



South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 • www.aqmd.gov

TO: SCAQMD Administrative Committee
Dr. William Burke, Chair
Ben Benoit, Vice Chair
Dr. Clark E. Parker, Sr.
Councilmember Judith Mitchell

FROM: Wayne Nastri, Executive Officer

ADMINISTRATIVE COMMITTEE MEETING
21865 Copley Drive, Diamond Bar CA 91765
May 12, 2017 ♦ 10:00 a.m. ♦ Conference Room CC-8

Teleconference Location

11461 West Sunset Boulevard
Brentwood 1
Los Angeles, CA 90049

(The public may participate at any location listed above.)

Call-in for listening purposes only is available by dialing:
Toll Free: 866-244-8528
Listen Only Passcode: 5821432

In addition, a webcast is available for viewing and listening at:
<http://www.aqmd.gov/home/library/webcasts>

AGENDA

ACTION/DISCUSSION ITEMS:

1. Board Members' Concerns Dr. William A. Burke
Committee Chair
Any member of the Governing Board, on his or her own initiative may raise a concern to the Administrative Committee regarding any SCAQMD items or activities. (no motion required)
2. Chairman's Report of Approved Travel *(no motion required)* Dr. Burke pg. 1
3. Approval of Compensation for Board Member Assistant(s)/ Consultant(s). *(Any material, if submitted, will be distributed at the meeting.)* Dr. Burke
4. Report of Approved Out-of-Country Travel *(no motion required)* Wayne Nastri
Executive Officer

5. Website Improvement Project (no written material)
For the Website Improvement Project, development of the new home page, as well as secondary page templates and custom widgets, is complete and the contractor, Xivic, has begun content migration. To provide a progress report on the project, staff will demonstrate the new home page and top-level navigation pages on the migration site.
- Michael B. O’Kelly
 DEO, Chief
 Administrative Officer

JUNE AGENDA ITEMS

6. Status Report on Major Ongoing and Upcoming Projects for Information Management
Information Management is responsible for data systems management services in support of all SCAQMD operations. This action is to provide the monthly status report on major automation contracts and planned projects.
- Michael B. O’Kelly pgs. 2-6
7. Transfer Funds and Issue Purchase Orders for Necessary Software and Hardware to Develop an Enterprise Geographical Information Systems
A recent strategic planning effort for an Enterprise Geographical Information System (EGIS) identified a need to use GIS more broadly across the diverse business processes at SCAQMD. In order to implement the recommended EGIS, SCAQMD needs to update the current spatial IT infrastructure, storage environment and delivery of geospatial services to serve a growing need for geospatial data and to enable integration with other supported business systems and databases. This action is to transfer funds within the Information Management (IM) FY 2016-17 Budget, and to issue purchase orders for the acquisition of computer hardware and software necessary for the development of an EGIS at a total cost not to exceed \$80,000. Funds are available in IM’s FY 2016-17 Budget.
- Michael B. O’Kelly pgs. 7-11
8. Adopt Executive Officer’s FY 2017-18 Proposed Goals and Priority Objectives, Draft Budget and Proposed Amended Regulation III – Fees
The Executive Officer’s Budget, Goals and Priority Objectives and Regulation III – Fee Rule Amendments for FY 2017-18 have been developed and the Executive Officer proposes that the Board adopt the FY 2017-18 Budget, Goals and Priority Objectives and Regulation III Amendments. The Fee Rule Amendments include a proposed 16% increase in specified fees for Title V sources in FY 2017-18 and an additional 16% in FY 2018-19, and a 4% increase in specified fees for non-Title V sources for FY 2017-18 and another 4% in FY 2018-19. Additionally, pursuant to Rule 320, almost all Regulation III fees will be increased by the 2.5% consumer price index for FY 2017-18. They have been presented at a Budget Study Session, Budget Advisory Committee and at two public workshops in April with recommendations and comments on the automatic fee increase pursuant to Rule 320 provided to the Board by April 15, 2017.
- Michael B. O’Kelly pgs. 12-348

9. Report of RFQs Scheduled for Release in June
This report summarizes the RFQs for budgeted services over \$75,000 scheduled to be released for advertisement for the month of June. Michael B. O’Kelly pgs. 349-351
10. Transfer and Appropriate Funding, Execute Contract, Authorize Release of RFQ and Issue Purchase Orders
Field monitoring of PM and gravimetric analysis of PM samples continues to be an important part of ongoing efforts to better characterize air quality in the South Coast Basin. The effectiveness and efficiency of such monitoring and analysis efforts can be enhanced by upgrading existing laboratory facilities and investing in new and updated field platforms and equipment that would allow for more reliable instrument performance, rapid response and reporting. Consequently, this action is to upgrade the laboratory PM weighing room and purchase two state-of-the-art continuous Federal Equivalent Method monitors and two mobile air monitoring platforms. This action is to also transfer and appropriate up to \$323,500 into Science & Technology Advancement’s FY 2016-17 and/or 2017-18 Budgets for the weighing room upgrade and equipment purchases and to transfer up to \$230,000 between Major Objects within Science & Technology Advancement’s FY 2016-17 Budget to realign expenditures for the FY 2016-17 Enhanced Particulate Monitoring Program. Matt Miyasato DEO, Science & Technology Advancement pgs. 352-360
11. Extend Contract for Targeted YouTube Videos and Banner Ads for the 2017-18 Check Before You Burn Program
On April 1, 2016, the Board directed the Executive Officer to execute a contract with Google for \$250,000 for a targeted outreach program utilizing YouTube videos and banner ads to help promote the 2016-17 Check Before You Burn program. The contract with Google is currently set to expire on June 30, 2017. This action is to authorize the Executive Officer to extend the current contract with Google, Inc. for \$250,000, for the 2017-18 Check Before You Burn program. This contract will be executed from the Rule 1309.1 Priority Reserve Fund (36). Sam Atwood Media Relations Manager/Legislative, Public Affairs & Media pgs. 361-363
12. Establish List of Prequalified Counsel to Represent and Advise the SCAQMD on Legal Matters Related to Environmental Law and a List to Represent and Advise the SCAQMD Hearing Board
On March 3, 2017, the Board approved issuance of an RFP to pre-qualify outside counsel having expertise in the California Environmental Quality Act, SCAQMD rulemaking and planning procedures, administrative law and related issues for both the SCAQMD and the SCAQMD Hearing Board. The RFP was issued jointly to limit costs. The evaluation of responding firms has been completed. This action is to establish two lists of prequalified counsel—one to represent the SCAQMD in environmental law matters and one to represent the SCAQMD Hearing Board. Kurt Wiese General Counsel
13. Appropriate Funds and Authorize Amending Contracts with Outside Counsel and Specialized Legal Counsel and Services
Legal is currently being assisted in environmental lawsuits by outside law firms and in other matters requiring specialized legal counsel and services, including on-going litigation. This action is to appropriate pgs. 364-365

\$250,000 from Undesignated Fund Balance to Legal's FY 2016-17 Budget and amend contracts to expend these funds with prequalified counsel approved by the Board as well as specialized legal counsel and services.

- | | | | |
|-----|---|---|-----------------|
| 14. | Local Government & Small Business Assistance Advisory Group Minutes for the February 10, 2017 Meeting (written report) <i>Attached for information only are the Local Government & Small Business Assistance Advisory Group minutes for the February 10, 2017 meeting.</i> | Derrick J. Alatorre DEO/Legislative & Public Affairs | pgs. 366-369 |
| 15. | Review June 2, 2017 Governing Board Agenda | Wayne Nastri | pgs. 370-379 |
| 16. | Other Business <i>Any member of the Committee, or its staff, on his or her own initiative or in response to questions posed by the public, may ask a question for clarification, may make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter, or may take action to direct staff to place a matter of business on a future agenda. (Govt Code Section 54954.2)</i> | Dr. Burke | |
| 17. | Public Comment <i>Members of the public may address the Committee concerning any agenda item before or during consideration of that item (Govt. Code Section 54954.3). All agendas for regular meetings are posted at District Headquarters, 21865 Copley Drive, Diamond Bar, California, at least 72 hours in advance of a regular meeting. At the end of the regular meeting agenda, an opportunity is also provided for the public to speak on any subject within the Committee's authority. Speakers may be limited to three (3) minutes each.</i> | | |

Document Availability

All documents (i) constituting non-exempt public records, (ii) relating to an item on an agenda for a regular meeting, and (iii) having been distributed to at least a majority of the Committee after the agenda is posted, are available prior to the meeting for public review at the South Coast Air Quality Management District, Public Information Center, 21865 Copley Drive, Diamond Bar, CA 91765.

Americans with Disabilities Act

The agenda and documents in the agenda packet will be made available, upon request, in appropriate alternative formats to assist persons with a disability (Govt. Code Section 54954.2(a)). Disability-related accommodations will also be made available to allow participation in the Administrative Committee meeting. Any accommodations must be requested as soon as practicable. Requests will be accommodated to the extent feasible. Please contact Nancy Velasquez at 909-396-2557 from 7 a.m. to 5:30 p.m. Tuesday through Friday, or send the request to nvelasquez@aqmd.gov.

NOTE: The next Administrative Committee meeting is scheduled for Friday, June 9, 2017 in CC-8.



