, provide the specific requirements that regulated sources and citizens are subject to. These regulations set forth the ambient air quality standards and the requirement to operate an air monitoring network to determine compliance with such standards.

For reviewing federal consistency determinations/certifications: Coastal Zone Management Act of 1972, as amended (16 USC sections 1451-1465); Title 15, Code of Federal Regulations, Part 930 (“Federal Consistency Regulations” implementing the Coastal Zone Management Act, section 307©,

For reviewing electric power generating projects and power line projects in conjunction with the licensing process of the State Corporation Commission: Virginia Code section 56-46.1.

For reviewing oil and gas drilling proposals in the Tidewater region: Virginia Code section 62.1-195.1.

For intergovernmental review - Federal Executive Order 12372

Resource Conservation and Recovery Act (RCRA), 42 U. S. C. §§6901 et seq.

RCRA provides the authority to control hazardous waste from origination to elimination. This includes the generation, transportation, treatment, storage and disposal of hazardous waste. RCRA also sets forth the framework for the management of non-hazardous wastes. RCRA focuses only on active and future facilities and does not address abandoned or historical sites.

Subtitle I authorizes the federal regulation of underground storage tanks.

The Oil Pollution Act of 1990 (OPA 90) requires cleanup of oil spills.

Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) 42 U. S. C. §§9601 et seq. CERCLA, commonly known as Superfund, created a tax on chemical and petroleum industries in order to fund responses to releases or threatened releases of hazardous substances that may endanger public health or the environment. CERCLA goals are 1) to address cleanup of abandoned and uncontrolled hazardous waste disposal sites, 2) to establish a fund of money financed by an “environmental tax” on corporations; and, 3) to impose liability on private parties who have contributed to a site requiring clean up.

Title 40 Code of Federal Regulations, Parts 240 through 279, are the regulations promulgated by U.S. Environmental Protection Agency to implement the federal Resource Conservation and Recovery Act.

The Virginia Waste Management Act (VWMA) [Chapter 14 (§ 10.1-1400 et seq.) of Title 10.1 of the Code of Virginia], along with the Department of Environmental Quality Law [Chapter 11.1 (§ 10.1-1182 et seq.) of Title 10.1 of the Code of Virginia], are the state laws that provide the enabling authority for the Virginia Waste Management Board and the Department of Environmental Quality, provide the authority for the promulgation of

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associated regulations, and provide the principal framework for efforts to protect the Commonwealth's lands and ensure wastes are properly managed. The VWMA provides the authority to regulate operations in the Commonwealth involving hazardous and nonhazardous wastes and hazardous materials. The VWMA provides for the development of regulations to site and permit solid, regulated medical waste, and hazardous facilities as well as transport waste upon Virginia's roadways and waterways. The Act also authorizes the development of programs to remediate existing waste sites and return them to productive use. Other programs authorized by the VWMA include pollution prevention, recycling, and the Litter Prevention and Recycling Program and the Waste Tire Management Program.

Coastal Program - Executive Order Twenty-three (2002)

Coastal Zone Management Act of 1972, as amended (federal legislation). The CZMA provides for development and implementation of state coastal zone management programs under Sections 305, 306/306A, 309, 310; triennial program evaluations under Section 312 and state coastal nonpoint source pollution programs under Section 6217.

The Clean Water Act (33 U.S.C. Section 1251 et seq.) is the federal law that provides the enabling authority for the U.S. Environmental Protection Agency and provides the principal framework, and minimum requirements, for national and state efforts to protect water quality and water resources.

Title 40 Code of Federal Regulations, 40 CFR Sections 40 C.F.R. Parts 100-500 are the regulations promulgated by the U.S. Environmental Protection Agency to implement the federal Clean Water Act.

Title 62.1. Waters of the State, Ports and Harbors. Chapter 2. State Policy as to Waters.

