

# High Priority Methane Projects in Virginia Budget Narrative

## A. Budget Detail

### i. Personnel

Key staff supported by this grant include Thomas R. Ballou, an Air Quality Planning Manager I (average 0.01 FTE at \$119,074 for five years; 3% annual salary increase in year 2) who will support CPRG project management and alignment grant implementation with climate planning activities, Angela Conroy, a Senior Planner (average 0.02 FTE at \$110,034 for five years; 3% annual salary increase in year 2) who will coordinate inter-agency project tracking implementation, Anna (Ava) Lovain, a Greenhouse Gas Inventory Specialist (average 0.07 FTE at \$70,399 for five years; 3% annual salary increase in year 2) who will support grant management activities, Michael G Dowd, the Director of the Air & Renewable Energy Division (average 0.01 FTE at \$161,944 for 5 years; 3% annual salary increase in year 2) to support financial and operational activities and requirements under the grant, one restricted FTE (Program Specialist) to support implementation of the Landfill Methane Capture & Utilization project, and one restricted FTE (Food Waste Specialist) to support implementation of the Food Rescue and Composting project.

Total Personnel for the five-year period is \$798,000.

### ii. Fringe Benefits

Fringe is calculated based upon 47% of total personnel cost per YEAR 1, YEAR 2, YEAR 5 of (\$160,000) and personnel cost per YEAR 3 and YEAR 4 of (\$159,000) for a total of \$375,060.

Total Fringe for the five-year period is \$375,060.

### iii. Travel

Travel totaling \$16,711 over the five-year period:

- a. Site visits of coal mine methane capture projects at multiple southwest VA locations - mileage, lodging, and per diem rates for 2 nights for three DEQ staff members at \$1,000 per year for years 1 through 4 and \$1,233 for year 5 for a total of 5,233 over the five-year period.
- b. Site visits of landfill methane capture projects at three VA locations - mileage, lodging, and per diem rates for 2 nights for three DEQ staff members at \$1,296 per year for years 1 through 3 and \$1,295 for years 4 and 5 for a total of \$6,478 over the five-year period.
- c. Site visits to universities, colleges, and state agencies at VA project sites and workshops (e.g. workshops to educate stakeholders) - mileage, lodging, and per diem rates for 2 nights for three DEQ staff members at \$1,000 per year for a total of \$5,000 over the five-year period.

Total Travel for the five-year period is \$16,711.

iv. Equipment

There are no Equipment costs.

v. Supplies

\$3,000 for the development of materials promoting program.

Total Supplies for the five-year period is \$3,000.

vi. Contractual

For the Food Rescue and Composting project, DEQ will award a \$50,000 contract through a competitive process for coordination with other state organizations that have a role in requirements that have been identified as barriers to food donation.

Total Contractual for the five-year period is \$50,000.

vii. Other

**Measure 8:**

Project 1: Fugitive Coal Mine Methane Capture & Utilization

DEQ will issue a subaward to the Virginia Department of Energy (VA Energy) for a total of \$80,704,484 to implement Coal Mine Methane (CMM) capture system on existing or abandoned coal mines and beneficially use that methane as a source of renewable energy. A total of \$345,750 of personnel cost for over five years of the project as described below.

- Senior project manager (0.1 FTE) – Supervise the project manager associate and inspect the project while in progress and upon completion to assure compliance with federal/state guidelines, procedures, standards, laws, and objectives.
- Project Manager Associate (0.1 FTE) – Conduct inspection of the project while in progress and upon completion to assure compliance with federal/state guidelines, procedures, standards, laws, and objectives.
- Financial Analyst (0.15 FTE) – Will monitor the grant budget and assist with completion of all programmatic and financial reporting and amendment documents.
- Grant Administrator (0.15 FTE) – Responsible for the completion of all application, reporting, and amendment documents while assuring compliance with the grant and federal/state, guidelines, procedures, standards, laws, and objectives. Will supervise the Grant Support Specialist.
- Grant Support Specialist (0.10 FTE) – Assist the Grant Administrator with application, reporting, and amendment documents.
- Grant Accountant (0.10 FTE) – Responsible for the completion of financial reporting documents.
- Monitoring and Security (0.10 FTE) – Gas & Oil Division of Virginia Energy. Conduct inspections to monitor emissions.

Fringe will account for \$152,130 of the subaward is calculated based upon 44% of total personnel cost of \$345,750 for five years. Indirect cost will account for \$121,704 of the subaward is calculated based on Travel will an approved indirect cost rate of 35.2% applied for the period of July 1, 2024, through June 30, 2025. Travel will account for \$84,900 of the subaward for four staff to attend quarterly meetings as well as a three staff to attend national EPA meetings annually. Travel costs are based on historical costs and are in accordance with state regulations and federal per diem. Additionally, \$80,000,000 of the subaward will go toward contractual services to procure and deploy equipment for CMM capture and utilization resulting in greenhouse gas reduction including installation of test well(s) per project and monitoring equipment and data transmission. Contractual services are to be carried out by organizations that apply through a competitive process and establish a contractual relationship as described at 2 CFR 200.331(b) and Appendix A of EPA's Subaward Policy.

**Project 2: Landfill Methane Capture & Utilization**

DEQ will issue one to three competitive multi-year grants for the Food Rescue and Composting program totaling \$8,897,757 for years 1 through 5.

**Project 3: Food Rescue and Composting**

DEQ will issue fifteen to twenty competitive multi-year grants for the Food Rescue and Composting program totaling \$8,897,757 for years 1 through 3.

Total Other for the five-year period is \$98,449,998.

*viii. Indirect Charges*

For the administration of all funds, DEQ requests a total of \$307,230 of indirect cost. DEQ's indirect costs are 38.5% of personnel cost per YEAR 1, YEAR 2, YEAR 5 (\$61,600) and 38.5% of personnel cost per YEAR 3 and YEAR 4 of (\$61,215) for a total of \$307,230 over the five-year period. DEQ's negotiated indirect cost rate agreement with US EPA effective 7/1/24-6/30/25.

**B. Expenditure of Awarded Funds**

DEQ has established sound fiscal and accounting policies that govern the expenditure of grant funds. All of the processes, procedures and internal controls outlined in DEQ's policies are in compliance with the state-wide policies and authoritative guidance issued by the Virginia Department of Accounts through its Commonwealth Accounting Policies and Procedures Manual. DEQ's fiscal and accounting policies help to ensure that grant funds are expended in a timely and efficient manner. DEQ assigns a Grant Accountant to each awarded grant who reviews, tracks and monitors expenditures relative to the grant budget and project period to ensure accuracy and that funds are expended timely. Grant Accountants prepare monthly grant expenditure reports for Program Managers and upper Financial Management for an additional review for accuracy and to help inform of ongoing grant expenditure decisions. Grant accounting staff and program managers are in regular communication about expenditures. DEQ has also established procurement policies that govern the selection of contractors and vendors. All such policies are in compliance with the Virginia Public Procurement Act. These policies help to ensure that the process for selecting contractors and vendors is fair, impartial and transparent and that all third-party services, including those underwritten by grant funds, are procured at a reasonable price.