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Item 2

BOARD MEETING DATE: June 2, 2017

REPORT: Administrative Committee

SYNOPSIS: The Administrative Committee met Friday, May 12, 2017 and reviewed the proposed agenda for the June 2, 2017 Board meeting. The Committee also discussed various issues detailed in the Committee report. The next Administrative Committee meeting is June 9, 2017, at 10:00 a.m., in CC-8.

RECOMMENDED ACTION:
Approve this report.

Dr. William A. Burke, Chair
Administrative Committee

NV

Attendance:

[Will be inserted subsequent to the May 12, 2017 Administrative Committee meeting.]

Administrative Committee Discussion Items:

[Will be inserted subsequent to the May 12, 2017 Administrative Committee meeting.]

Report on Board Member Travel Authorized by the Chairman at the May 12, 2017 Administrative Committee meeting:

| DATE | TRAVELER | DESTINATION | PURPOSE |
|-----------------|-------------------------------|----------------|---|
| May 25-26, 2017 | Councilmember Judith Mitchell | Sacramento, CA | Councilmember Mitchell will attend the monthly CARB Board Meeting as the SCAQMD Board Representative. |

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Item 6

BOARD MEETING DATE: June 2, 2017

AGENDA NO.

PROPOSAL: Status Report on Major Ongoing and Upcoming Projects for Information Management

SYNOPSIS: Information Management is responsible for data systems management services in support of all SCAQMD operations. This action is to provide the monthly status report on major automation contracts and planned projects.

COMMITTEE: Administrative, May 12, 2017; Recommended for Approval

RECOMMENDED ACTION:
Receive and file.

Wayne Nastri
Executive Officer

JCM:MAH:OSM:agg

Background

Information Management (IM) provides a wide range of information systems and services in support of all SCAQMD operations. IM's primary goal is to provide automated tools and systems to implement Board-approved rules and regulations, and to improve internal efficiencies. The annual Budget specifies projects planned during the fiscal year to develop, acquire, enhance, or maintain mission-critical information systems.

Summary of Report

The attached report identifies each of the major projects/contracts or purchases that are ongoing or expected to be initiated within the next six months. Information provided for each project includes a brief project description and the schedule associated with known major milestones (issue RFP/RFQ, execute contract, etc.).

Attachment

Information Management Status Report On Major Ongoing and Upcoming Projects During the Next Six Months

ATTACHMENT
June 2, 2017 Board Meeting
Information Management Status Report On Major Ongoing and
Upcoming Projects During the Next Six Months

| Project | Brief Description | Budget | Completed Actions | Upcoming Milestones |
|--|---|---------------|--|--|
| Website Evaluation & Improvements | Conduct a detailed review of the SCAQMD website to identify improvements/enhancements that can further site usability and implement the items approved by the Administrative Committee; improvements include a new custom calendar and changes to the navigation and content organization | \$117,475 | <ul style="list-style-type: none"> • Calendar development done • Home page development done • Development of master pages and widgets done • Beta site set up on SCAQMD server | <ul style="list-style-type: none"> • Content migration and page updates with new widgets on the beta site • Final testing and performance tuning of new site in July 2017 • Expect to deploy July/August 2017 |
| Consolidation of Mapping Functions on SCAQMD's Website | Conduct an assessment of Geographic Information System (GIS) needs across the agency and develop an implementation plan for consolidating GIS functionality across the agency with a road map of projects to reach that goal | \$49,936 | <ul style="list-style-type: none"> • Needs assessment completed • Final system design document done based on recommended system design • Implementation plan outline done after final design documents • Software quote received from ESRI | <ul style="list-style-type: none"> • Post-contract, IM will begin implementing recommendations and incorporating into improved website • June Board letter to purchase recommended hardware and software |
| Permitting Systems Automation | <ul style="list-style-type: none"> • New Web Application Development project to automate the 400A Form Filing process | \$200,000 | <ul style="list-style-type: none"> • Business process model, requirements, and design work complete • 400 A release 1 delivered end of April | <ul style="list-style-type: none"> • Code development work in progress • Testing in progress |
| Permitting Systems | <ul style="list-style-type: none"> • New Web Application Development project to automate the | \$250,000 | <ul style="list-style-type: none"> • Business process model, requirements, and | <ul style="list-style-type: none"> • Code development work in |

| | | | | |
|-------------------------------|---|--|---|---|
| Automation (continued) | <p>processing of Dry Cleaner, Gas Station, and Spray Booth applications</p> <ul style="list-style-type: none"> Bay Area Software Evaluation - Assist Permitting Systems staff in assessment of the Bay Area software solution for use by SCAQMD and the public | To Be Determined | <p>design work complete</p> <ul style="list-style-type: none"> Release 1 of Dry Cleaner, Gas Station, and Spray Booth modules delivered mid-May <p>Received test account from Bay Area to access the demo site and experiment with the BAAQMD online permit processing tools</p> | <p>progress for all modules</p> <ul style="list-style-type: none"> Testing in progress for all modules <p>Complete initial review of Internal Dashboard and Customer Service Portals; need test facility to move forward</p> |
| Information Technology Review | RFP for Information Technology review to help determine opportunities for hardware, system, and software modernization | \$75,000 | <ul style="list-style-type: none"> Released RFP December 2, 2016 Contract awarded March 3, 2017 and executed in May | Task 1: Develop review scope, deliver work plan, and start implementation |
| Permit Dashboard Statistics | <ul style="list-style-type: none"> High level: New dashboard displaying monthly count of pending applications by type | Costs unbudgeted, developed internally; cost of software \$1,320 | <ul style="list-style-type: none"> Dashboard developed internally and submitted for review and approval October 2016 Initial version completed and went live online on January 20, 2017 | Not applicable |

| | | | | |
|--|--|---|---|--|
| Permit Dashboard Statistics (continued) | <ul style="list-style-type: none"> Detailed: New Web Application to allow engineers to update the intermediate status of applications, and a modification of the FIND or other GIS application to display the updated status to the applicant | Costs unbudgeted, to be determined after requirements are known | Initial requirements meeting Aug. 2016; staff identifying and finalizing intermediate statuses, method of data capture, and other user requirements | Continued biweekly follow-up to obtain user requirements needed for design and development work |
| Network Core Switch and Router Replacement | Replace the existing voice and data network core switch and router, which is no longer fully supported by the manufacturer; the new core switch and router will deliver enhanced functionality with additional bandwidth and speed | \$225,000 | <ul style="list-style-type: none"> Released RFP October 7, 2016 Awarded contract January 6, 2017 and equipment ordered Router installed, configured and tested | Not applicable |
| Agenda Tracking System Replacement | Replace the aging custom agenda tracking system with a state-of-the-art, cost-effective Enterprise Content Management (ECM) system, which is fully integrated with OnBase, SCAQMD's agency-wide ECM system | \$86,600 | <ul style="list-style-type: none"> Released RFP December 4, 2015 Awarded contract April 1, 2016 | Complete implementation August 2017 |
| Replace Your Ride | New Web Application to allow residents to apply for incentives to purchase newer, less-polluting vehicles | \$175,000 | <ul style="list-style-type: none"> Task order issued and awarded October 2016 Development work initiated December 2016 Release 1-application filing module delivered for testing | <ul style="list-style-type: none"> System development work in progress Expected implementation June 2017 |
| Emission Reporting System | Upgrade the outdated modem-based emission reporting system to allow internet-based reporting with up-to-date tools and methodology | \$242,000 | <ul style="list-style-type: none"> Detailed planning and architecture sessions completed Approved by the Board March 3, 2017 | Task order set to start |

| | | | | |
|---|--|-----------|--|------------------------------|
| Web Application and CLASS Systems Maintenance and Support | On-demand support for minor enhancements, upgrades, and maintenance of the SCAQMD suite of CLASS systems and Web Applications, Web Services, and Web Application Program Interfaces (APIs) | \$103,000 | <ul style="list-style-type: none"> • Planning sessions in progress to finalize and prioritize work items for the upcoming period • Approved by the Board March 3, 2017 | Task order set to start |
| Air Quality Index Rewrite and Migration | Develop a new Web Service and/or Web API to migrate the Air Quality Index function from the FORTRAN computer to STA's data management system | \$60,000 | <ul style="list-style-type: none"> • Work statement completed • Approved by the Board March 3, 2017 • Task order awarded and work started in April • Requirements and design work completed in May | Development work in progress |
| Renewal of HP Server Maintenance & Support | Purchase of maintenance and support services for servers and storage devices | \$110,000 | <ul style="list-style-type: none"> • Approved by the Board April 7, 2017 • Contract executed | Not applicable |

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Item 7

BOARD MEETING DATE: June 2, 2017

AGENDA NO.

PROPOSAL: Transfer Funds and Issue Purchase Orders for Necessary Software and Hardware to Develop an Enterprise Geographical Information System (EGIS)

SYNOPSIS: A recent strategic planning effort for an Enterprise Geographical Information System (EGIS) identified a need to use GIS more broadly across the diverse business processes at SCAQMD. In order to implement the recommended EGIS, SCAQMD needs to update the current spatial IT infrastructure, storage environment and delivery of geospatial services to serve a growing need for geospatial data and to enable integration with other supported business systems and databases. This action is to transfer funds within Information Management's FY 2016-17 Budget, and to issue purchase orders for the acquisition of computer hardware and software necessary for the development of an EGIS at a total cost not to exceed \$80,000. Funds are available in IM's FY2016-17 Budget.