State Water Control Law (Title 62.1, chapters 2, 3.1, 3.2), is the state law that provides the enabling authority for the State Water Control Board and the Department of Environmental Quality to protect and manage water quality and water resources in the Commonwealth. Article 4.01, Water Quality Monitoring, Information, and Restoration Act (WQMIRA) requires water quality in Virginia to be monitored and assessed to ensure they support their designated uses including fishing, swimming, and protection of aquatic life. Article 9 authorizes the DEQ to require cleanups from regulated underground storage tanks in accordance with federal requirements and Article 11 authorizes DEQ to require cleanup for all other types of oil spills including aboveground storage tanks. Article 10 authorizes the DEQ to reimburse storage tank owners for cleanup of petroleum contamination.

Title 62.1. State Waters, Ports and Harbors, Chapter 3.2. Conservation of Water Resources; State Water Control Board establishes the authority for the conservation, planning and utilization of water resources.

Chapter 21.1, Section 10.1-2117, et.seq. of the Code of Virginia – Virginia Water Quality Improvement Act

Title 62.1. State Waters, Ports and Harbors, Chapter 22. Virginia Water Facilities Revolving Fund. Section 62.1-224 through 62.1-232 of the Code of Virginia established the “Virginia Water Facilities Revolving Fund” as a permanent and perpetual fund to finance clean water projects in Virginia. The Federal Water Quality Act of 1987 first established a State Revolving Fund Capitalization Grant Program at the federal level.

Surface Water Management Act (Title 62.1, chapter 24) is the state law that provides the enabling authority for the State Water Control Board to establish surface water management areas and manage surface water resources.

Ground Water Management Act (Title 62.1, chapter 25) is the state law that provides the enabling authority for the State Water Control Board to establish ground water management areas and protect ground water resources.

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Customer Base:

Customer Description	Served	Potential
Agricultural producers	200	200
Business and industry in Virginia	4,663	5,557
Community organizations	500	9,000
Educational institutions	5	8
Environmental Education teachers	900	80,000
Facilities subject to stationary source air inspection	1,350	4,663
Hazardous waste facilities	400	40,000
Homeowners with leaking heating oil tanks	1,200	250,000
Local governments	300	300
Regulated tank owners	8,000	8,000
Small businesses	10,000	50,000
Solid waste facilities	348	5,000
Students	1,000	1,100,000
Vehicle owners subject to emissions inspections	745,466	1,750,000
Voluntary remediation program	248	5,000
VPDES permittees (general)	3,500	3,500
VPDES permittees (individual)	1,400	1,400
Waste tire pile property owners	25	305

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Anticipated Changes In Agency Customer Base:

Air Protection:

- The number of areas and citizens impacted by poor air quality has recently increased due to the recent adoption of more stringent EPA and Virginia standards. As a result, additional inspections at stationary source facilities and air monitoring stations will be required as citizens become more knowledgeable about air pollution and its effects on their community.

Water Protection:

- The number of municipal permittees is stable and will not change appreciably in the future.
- Industrial dischargers are much more dynamic in nature and will fluctuate based on economic demands. In general, industrial and municipal majors have large competent environmental staffs that keep their facilities in compliance with their VPDES permits. Smaller facilities do not have dedicated environmental personnel and as a result have more compliance issues.
- Increased use of citizen-collected chemical and biological water quality data is anticipated.

Land Protection:

- Hazardous waste facilities are expected to increase by 158 during 2005, due to facilities fluctuating between serving large and small quantity generators. The number of solid waste facilities is expected to increase, as potential sites are identified and addressed. The number of Brownfields and Voluntary Remediation Program facilities is expected to increase as the programs grow. The numbers of Federal Facilities and Superfund sites are expected to decrease, as sites are remediated.
- As the population increases and more waste is imported, additional stress will be placed on the waste management capacity. It will become increasingly important to move towards implementation of the waste management hierarchy, in this order: avoiding the generation of waste (or source reduction), reuse, recycling, resource recovery (waste-to-energy), incineration, and land filling, and ensure the proper management and oversight of waste disposal practices and facilities.