COMMITTEE: Administrative Committee, May 12, 2017, Recommended for Approval

RECOMMENDED ACTIONS:

1. Transfer \$80,000 to the Information Management FY 2016-17 Budget, Capital Outlays Major Object from the Information Management FY 2016-17 Budget, Services and Supplies Major Object;
2. Authorize the Procurement Manager to issue a sole-source purchase order to Esri for a not-to-exceed amount of \$66,000 to purchase the following software:
 - a. Two (2) ArcGIS Enterprise Standard (Windows) Up to Four Cores Licenses
 - b. Two (2) ArcGIS Enterprise Standard (Windows) Up to Four Cores Staging Server Licenses;

3. Authorize the Procurement Manager to purchase two (2) Kemp Virtual Load Balancers (VLM-2000), including operating systems, from the current approved vendor list at a cost not to exceed \$14,000.

Wayne Natri
Executive Officer

JCM:MAH:OSM:agg

Background

SCAQMD's website incorporates a number of online maps to display information useful to the public, researchers, and the regulated community, including the Air Quality Map, the Check Before You Burn map, the FIND map, the MATES IV interactive risk map, the AB 2588 interactive risk map, the Rule 1113 exemption area locator map, and a special monitoring map with data display. Currently, there are seven interactive and display maps on our external website rendering specific data, each for a single purpose; in addition, two departments have developed in-house GIS applications for specific uses.

SCAQMD primarily uses GIS for information distribution and data visualizations. Geospatial data is processed and delivered through a variety of technologies, including MapDotNet6.5, MapDotNet9.1, Bing Maps, and ArcGIS. The current maps have evolved over time to satisfy certain departmental needs; however, the agency is limited by the lack of a comprehensive, enterprise system approach.

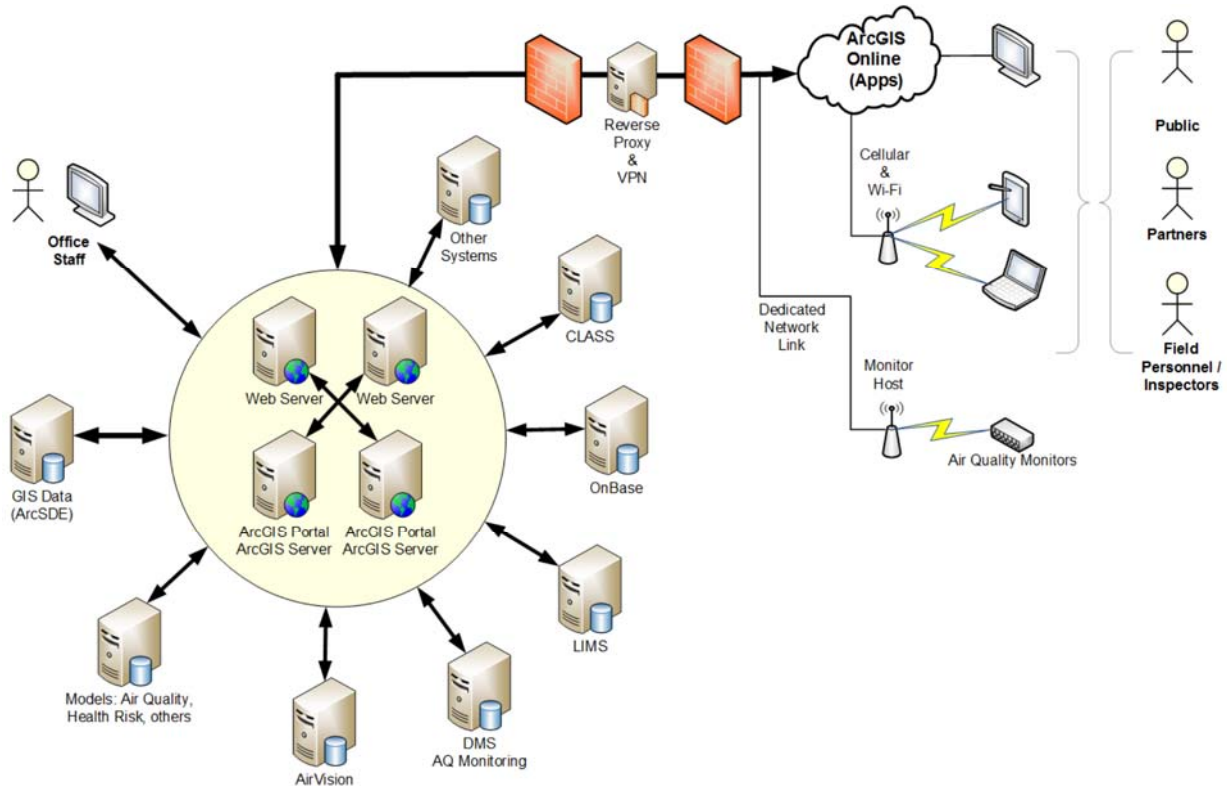
SCAQMD engaged Psomas to perform the strategic planning for a Geographic Information System (GIS) at the District-wide level. Their analysis identified a need to use GIS more broadly across the diverse business processes at SCAQMD by providing increased access to GIS information through integration with existing business systems, accessing information through web and mobile applications, and simplifying GIS tools. The Enterprise GIS System Design prepared by Psomas presents an enhanced GIS system concept for SCAQMD that addresses these needs. It features a consolidated, centralized, enterprise GIS database, internal web mapping capability, and strong integration with other enterprise systems, including OnBase, CLASS, and AirVision.

In order to implement the recommended enterprise-wide GIS system, SCAQMD will need to update the current spatial IT infrastructure, storage environment, and delivery of geospatial services to serve a growing need for geospatial data and enable integration with other supported business systems and databases.

Proposal

In their Enterprise GIS Implementation Plan, Psomas provided a concept for deploying GIS at SCAQMD, shown in Figure 1.

Figure 1. EGIS System Concept



The recommended system design has the following attributes:

- Expanded use of Esri software to create an enterprise GIS database and web application server framework;
- A robust and reliable GIS mapping and application server cluster that integrates with SCAQMD's other core business systems; and
- A versioned production enterprise geodatabase to store and manage GIS datasets.

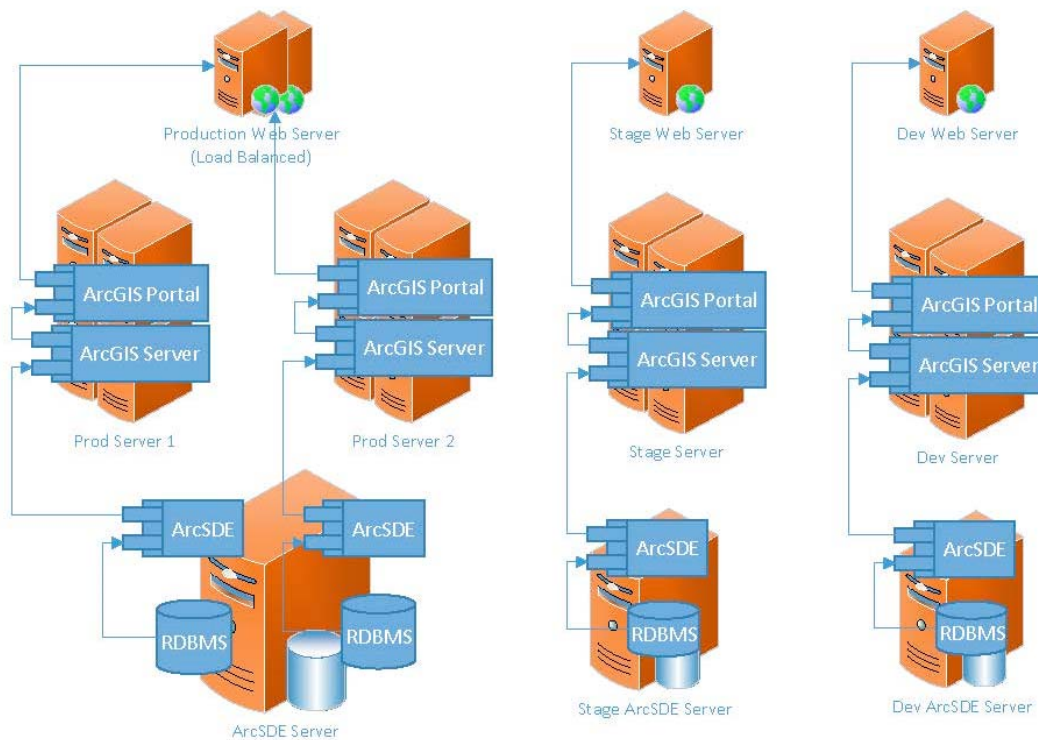
Psomas has recommended that SCAQMD continue using Esri software for GIS for the following reasons:

- Esri's ArcGIS is the dominant GIS software in the key industries that are most relevant to the agency, including: local government, research, and regulatory agencies, with a world-wide market share of 43% (and 80% share of the entire federal, state, and local government U.S. market).
- Esri is a closely-held, privately-owned, company that has been consistently profitable for decades and is committed to reinvesting in research and development. Esri has been the overall leader for decades and represents long-term viability as a GIS platform; and

- Esri has been successful in expanding the application of GIS into the functions of local government, utilities, and a wide-array of other industries making ArcGIS the most comprehensive software platform available to the SCAQMD through readily-available templates and solutions, a rich web application development framework, spatial analysis and data management tools, online user and developer documentation, and educational support.

The recommended implementation configuration (Figure 2) consists of a three-tiered environment for development, staging/testing, and production. Having this environment isolation improves the management of applications and data so that production systems are reliable, test environments provide verification of the application functions and performance before advancing to production, and the development environment isolation keeps early code away from testing and production.

Figure 2. GIS Implementation Configuration



The hardware and software necessary for this EGIS configuration includes additional load balancing servers to modulate map and data requests, additional database servers for expanded data storage needs, Esri software components, and necessary support software as detailed in Table 1.

Table 1. Additional Hardware and Software Necessary for Enterprise GIS Implementation

| Item Description | Quantity | Unit Price (\$) | Total (\$) | Total with Tax (\$) |
|---|----------|-----------------|---------------|---------------------|
| Kemp Virtual Load Balancers (VLM-2000), including Windows operating system | 2 | 6,000 | 12,000 | 14,000 |
| ArcGIS Enterprise Standard (Windows) Up to Four Cores Licenses | 2 | 20,000 | 40,000 | 44,000 |
| ArcGIS Enterprise Standard (Windows) Up to Four Cores Staging Server Licenses | 2 | 10,000 | 20,000 | 22,000 |
| Total | | | 72,000 | 80,000 |

Staff recommends approval of the following actions:

1. Transfer of \$80,000 to the Information Management FY 2016-17 Budget, Capital Outlays Major Object from the Information Management FY 2016-17 Budget, Services and Supplies Major Object.
2. Purchase the following software licenses from Esri for an amount not-to-exceed \$66,000:
 - a. Two (2) ArcGIS Enterprise Standard (Windows) Up to Four Cores Licenses
 - b. Two (2) ArcGIS Enterprise Standard (Windows) Up to Four Cores Staging Server Licenses
3. Purchase two (2) Kemp Virtual Load Balancers (VLM-2000), including operating systems, from the current approved vendor list at a cost not to exceed \$14,000.

Total capital outlay cost is not to exceed \$80,000, including applicable taxes.

Sole Source Justification

Section VIII.B.2 of the Procurement Policy and Procedure identifies circumstances under which a sole source purchase award may be justified. This request for a sole source purchase from Esri are made under provision VIII.B.2.a. Esri has already provided a cost quote and the effort required to prepare a bid request from re-sellers will exceed any possible savings that could be gained.

Resource Impacts

Sufficient funds are available in Information Management’s FY 2016-17 Budget.

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Item 8

BOARD MEETING DATE: June 2, 2017

AGENDA NO.

PROPOSAL: Adopt Executive Officer’s FY 2017-18 Proposed Goals and Priority Objectives, Draft Budget and Proposed Amended Regulation (PAR) III - Fees

SYNOPSIS: The Executive Officer's Budget, Goals and Priority Objectives for FY 2017-18 have been developed and are recommended for adoption. In addition, staff is proposing amendments to Regulation III – Fees. These amendments include the following fee increases: 1) Pursuant to Rule 320, an increase of most fees by 2.5% consistent with the Consumer Price Index; 2) A fee increase of 16% in specified fees for Title V sources in FY 2017-18 and an additional 16% increase in FY 2018-19; and 3) A 4% increase in specified fees for non-Title V sources for FY 2017-18 and an additional 4% increase in FY 2018-19. The fee increases have been presented at a Budget Study Session, Budget Advisory Committee meeting and at two public consultation meetings in April with recommendations and comments provided to the Board. Finally, staff recommends other proposed changes to Regulation III which have no fee impact, but do include clarifications, deletions or corrections to existing rule language.

COMMITTEE: Special Governing Board Meeting/Budget Study Session, April 21, 2017, Reviewed

RECOMMENDED ACTIONS:

1. Remove from Reserves and Designations all amounts associated with the FY 2016-17 Budget;
2. Approve appropriations in the Major Objects for FY 2017-18 of:

| | |
|------------------------------|-----------------------|
| Salary and Employee Benefits | \$119,860,494 |
| Services and Supplies | 28,067,695 |
| Capital Outlays | <u>1,950,717</u> |
| Total | <u>\$149,878,906;</u> |

3. Approve revenues for FY 2017-18 of \$147,510,310;
4. Approve the addition of 10.25 net authorized/funded positions as detailed in the FY 2017-18 Budget;
5. Delete two existing position classifications: 1) Deputy Executive Officer, IM; and 2) Chief Financial Officer;
6. Add two new position classifications: 1) Chief Operating Officer; and 2) Chief Administrative Officer;
7. Approve amendment to SCAQMD Salary Resolution reflecting the deletion and addition of the position classifications discussed in Recommended Actions 5 and 6 above (Attachment C);
8. Approve the SCAQMD FY 2017-18 Goals and Priority Objectives;
9. Approve a projected June 30, 2018 Fund Balance of the following:

| Classification¹ | Reserves/Unreserved Designations | Amount |
|--|---|---------------|
| Committed | Reserve for Encumbrances | \$7,723,000 |
| Non-spendable | Reserve for Inventory of Supplies | 80,000 |
| Assigned | Designated for Enhanced Compliance Activities | 883,018 |
| Assigned | Designated for Other Post Employment Benefit (OPEB) Obligations | 2,952,496 |
| Assigned | Designated for Permit Streamlining | 2,288,385 |
| Assigned | Designated for Self-Insurance | 2,000,000 |
| Assigned | Designated for Unemployment Claims | 80,000 |
| Total Reserves & Unreserved Designations | | \$16,006,899 |
| Unassigned | Undesignated Fund Balance | \$21,402,928 |

10. Adopt the attached Resolution regarding the amendment of Reg III – Fees (Attachment F):
 - a. Determining that the proposed amendments to Regulation III – Fees (Proposed Amended Rules 301) – Permitting and Associated Fees, 303 – Hearing Board Fees, 304 – Equipment, Materials and Ambient Air Analyses, 304.1 – Analyses Fees, 306 – Plan Fees, 307.1 – Alternative Fees for Air Toxics Emissions Inventory, 308 – On-Road Motor Vehicle Mitigation Options Fees, 309 – Fees for Regulation XVI, 311

¹ The terms Committed, Non-spendable, Assigned, and Unassigned are terms established by the Governmental Accounting Standards Board.

– Air Quality Investment Program (AQIP) Fees, 313 – Authority to Adjust Fees and Due Dates, 314 – Fees for Architectural Coatings, and 315 – Fees for Training Classes and License Renewal, are exempt from the requirements of the California Environmental Quality Act.

- b. Amending Rules 301 – Permitting and Associated Fees, 303 – Hearing Board Fees, 304 – Equipment, Materials and Ambient Air Analyses, 304.1 – Analyses Fees, 306 – Plan Fees, 307.1 – Alternative Fees for Air Toxics Emissions Inventory, 308 – On-Road Motor Vehicle Mitigation Options Fees, 309 – Fees for Regulation XVI, 311 – Air Quality Investment Program (AQIP) Fees, 313 – Authority to Adjust Fees and Due Dates, 314 – Fees for Architectural Coatings, and 315 – Fees for Training Classes and License Renewal.

Wayne Natri
Executive Officer

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Background

Budget

The period covered by the FY 2017-18 budget is from July 1, 2017 to June 30, 2018. The General Fund budget is the agency's operating budget and is structured by office and account code. The accounts are categorized into three Major Objects: Salaries and Employee Benefits, Services and Supplies, and Capital Outlays. The budget is supplemented with a Work Program which estimates staff resources and expenditures along program and activity lines. A Work Program Output Justification is completed for each Work Program which identifies performance goals, measurable outputs, legal mandates, activity changes and revenue categories.

The annual expenditure and revenue budget for the General Fund is adopted on a modified accrual basis. All annual expenditure appropriations lapse at fiscal year-end if they have not been expended or encumbered. Throughout the year, budget amendments may be necessary to accommodate additional revenues and expenditure needs.

The Executive Officer's Budget and Work Program for FY 2017-18 represents the input over the past several months from Board members, the public, executive management, and staff. This year's process included meetings with the Budget Advisory Committee, two public consultations held on April 11, 2017 and April 18, 2017 and one workshop held for the Board on April 21, 2017.

Regulation III

Regulation III – Fees, primarily establishes the fee rates and schedules to recover SCAQMD's reasonable costs of regulating and providing services to permitted sources. The Permitted Source Program is primarily supported by three fees that provide over 62% of the SCAQMD budget, namely permit processing fees, annual renewal (equipment-based) fees, and annual renewal (emissions-based) fees, all of which are contained in Rule 301. In addition, the Permitted Source Program includes certain activities for which separate fees are charged, such as Source Testing and Hearing Board variances and permit appeals. Also included in the permit-related fee program are Rule 222 registration fees and plan fees, since these are similar to permits for the sources to which they apply. Regulation III – Fees, also establishes fees and rates for other fee programs, unrelated to the Permitted Source Program, such as Transportation Programs fees and Area Source fees (architectural coatings).