Environmental Financial Assistance:

- The customer base for coastal resources has not changed greatly over the past 15-20 years. However, there has been a decrease in the number of people who can make a living in Virginia harvesting and processing seafood. This has been offset by an increase in the number who are making a living from ecotourism. In addition, the coastal population of Virginia has increased steadily, creating an increased number of waterfront homes and recreational boaters. This has caused major stresses on our coastal ecosystems, habitats and wildlife.
- The customer base includes local governments who operate significant wastewater treatment plants within Virginia's portion of the Chesapeake Bay watershed [an area constituting approximately 55% of the land area within the Commonwealth]. The limitation on "significant" dischargers was established through the 2005 amendments to the Code of Virginia. Until those amendments, all publicly owned treatment plants were eligible for funding, regardless of size. Approximately 90 publicly owned facilities currently meet the "significant" discharger criteria, although the Code includes those new or expanded facilities that meet the size criteria by 2010. Therefore, another 10 to 20 facilities may also be eligible for funding by that date. All Virginia publicly owned wastewater facilities are eligible for funding under the allowance to use grant funds for other water quality projects when the DEQ Director determines substantial and continuing progress is being made in implementing the Tributary Strategies.

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Agency Financial Resources Summary:

DEQ funding comes from several sources, including federal funds (21% of FY2006 appropriations), general funds (47% of FY2006 appropriations), and other nongeneral fund revenues (32%). The nongeneral fund revenues include: enterprise funds for air permit fees; trust funds, including the Virginia Petroleum Storage Tank Fund; and numerous dedicated special revenue funds. More than half of the agency resources are committed to financial assistance activities.

	<u>Fiscal Year 2007</u>		<u>Fiscal Year 2008</u>	
	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund
Base Budget	\$108,199,408	\$117,987,792	\$108,199,408	\$117,987,792
Changes To Base	\$161,512,115	\$3,996,463	(\$68,080,451)	\$3,051,759
AGENCY TOTAL	\$269,711,523	\$121,984,255	\$40,118,957	\$121,039,551

Agency Human Resources Summary:

Human Resources Overview

As of July 1, 2005 the Department of Environmental Quality has an authorized FTE level of 883. Approximately 300 employees work in DEQ's central office located at 629 East Main Street in Richmond. The remaining employees work in seven regional offices in Roanoke, Richmond, Abingdon, Harrisonburg, Woodbridge, Virginia Beach and Lynchburg and satellite offices in Fredericksburg and Charlottesville. Of the 883 positions, approximately 12% positions are classified as Management ; 74% positions are classified in technical roles including Environmental Specialist I and II and the remaining 14% are in policy, planning, outreach and administrative roles. DEQ faces workforce challenges related to workforce recruitment and retention due to an increasing number of employee's who are eligible to retire and the loss of staff to the federal and local governments and private industry firms that offer salary ranges much greater than DEQ can offer. Through the strategic planning process, DEQ has developed strategic objectives for workforce development to address agency recruitment and retention.

Full-Time Equivalent (FTE) Position Summary

Effective Date: 7/1/2005

Total Authorized Position level	883
Vacant Positions	90
Non-Classified (Filled).....	1
Full-Time Classified (Filled)	791
Part-Time Classified (Filled)	2
Faculty (Filled)	0
Wage	69
Contract Employees	16
Total Human Resource Level	879

Factors Impacting Human Resources

DEQ's balanced approach to strategic planning identifies "Employees" as a Key Performance Area with focused efforts towards developing an outcome oriented workforce and culture. Agency efforts in this

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area are designed to attract and retain highly qualified staff and to properly prepare the agency's future leaders. One objective identified in the performance area is to fully implement an organization development program. DEQ seeks to continually enhance our program and has recently developed these strategies:

Implementing a workforce development program:

DEQ has developed a workforce committee to address issues that will impact our future workforce. DEQ is faced with an aging workforce that includes 125 employees that will be eligible to retire (16%) within the next five years. The average age of the DEQ workforce is 47 and average number of years of service is 15. Through a career path approach we seek to be able to identify future supervisors and allow an avenue for employees to progress in their technical career and enable the Agency to retain staff with the knowledge and skills necessary to meet agency commitments. DEQ's career path program will also help the Agency to recruit for Knowledge Skills and Ability (KSA) gaps within a designated program. The first stage of the career path program will be implemented fall, 2005 and will include close to 400 positions. In addition to the career path program, we have implemented a job-partnering program that promotes mentoring and cross-training agency-wide and utilize the Commonwealth's pay practice tools as applicable.