In the 1990's the SCAQMD began experiencing significant shortfalls in its budget due to declining revenues that threatened the continuity of many of its programs and services. Shortfalls continue to exist despite the significant budget reductions adopted, increasing vacancy rates due to unfilled positions and continuous improvements in performance and efficiency. The SCAQMD faces a number of challenges in the upcoming years: changes in federal grant funding levels, increased retirement costs due to actuarial and investment adjustments, and one-time penalties and settlement revenue that varies annually.

Proposal

Budget

The budget for FY 2017-18 proposes expenditures of \$149,878,906 and revenues of \$147,510,310, using prior year revenues to supplement FY 2017-18 estimated revenues. The proposed FY 2017-18 budget represents an increase of \$8,351,211 (6%) in total expenditures from the budget adopted by the Board in May 2016. Staff is proposing the net addition of 10.25 positions for FY 2017-18, including a net total of 6.25 new positions in Monitoring and Analysis, Rule Development, Enforcement, and Administration Support as well as two new positions each in Mobile Sources and Air Toxics offset by revenue from mobile source-related incentive programs and Air Toxics. The 0.25 FTE is for a 3-month overlap of an executive-level position. In Services and Supplies, the proposal for FY 2017-18 reflects an increase of \$2,231,998 (9%) compared to the FY 2016-17 adopted budget while Capital Outlays are increasing by \$1,100,717 (129%).

The proposed FY 2017-18 budget represents an increase of \$11,064,030 (8%) in total revenue from the budget adopted by the Board in May 2016. As part of this budget package, specific fees in Regulation III – Fees, will be automatically adjusted by the California Consumer Price Index (CPI) as provided for under SCAQMD Rule 320. In addition, the fee rule amendments include a proposed 16% increase in specified fees for

Title V sources in FY 2017-18 and an additional 16% increase in FY 2018-19, and a 4% increase in specified fees for non-Title V sources for FY 2017-18 and another 4% increase in FY 2018-19.

Regulation III

For FY 2017-18, proposed amendments to Regulation III consist of the following four components:

1. A Consumer Price Increase (CPI), inflation based, rate adjustment to most fees in Regulation III pursuant to Rule 320 of 2.5%;
2. An additional fee rate increase above CPI of 16% in each of the next two (2) FYs, in permit-related services (permit processing, annual renewals and plans, but excluding emissions-based fees) for Title V facilities;
3. An additional fee rate increase above CPI of 4% in each of the next two (2) FYs, in permit-related services (permit processing, annual renewals and plans, but excluding emissions-based fees) for non-Title V facilities; and
4. Administrative amendments, with no fiscal impact, that delete, update, clarify or correct existing text in the regulation.

The proposed fee amendments were formulated to address cost recovery by refining the alignment of program revenue with program costs that have typically never been fully recovered. With respect to Title V facilities, the fee increase is also being proposed in response to a 2016 U.S. EPA audit wherein U.S. EPA found that Title V fees were not recovering Title V costs as required by the Clean Air Act. Despite the proposed fee amendments, staff currently projects a \$6.8 million deficit in revenues in the FY 2017-18 proposed budget for programs related to permit processing fees. Factors impacting budget shortfalls include legally mandated funding for the San Bernardino County Employee Retirement Association (SBCERA) which is significantly increasing retirement costs (and which translates into certain overhead costs), decreasing emissions fees revenues, and revenues remaining generally flat from annual permit renewal fees.

Revenue Impacts

The 2.5% CPI adjustments to most fees in Regulation III will result in \$2.2 million in partial cost recovery for FY 2017-18. For Title V sources, the proposed additional 32% adjustment in permit processing and annual operating renewals fees, implemented over the next two fiscal years (16% in FY 2017-18 and 16% in FY 2018-19) will result in an additional \$1.5 million for FY 2017-18 and \$1.8 million for FY 2018-19. For non-Title V sources, the proposed additional 8% adjustment in permit processing and annual operating renewals fees, implemented over the next two fiscal years (4% in FY 2017-18 and 4% in FY 2018-19) will result in an additional \$2.1 million for FY 2017-18 and \$2.2 million for FY 2018-19.

California Environmental Quality Act

The proposed project is amending Regulation III – Fees (Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315). Pursuant to the California Environmental Quality Act (CEQA) and SCAQMD Rule 110, the SCAQMD, as lead agency for the proposed project, has reviewed the proposed project pursuant to: 1) CEQA Guidelines § 15002(k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA; and 2) CEQA Guidelines § 15061 – Review for Exemption, procedures for determining if a project is exempt from CEQA. With respect to the proposed amendments to Rules 301, 306, 308 and 314 which are identified as being strictly administrative in nature, it can be seen with certainty that there is no possibility that the proposed project will have a significant adverse effect on the environment. Thus, the project is considered to be exempt from CEQA pursuant to CEQA Guidelines § 15061(b)(3) – Activities Covered by General Rule. Additionally, with respect to the proposed amendments reflecting increases in fees, as well as the proposed amendments which are identified as being strictly administrative in nature, the proposed project is statutorily exempt from CEQA requirements pursuant to CEQA Guidelines § 15273 – Rates, Tolls, Fares, and Charges, because the proposed amendments to Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315 involve charges by public agencies for the purpose of meeting operating expenses and financial reserve requirements. A Notice of Exemption (Attachment K) has been prepared pursuant to CEQA Guidelines § 15062 – Notice of Exemption. If the project is approved, the Notice of Exemption will be filed with the county clerks of Los Angeles, Orange, Riverside and San Bernardino counties.

Socioeconomic Assessment

Two socioeconomic reports are included as attachments to the staff report. The first report (Attachment I) analyzes the impacts of the Rule 320 2.5% CPI adjustment to Regulation III fees. The second report (Attachment J) analyzes the impacts of the combination of the proposed CPI fee increase and the proposed permit-related fee increases for Title V and non-Title V facilities as part of the PAR III – Fees. Nearly all facilities regulated by SCAQMD would be affected by the proposed fee increases, while the manufacturing sector is estimated to incur the largest share of the combined fee increase (46 percent), followed by the services sector (17 percent).

Resource Impacts

The proposed FY 2017-18 budget assumes a 2.5% fee increase, consistent with Rule 320 which was adopted by the Board on October 29, 2010 to allow for an increase of fees based on the change in the California Consumer Price Index. In accordance with Rule 320, the Draft Socioeconomic Assessment for Automatic Consumer Price Index (CPI) Increase was made available to the public on March 15, 2017 and public comments and responses, along with recommendations by the Budget Advisory Committee, were provided to the Board by the April 15 and extended April 25 deadlines. Additionally, a socioeconomic assessment of the combined Proposed

Amended Regulation (PAR) III – Fees, was made available to the public on April 7, 2017. The PAR III – Fees, also includes a 16% increase in specified fees for Title V sources for FY 2017-18 and an additional 16% increase in FY 2018-19, and a 4% increase in specified fees for non-Title V sources for FY 2017-18 and another 4% increase in FY 2018-19.

Copies of the Draft Budget and Work Program for FY 2017-18 have been transmitted to the Board and the document is also available via SCAQMD's web site at <http://www.aqmd.gov/docs/default-source/finance-budgets/fy-2017-18/fy2017-18draftbudget.pdf?sfvrsn=6>. Budget abstracts are available by request from the Public Information Center (909) 396-3600. The staff proposal for amending fee rules is also available on the SCAQMD's website under Proposed Rules.

Attachments

- A. Summary of Proposals
- B. Abstract of FY 2017-18 Budget and Work Program
- C. Amended SCAQMD Salary Resolution
- D. Rule Development Process
- E. Key Contacts
- F. Resolution
- G. Proposed Rule Language
- H. Final Staff Report
- I. Final Socioeconomic Assessment For Automatic Consumer Price Index (CPI) Increase
- J. Final Socioeconomic Assessment For PAR III- Fees
- K. Notice of Exemption

ATTACHMENT A

SUMMARY OF PROPOSALS

For Fiscal Year (FY) 2017-18, proposed amendments to Regulation III consist of the following four (4) components:

COMPONENT 1: CPI ADJUSTMENT

For FY 2017-18, staff is recommending that all Regulation III fees be allowed to adjust, pursuant to the automatic action of Rule 320, by the 2.5% increase commensurate with the change in the CY 2016 CPI, but excluding the following fees:

- 1) The returned check service fee in various rules (currently set by state law at \$25),
- 2) Rule 301(w) – Enforcement Inspection Fees for Statewide Portable Equipment Registration Program (or PERP fees; since these fees are set by the state),
- 3) Rule 307.1 Table I – Facility Fees By Program Category; “State Fee” column figures only (since these fees are set by the state), and
- 4) Rule 311(c) Air Quality Investment Program Fees.

COMPONENT 2: TITLE V PERMIT PROCEESING AND ANNUAL RENEWAL FEE ADJUSTMENT

An additional fee rate increase above the 2.5% increase in the CPI of 16% in each of the next two (2) FYs*, in permit-related services (permit processing, annual renewals and plans; but excluding emissions based fees) for Title V facilities. See Appendix B of the staff report for the listing of specific fees in Regulation III subject to the Title V adjustment.

COMPONENT 3: NON-TITLE V PERMIT PROCEESING AND ANNUAL RENEWAL FEE ADJUSTMENT

An additional fee rate increase above the 2.5% increase in the CPI of 4% in each of the next two (2) FYs*, in permit-related services for non-Title V facilities. See Appendix B of the staff report for the listing of specific fees in Regulation III subject to the non-Title V adjustment.

COMPONENT 4: ADMINISTRATIVE AMENDMENTS (NO FISCAL IMPACT)

Administrative amendments, with no fiscal impact, that delete, update, clarify or correct existing text in the regulation, as follows:

- Update Rule 301 (a)(10), subdivision (j) heading and (j)(4) regarding Public Notification to align with prior amendments to Rule 212. This amendment updates references in Rule 301 to Rule 212 by removing the word “significant” from “significant project” in Rule 301 (a)(10), Subdivision (j) heading and (j)(4);
- Delete obsolete references in Rule 301 to the FY 2007-08 six-month transitional emissions fees;
- Clarify reference to the list of contaminants in Rule 301(e)(6) pertaining to clean fuels fee thresholds;
- Extend the due date for certain fees in Rule 301(e)(9), (10), (11) and (15) from sixty (60) to seventy-five (75) days;
- Delete obsolete Rule 301(l)(10)(E) reference to special operating fee for petroleum refineries for FY 2007-08 through FY 2008-09;
- Delete obsolete prior FY fees for initial and final Title V fees in Rule 301(m)(3)(A) and (B);
- Delete obsolete CPI rebate provision for FY 2010-11 in Rule 301(ab);
- Update the reference in Rule 301(v)(2) regarding fees for expedited CEQA work from 301(i) to 301(j);
- Correct a typographical error in Rule 301 Table IA for “Afterburner (< 1 MMBTU/hr, venting m.s.)” to “Afterburner (\leq 1 MMBTU/hr venting m.s.)”;
- Reformat the table in Rule 306(h) listing the types of plans subject to an annual renewal/review fee;
- Clarify that the published Rule 306(q) fee for optional expedited plan processing includes an amount for mileage;
- Update Rule 308(k) Emission Reductions Project Review to delete a reference to a past date and to correct the reference to Rule 2202; and
- Re-commence publishing fees in Rule 314(g) to 3 decimal places (with a proviso that the actual amount remitted is rounded to the nearest penny).
- Other miscellaneous text corrections have no fiscal impact but do correct references in the rule

* These second year FY 2018-19 fee may also be further adjusted by the change in the CY 2017 CPI, pursuant to the automatic action of Rule 320.

ATTACHMENT B

Budget & Work Program



Fiscal Year
2017-2018

South Coast
Air Quality
Management District



ATTACHMENT C

SOUTH COAST

AIR QUALITY MANAGEMENT DISTRICT

SALARY RESOLUTION

~~March 3, 2017~~

June 2, 2017

ARTICLE 7

DESIGNATED DEPUTY ANNUAL SALARIES

(Effective with the start of the pay period encompassing January 1, 2015)

| | |
|---|-----------|
| Assistant Chief Deputy Counsel, Major Prosecutions | \$158,049 |
| Assistant Deputy Executive Officer | \$155,669 |
| Chief Deputy Counsel | \$178,398 |
| Deputy Executive Officer, including Chief Financial Officer | \$166,615 |
| Director of Strategic Initiatives | \$148,723 |
| Health Effects Officer | \$148,723 |
| Intergovernmental Affairs Officer | Vacant |
| Senior Policy Advisor | \$151,614 |

(Effective with the start of the pay period encompassing January 1, 2016)

| | |
|---|-----------|
| Assistant Chief Deputy Counsel, Major Prosecutions | \$160,420 |
| Assistant Deputy Executive Officer | \$158,004 |
| Chief Deputy Counsel | \$181,074 |
| Deputy Executive Officer, including Chief Financial Officer | \$169,114 |
| Director of Strategic Initiatives | \$150,954 |
| Health Effects Officer | \$150,954 |
| Intergovernmental Affairs Officer | Vacant |
| Senior Policy Advisor | \$153,888 |

(Effective with the start of the pay period encompassing January 1, 2017)

| | |
|--|-----------|
| Assistant Chief Deputy Counsel, Major Prosecutions | \$162,826 |
| Assistant Deputy Executive Officer | \$160,374 |
| Chief Deputy Counsel | \$183,790 |
| Deputy Executive Officer, including Chief Financial <u>Operating</u> Officer <u>and Chief Administrative Officer</u> | \$171,651 |
| Director of Strategic Initiatives | \$153,218 |
| Health Effects Officer | \$153,218 |
| Intergovernmental Affairs Officer | Vacant |
| Senior Policy Advisor | \$156,196 |

ATTACHMENT D

PAR III - RULE DEVELOPMENT PROCESS

Start of Rule Development
February 2017

Release of Socioeconomic Assessment Due to CPI Fee Increase Pursuant to Rule 320
March 15, 2017

Release of Socioeconomic Assessment Due to Beyond CPI Fee Increase Pursuant to Rule 320
March 15, 2017

Budget Advisory Committee: FY 2017-18 Draft Budget & Work Program & PAR III - Fees
April 6, 2017

Public Consultation Meeting #1: FY 2017-18 Draft Budget & Work Program & PAR III - Fees
April 11, 2017

Public Consultation Meeting #2: FY 2017-18 Draft Budget & Work Program & PAR III - Fees
April 18, 2017

Governing Board Public Workshop: FY 2017-18 Draft Budget & Work Program & PAR III - Fees
April 21, 2017

Release of Draft Rules, Draft Staff Report, Socio-Economic Report for Automatic CPI Increase;
Socio-Economic Report for Proposed Amended Regulation III – Fees
May 3, 2017

Set Hearing
May 5, 2017

Public Hearing
June 2, 2017

Time Spent in Rule Development: 4 months

ATTACHMENT E

KEY CONTACTS

| | |
|-----------------|---|
| Curtis Coleman | Southern California Air Quality Alliance |
| Bill LaMarr | California Small Business Alliance |
| Daniel McGivney | Southern California Gas Company |
| Bill Quinn | California Council for Environmental and Economic Balance |
| David Rothbart | Los Angeles County Sanitation District |
| Susan Stark | Tesoro |
| | Tenax Dry Cleaners |
| Tom Williams | Sierra Club / AQMD Environmental Justice Committee |

ATTACHMENT F

RESOLUTION NO. 17-

A Resolution of the South Coast Air Quality Management District (SCAQMD) Governing Board determining that the proposed amendments to Regulation III – Fees, including Rules 301 – Permitting and Associated Fees, 303 – Hearing Board Fees, 304 – Equipment, Materials, and Ambient Air Analyses, 304.1 – Analyses Fees, 306 – Plan Fees, 307.1 – Alternative Fees for Air Toxics Emissions Inventory, 308 – On-Road Motor Vehicle Mitigation Options Fees, 309 – Fees for Regulation XVI and Regulation XXV, 311 – Air Quality Investment Program (AQIP) Fees, 313 – Authority to Adjust Fees and Due Dates, 314 – Fees for Architectural Coatings, and 315 – Fees for Training Classes and License Renewal, are exempt from the requirements of the California Environmental Quality Act (CEQA).

A Resolution of the SCAQMD Governing Board amending Regulation III – Fees, including Rules 301 – Permitting and Associated Fees, 303 – Hearing Board Fees, 304 – Equipment, Materials, and Ambient Air Analyses, 304.1 – Analyses Fees, 306 – Plan Fees, 307.1 – Alternative Fees for Air Toxics Emissions Inventory, 308 – On-Road Motor Vehicle Mitigation Options Fees, 309 – Fees for Regulation XVI and Regulation XXV, 311 – Air Quality Investment Program (AQIP) Fees, 313 – Authority to Adjust Fees and Due Dates, 314 – Fees for Architectural Coatings, and 315 – Fees for Training Classes and License Renewal.

WHEREAS, the SCAQMD has had its regulatory program certified pursuant to Public Resources Code § 21080.5 and has conducted a CEQA review and analysis of the proposed amendments to Regulation III, including Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315, pursuant to such program (SCAQMD Rule 110); and

WHEREAS, the SCAQMD Governing Board finds and determines that the proposed amendments to Regulation III, including Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315, are considered a "project" pursuant to CEQA per CEQA Guidelines § 15002(k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA; and

WHEREAS, the SCAQMD Governing Board finds and determines that after conducting a review of the proposed project in accordance with CEQA Guidelines § 15061 – Review for Exemption, procedures for determining if a project is exempt from CEQA,

the proposed amendments to Regulation III, including Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315, are determined to be exempt from CEQA; and

WHEREAS, the SCAQMD Governing Board finds and determines that it can be seen with certainty that there is no possibility that the proposed amendments to Rules 301, 306, 308 and 314, which are identified as being strictly administrative in nature, may have any significant effects on the environment, and are therefore, exempt from CEQA pursuant to CEQA Guidelines § 15061(b)(3) – Activities Covered By General Rule; and

WHEREAS, the SCAQMD Governing Board finds and determines that the proposed amendments to Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315 reflect increases in fees, and the administrative amendments to Rules 301, 306, 308, and 314 also involve fees charged by the District, such that all of the amendments are statutorily exempt from CEQA requirements pursuant to CEQA Guidelines § 15273 – Rates, Tolls, Fares, and Charges, because the proposed amendments involve charges by a public agency for the purpose of meeting operating expenses, purchasing supplies, equipment and materials, and meeting financial reserve requirements, all as specified in the Salary and Benefits, Services and Supplies, and Capital Outlays set forth in the Proposed Budget for FY 2017-2018 and the budget forecast for FY 2018-2019; and