Continued training initiatives:

DEQ is committed to provide quality, timely and cost effective training opportunities for its employees. Training includes technical skills, leadership, administrative compliance, human resources, professional development and safety and software applications. DEQ has formed a Training Coordination Committee whose role is to work with the Training Office to identify necessary training to support the agency's career path initiative.

Enhancing reward and recognition effort:

DEQ is now expanding the Agency recognition program to recognize and reward extra efforts from our valued employees.

Revision of EWPs to promote strategic results:

Last year, DEQ revised all employee EWPs to incorporate strategic results that are measurable. During the next performance cycle we will add an additional rating of "strong contributor" to recognize work that is performed at a higher level than contributor but does meet the criteria of extraordinary contributor.

Enhanced telecommuting program:

DEQ has implemented a telecommuting program and plans to expand the program based upon business drivers.

Anticipated Changes in Human Resources

Over the next five years if the employees who are eligible to retire decide to do so, DEQ will need to replace 15% of the workforce and 10% percent of the existing management positions. DEQ's turnover rate as of March 2005 was 5.99%. This compares to a turnover rate in August 2004 that was 8.15%. This indicates that DEQ's organizational development strategies to address on-going turnover challenges may be working. DEQ will strive to continue these efforts and identify new ways of attracting and retaining our highly motivated and skilled workforce.

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Agency Information Technology Summary:

Current State / Issues

DEQ is a data and information driven organization. The nature of environmental programs requires an ever increasing amount of data for analysis and decision making. In the past three years, DEQ upgraded most of the infrastructure hardware that supports agency applications including routers and switches, servers and a storage area network (SAN). DEQ also leveraged the upgraded infrastructure and replaced the aging agency phone system with VOIP. DEQ's decision to invest in this solid structure was to assure that DEQ was positioned to support enhanced applications and data exchanges with EPA and the regulated community.

In late 1990's, DEQ built a Comprehensive Data Base System (CEDS) that stores environmental system of record data for most of the agency programs. DEQ continues to enhance the application to include additional data fields and the application of the system. Many data enhancements are required by the Environmental Protection Agency (EPA). DEQ also continues to seek ways for the regulated community to transmit application and reporting data more efficiently. Major initiatives that DEQ has underway include automating the reporting of discharge monitoring data and development of standardized data exchanges with EPA through the National Environmental Information Exchange Network (NEIEN). DEQ continues to enhance the amount and availability of Geographic Information System (GIS) data to the public. Recent updates to DEQ's external web site include a permit tracking system that allows permitted facilities to track the progress of their permit and a Permit Expert application that guides the applicant through a series of questions to determine the permits required by the applicant.

DEQ has recently submitted a Major Information Technology Project that has preliminary approval from VITA. The project is to develop and implement a Document Management System to provide a scalable, efficient means of storing, accessing and managing DEQ mission critical documents. A recent detailed needs analysis performed by a document management consulting firm confirmed that DEQ's current paper intensive-operations can be dramatically improved by implementing a Enterprise Document Management System (ECM). When fully implemented, the ECM will reduced the amount of staff time spent reproducing and locating paper documents. By utilizing system workflow, staff will be able to scan information and track application status. These efficiencies will allow staff to spend more time on permit content and inspections and less time keying, filing and copying reports and data. Integration with CEDS and availability of additional on-line data submissions by the regulated community are key efficiencies that will also be achieved with the ECM.

Factor Impacting Information Technology

Funding is the most critical component of the successful IT enhancements. Many projects including DEQ's Enterprise Content Management System carry long term cost benefits, but require one time funding in one fiscal year.

Changes driven by VITA transformation activities may change DEQ's ability to serve external agency and internal information technology customers.

EPA is replacing many data legacy systems with an integrated compliance Information System (ICIS). ICIS has more data requirements than the legacy systems and will require DEQ to update current business practices and CEDS to accommodate the additional data requirements.

DEQ is part of the Commonwealth's implementation of the Statewide Agency Radio System (STARS).

Agency Strategic Plan

Department of Environmental Quality

Anticipated Changes / Desired State

DEQ's IT infrastructure will need to accommodate the planned Telecommuting initiative that supports the agency Workforce Development plan. This includes secure access to DEQ's applications and data bases.

The anticipated changes associated with the demands for increased amounts and accessibility of environmental data are addressed in the agency's IT strategic plan and summarized in the IT current status section.

Agency Information Technology Investments:

	Cost-Fiscal Year 2007		Cost-Fiscal Year 2008	
	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund
Major IT Projects	\$1,140,000	\$0	\$0	\$0
Non-Major IT Projects	\$41,436	\$96,684	\$40,000	\$71,880
Major IT Procurements	\$0	\$0	\$0	\$0
Non-Major IT Procurements	\$453,846	\$159,182	\$0	\$0
Totals	\$1,635,282	\$255,866	\$40,000	\$71,880

Agency Goals

Goal #1:

Achieve focused, more efficient programs to meet or exceed environmental standards

Goal Summary and Alignment:

This agency goal is aimed toward the same outcomes identified in Virginia's long-term objective to be a national leader in the preservation and enhancement of our economy. Meeting or exceeding environmental standards will enable Virginia to compete for new business and industrial opportunities. Protection of our environmental resources will enable those resources to be utilized for the best economic benefit. Because withholding of federal highway trust funds can be a sanction imposed for nonattainment of air quality standards, this agency goal also is aligned with the long-term objective to ensure that Virginia has a transportation system that is safe, enables easy movement of people and goods, enhances the economy and improves our quality of life. Finally, this agency goal most directly relates to the long-term objective to protect, conserve and wisely develop our natural, historical and cultural resources.

Statewide Goals Supported by Goal #1

- Be a national leader in the preservation and enhancement of our economy.
- Protect, conserve and wisely develop our natural, historical and cultural resources.
- Ensure that Virginia has a transportation system that is safe, enables easy movement of people and goods, enhances the economy and improves our quality of life.

Agency Strategic Plan

Department of Environmental Quality

Goal #2:

Foster an informed and engaged community

Goal Summary and Alignment:

DEQ recognizes the value of involving people in matters relating to their environment. Knowledge and awareness, enhanced through education and public outreach, will promote sound government and decision-making. This agency goal thus is directly aligned with Virginia's long-term objectives to elevate the levels of educational preparedness and attainment of our citizens, to engage and inform citizens to ensure we serve their interests, and to inspire and support Virginians toward healthy lives and strong and resilient families.

Statewide Goals Supported by Goal #2

- Elevate the levels of educational preparedness and attainment of our citizens.
- Engage and inform citizens to ensure we serve their interests.
- Inspire and support Virginians toward healthy lives and strong and resilient families.

Goal #3:

Achieve an optimal use of current and new resources

Goal Summary and Alignment:

This agency goal shares the same focus with Virginia's long-term objective to be recognized as the best-managed state in the nation. In addition, efficient use of our resources will enable DEQ to optimally protect, conserve and wisely develop our natural, historical and cultural resources.

Statewide Goals Supported by Goal #3

- Be recognized as the best-managed state in the nation.
- Protect, conserve and wisely develop our natural, historical and cultural resources.

Goal #4:

Sustain an outcome oriented workforce and culture

Goal Summary and Alignment:

This agency goal shares the same focus with Virginia's long-term objective to be recognized as the best-managed state in the nation. In addition, an engaged and motivated workforce will enhance DEQ's ability to protect, conserve and wisely develop our natural, historical and cultural resources.

Statewide Goals Supported by Goal #4

- Be recognized as the best-managed state in the nation.
- Protect, conserve and wisely develop our natural, historical and cultural resources.