WHEREAS, SCAQMD staff has prepared a Notice of Exemption for the proposed project, that is completed in compliance with CEQA Guidelines § 15062 – Notice of Exemption; and

WHEREAS, the Notice of Exemption, the June 2, 2017 SCAQMD Governing Board letter, and other supporting documentation were presented to the SCAQMD Governing Board and the SCAQMD Governing Board has reviewed and considered the entirety of this information prior to approving the project; and

WHEREAS, the SCAQMD Governing Board obtains its authority to adopt, amend, or repeal rules and regulations from Sections 40000, 40001, 40440, 40500, 40500.1, 40506, 40510, 40510.5, 40512, 40522, 40522.5, 40523, 40702, 40725 through 40728, 41512, and 44380 of the California Health and Safety Code; and

WHEREAS, the SCAQMD Governing Board has determined that a need exists to amend Regulation III – Fees, including Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315 to fund the Fiscal Year (FY) 2017-2018 and FY 2018-2019 budgets; and

WHEREAS, the SCAQMD Governing Board has determined that Regulation III – Fees, including Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315 as proposed to be amended, are written or displayed so that their meaning can be easily understood by the persons directly affected by them; and

WHEREAS, the SCAQMD Governing Board has determined that Regulation III – Fees, including Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315

as proposed to be amended, are in harmony with, and not in conflict with or contradictory to, existing statutes, court decisions, or state or federal regulations; and

WHEREAS, a public hearing has been properly noticed in accordance with the provisions of Health and Safety Code Section 40725; and

WHEREAS, the SCAQMD Governing Board has held a public hearing in accordance with all provisions of law; and

WHEREAS, the SCAQMD Governing Board, in amending these rules, references the following statutes which the SCAQMD hereby implements, interprets, or makes specific: Health and Safety Code Sections 40500, 40500.1, 40506, 40510, 40510.5, 40512, 40522, 40522.5 40523, 41512, and 44380; and

WHEREAS, the SCAQMD Governing Board has determined that Health and Safety Code Section 40920.6 is not applicable to Regulation III – Fees, Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315 as proposed to be amended, since the rules in Regulation III - Fees are not Best Available Retrofit Control Technology rules and do not regulate air contaminants; and

WHEREAS, the SCAQMD Governing Board has determined that Regulation III – Fees, including Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315 as proposed to be amended, do not impose the same requirements as any existing state or federal regulation and are necessary and proper to execute the power and duties granted to, and imposed upon, the District; and

WHEREAS, the SCAQMD Governing Board has determined that the proposed amendments to Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315 for recovering specific program costs are necessary to better recover the costs of these specific programs for the SCAQMD Proposed Budget for FY 2017-2018 and budget forecast for FY 2018-2019 in that the proposed fee increases will ultimately recover the full cost of programs related to Title V sources, as required by the Clean Air Act, and will ultimately increase fees for non-Title V permitted sources sufficiently to bring the forecasted budget into balance while still relying on unrestricted “other” revenues such as penalties and settlements to fund part of the cost of the non-Title V permitted source program; and

WHEREAS, the SCAQMD Governing Board specifies the manager of Proposed Amended Regulation III – Fees, as the custodian of the documents or other materials which constitute the record of the proceedings upon which the adoption of this proposed amended regulation is based which are located at the South Coast Air Quality Management District, 21865 Copley Drive, Diamond Bar, California 91765; and

WHEREAS, the proposed amendments to Regulation III - Fees will not be submitted for inclusion into the State Implementation Plan; and

NOW, THEREFORE, BE IT RESOLVED, that the SCAQMD Governing Board does hereby determine, pursuant to the authority granted by law, that the proposed amendments to Regulation III – Fees, including Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315, are exempt from CEQA pursuant to CEQA Guidelines § 15002(k) – General Concepts, § 15061(b)(3) – Activities Covered By General Rule, and § 15273 – Rates, Tolls, Fares, and Charges. This information was presented to the SCAQMD Governing Board, whose members reviewed, considered, and approved the information therein before acting on the proposed amendments to Regulation III – Fees, including Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315; and

BE IT FURTHER RESOLVED, that the SCAQMD Governing Board finds that Regulation III – Fees, including Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315 as proposed to be amended, establish fees charged for the purposes of meeting operating expenses, including employee wages and fringe benefits; purchasing and leasing supplies, equipment and materials; meeting financial reserve needs and requirements; and obtaining funds for capital projects necessary to maintain mandated services, all of which are necessary to carry out SCAQMD’s programs; and the SCAQMD Governing Board hereby incorporates by reference the proposed FY 2017-2018 Budget and FY 2018-2019 budget forecast as setting forth the bases for these findings; and

BE IT FURTHER RESOLVED, that the SCAQMD Governing Board finds, based on the evidence in the rule making record, that the increase in fees that exceed the CPI for 2017-2018 and 2018-2019 are necessary to carry out SCAQMD programs and are equitably apportioned; and the Governing Board hereby incorporates by reference the explanation in the accompanying Staff Report, as setting forth the bases for these findings; and

BE IT FURTHER RESOLVED, that the SCAQMD Governing Board does hereby approve the Socioeconomic Assessment For Automatic Consumer Price Index (CPI) Increase and the Socioeconomic Assessment For PAR III – Fees ; and

BE IT FURTHER RESOLVED, that the SCAQMD Governing Board does hereby amend Regulation III – Fees, including Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315, pursuant to the authority by law, as set forth in the attached and incorporated herein by this reference.

DATE: _____

CLERK OF THE BOARD

ATTACHMENT G

PROPOSED AMENDED/UPDATED REGULATION III - FEES

Proposed Amended Rule **301** - Permitting and Associated Fees

Proposed Amended Rule **303** - Hearing Board Fees (CPI Update Only)

Proposed Amended Rule **304** - Equipment, Materials, and Ambient Air Analyses (CPI Update Only)

Proposed Amended Rule **304.1** - Analyses Fees (CPI Update Only)

Proposed Amended Rule **306** - Plan Fees

Proposed Amended Rule **307.1** - Alternative Fees for Air Toxics Emissions Inventory (CPI Update Only)

Proposed Amended Rule **308** - On-Road Motor Vehicle Mitigation Options Fees (CPI Update Only)

Proposed Amended Rule **309** - Fees for Regulation XVI

Proposed Amended Rule **311** - Air Quality Investment Program (AQIP) Fees (CPI Update Only)

Proposed Amended Rule **313** - Authority to Adjust Fees and Due Dates (CPI Update Only)

Proposed Amended Rule **314** - Architectural Coatings (CPI Update Only)

Proposed Amended Rule **315** - Fees for Training Classes and License Renewal (CPI Update Only)

PROPOSED AMENDED REGULATION (PAR) III - FEES

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(Updates or Amendments are Effective July 1, 2017)

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|------------|--|
| RULE 301 | PERMITTING AND ASSOCIATED FEES (<i>Amended 6/02/17</i>) |
| RULE 301.1 | PERMIT FEE RATES (<i>Rescinded 6/01/90</i>) |
| RULE 301.2 | ANNUAL OPERATING PERMIT EMISSION FEE - REDUCED PENALTY FOR UNDERPAYMENTS (<i>Rescinded 5/14/99</i>) |
| RULE 302 | FEES FOR PUBLICATION (<i>Amended 2/12/93</i>) |
| RULE 303 | HEARING BOARD FEES (<i>Amended 6/02/17*</i>) |
| RULE 304 | EQUIPMENT, MATERIALS, AND AMBIENT AIR ANALYSES (<i>Amended 6/02/17*</i>) |
| RULE 304.1 | ANALYSES FEES (<i>Amended 6/02/17*</i>) |
| RULE 305 | FEES FOR ACID DEPOSITION RESEARCH (<i>Rescinded 6/09/06</i>) |
| RULE 306 | PLAN FEES (<i>Amended 6/02/17</i>) |
| RULE 307 | FEES FOR AIR TOXICS EMISSIONS INVENTORY (<i>Amended 6/09/06</i>) |
| RULE 307.1 | ALTERNATIVE FEES FOR AIR TOXICS EMISSIONS INVENTORY (<i>Amended 6/02/17*</i>) |
| RULE 308 | ON-ROAD MOTOR VEHICLE MITIGATION OPTIONS FEES (<i>Amended 6/02/17*</i>) |
| RULE 309 | FEES FOR REGULATION XVI AND REGULATION XXV (<i>Amended 6/02/17</i>) |
| RULE 310 | AMNESTY FOR UNPERMITTED EQUIPMENT (<i>Adopted 3/05/10</i>) |
| RULE 310.1 | AMNESTY FOR UNPERMITTED EQUIPMENT AND SMALL BUSINESS DISCOUNT FOR CONTROL EQUIPMENT (<i>Adopted 6/03/11</i>) |
| RULE 311 | AIR QUALITY INVESTMENT PROGRAM (AQIP) FEES (<i>Amended 6/02/17*</i>) |

REGULATION III

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| | |
|----------|---|
| RULE 312 | SPECIAL PERMITTING FEES FOR AGRICULTURAL SOURCES (<i>Rescinded 6/9/06</i>) |
| RULE 313 | AUTHORITY TO ADJUST FEES AND DUE DATES (<i>Amended 6/02/17*</i>) |
| RULE 314 | FEES FOR ARCHITECTURAL COATINGS (<i>Amended 6/02/17*</i>) |
| RULE 315 | FEES FOR TRAINING CLASSES AND LICENSE RENEWAL (<i>Amended 6/02/17*</i>) |
| RULE 317 | CLEAN AIR ACT NON-ATTAINMENT FEES (<i>Amended 2/04/11</i>) |
| RULE 320 | AUTOMATIC ADJUSTMENT BASED ON CONSUMER PRICE INDEX FOR REGULATION III FEES (<i>Adopted 10/29/10</i>) |

**Amended to update fees by the 2.5% increase in the CPI only, pursuant to Rule 320 and effective July 1, 2017.*

(Adopted Feb. 4, 1977)(Amended May 27, 1977)(Amended Jan. 6, 1978)
(Amended June 16, 1978)(Amended April 4, 1980)(Amended Sept. 5, 1980)
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(Amended June 11, 1993)(Amended October 8, 1993)(Amended June 10, 1994)
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(Amended May 9, 1997)(Amended May 8, 1998)(Amended June 12, 1998)
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(Amended May 6, 2011) (Updated July 1, 2012)(Updated July 1, 2013)
(Amended June 6, 2014)(Amended May 1, 2015)(Updated July 1, 2016)
[\(Amended June 2, 2017\)](#)

~~Changes to the fees are effective July 1, 2016~~[Effective July 1, 2017](#)

PROPOSED AMENDED RULE 301. PERMITTING AND ASSOCIATED FEES

(a) Applicability

California Health and Safety Code Section 40510 provides authority for the South Coast Air Quality Management District to adopt a fee schedule for the issuance of permits to cover the cost of evaluation, planning, inspection, and monitoring related to that activity. This rule establishes such a fee schedule and requires that fees be paid for:

- (1) Permit processing for Facility Permits [see subdivisions [\(l\)](#), ~~and~~ [\(m\)](#), ~~and~~ [\(n\)](#)], Facility Registrations [see subdivision ~~(f)~~], and Permits to Construct and/or Permits to Operate equipment (submitted pursuant to Regulation II) that may cause air pollution or equipment intended to control air pollution [see subdivision (c)].
- (2) Processing of applications for banking emission reduction credits; change of title of emissions reduction credits; alteration/modification of emission reduction credits; retirement of short term emission reduction credits for transfer into Rule 2202; and the transfer of ERCs out of Rule 2202 pursuant to Rule 2202 (h)(4); or conversion of emissions reduction credits, mobile source credits, or area source credits to short term emission reduction credits, pursuant to Regulation XIII [see paragraphs (c)(4) and (c)(5)].

- (3) Annual operating permit renewal fee [see subdivision (d)].
- (4) Annual operating permit emissions fee [see subdivision (e)] or Regional Clean Air Incentives Market (RECLAIM) Trading Credits (RTCs) [see subdivision (l)].
- (5) Duplicate and reissued permits [see subdivision (f)].
- (6) Reinstating expired applications or permits [see subdivision (g)].
- (7) Reinstating revoked permits [see subdivision (h)].
- (8) RECLAIM Transaction Registration Fee [see subdivision (l)].
- (9) Non-Tradeable Allocation Credit Mitigation Fee [see subdivision (l)].
- (10) Environmental Impact Analysis, Air Quality Analysis, Health Risk Assessment, Public Notification ~~on Significant~~for Projects and Emission Reduction Credits (pursuant to Regulation XIII - New Source Review) [see paragraph (c)(4) and subdivision (~~h~~i) of this rule].
- (11) Asbestos demolition and renovation activities [see subdivision (~~h~~o)].
- (12) Lead abatement activities [see subdivision (~~h~~p)].
- (13) Evaluation of permit applications submitted for compliance under a National Emission Standard for Hazardous Air Pollutants (NESHAP) [see subdivision (~~h~~q)].
- (14) Certification of Clean Air Solvents [see subdivision (~~h~~r)].

(b) Definitions

For the purpose of this rule, the following definitions shall apply:

- (1) ALTERATION or MODIFICATION means any physical change, change in method of operation of, or addition to, existing equipment requiring an application for Permit to Construct pursuant to Rule 201. Routine maintenance and/or repair shall not be considered a physical change. A change in the method of operation of equipment, unless previously limited by an enforceable permit condition, shall not include:
 - (A) An increase in the production rate, unless such increase will cause the maximum design capacity of the equipment to be exceeded; or
 - (B) An increase in the hours of operation.
- (2) ALTERNATIVE OPERATING CONDITION is an order established by the Hearing Board pursuant to subdivision (e) of this rule which, if recognized by the United States Environmental Protection Agency, authorizes a source to be operated in a specified manner that would otherwise not comply with an applicable requirement of the State

Implementation Plan or a permit term or condition based on any such applicable requirement.

- (3) BANKING means the process of recognizing and certifying emission reductions and registering transactions involving emission reduction credits.
- (4) CANCELLATION is an administrative action taken by the District which nullifies or voids a previously pending application for a permit.
- (5) CERTIFIED EQUIPMENT PERMIT means a permit issued to a manufacturer or distributor for a specific model or series of models of equipment. By this permit, the District certifies that the equipment meets all District rules and Best Available Control Technology (BACT) requirements under a set of conditions. Eligibility for the certification process shall be limited to equipment for which the following conditions exist, as determined by the Executive Officer:
 - (A) Equipment operation and emission characteristics will be applicable to a number of identical pieces of equipment;
 - (B) Permitting can be accomplished through the use of identical permit conditions for each piece of equipment regardless of use or location;
 - (C) The equipment is exempt from emission offsets as defined in Rule 1304(a)(4) or Rule 1304(a)(5); or the emissions of each criteria pollutant, except lead, are determined to be less than the limits listed in Rule 1303, Appendix A, Table A-1; and
 - (D) The equipment does not emit lead or the toxic emissions do not result in a Maximum Individual Cancer Risk (MICR) equal to or greater than one in a million as calculated according to Rule 1401.

Certified Equipment Permit shall be valid for one year, and shall be renewed annually if the Executive Officer determines the equipment meets all District rules and BACT requirements. Certification shall not relieve the person constructing, installing or operating the equipment from the requirement to obtain all necessary permits to construct and permits to operate, or from compliance with any other District rule including the requirements of Regulation XIII.

- (6) CHANGE OF CONDITION means a change of a current permit condition that will not result in an emission increase. Any request for a Change in Condition to a previously enforceable permit condition that will result in an emission increase subject to the New Source Review Rules in Regulation

XIII, XIV, or XX will be considered a change in the method of operation and processed as an Alteration or Modification.

- (7) CLEAN AIR SOLVENT is as defined in Rule 102 as “Clean Air Solvent”.
- (8) CLEAN AIR SOLVENT CERTIFICATE is as defined in Rule 102 as “Clean Air Solvent Certificate”.
- (9) CONFINED ANIMAL FACILITY (CAF) means a source or group of sources of air pollution at an agricultural source for the raising of 3,360 or more fowl or 50 or more animals, including but not limited to, any structure, building, installation, farm, corral, coop, feed storage area, milking parlor, or system for the collection, storage, or distribution of solid and liquid manure; if domesticated animals, including but not limited to, cattle, calves, horses, sheep, goats, swine, rabbits, chickens, turkeys, or ducks corralled, penned, or otherwise caused to remain in restricted areas for commercial agricultural purposes and feeding is by means other than grazing.
- (10) CONTINUOUS EMISSIONS MONITORING SYSTEM (CEMS) is a system comprised of components that continuously measure all parameters necessary to determine pollutant concentration or pollutant mass emissions, pursuant to a District rule or regulation.
 - (A) For the purpose of this rule, a CEMS includes, but is not limited to, the following analyzers, monitors, components, systems, or equipment:
 - (i) Pollutant concentration analyzer(s) (e.g., NO_x, SO_x, CO, Total Sulfur) and associated sample collection, transport, and conditioning equipment, and data acquisition and logging systems,
 - (ii) Diluent gas analyzer (O₂ or CO₂),
 - (iii) Flow monitor (direct in-stack measurement or indirectly calculated from fuel usage or other process parameters approved by the Executive Officer), and
 - (iv) Other equipment (e.g., moisture monitor) as required to comply with monitoring requirements.
 - (B) For the purpose of this rule, a “time-shared CEMS” means a CEMS as described in ~~sub~~paragraph ~~(j)(5)(7)(A)~~—which is common to several sources of emissions at the same facility.
 - (C) For the purpose of this rule, a “Fuel Sulfur Monitoring System” or “FSMS” may be used as an alternative to a CEMS SO_x monitoring

requirement, subject to District Rules and Regulations, and the approval of the Executive Officer. An FSMS is a total sulfur monitoring system configured similar to the CEMS described in subparagraph ~~(j)(5)(7)(A)~~ but, as an alternative to directly monitoring SO_x emissions at sources required to have SO_x CEMS (at the same facility), SO_x emission information at each affected source is determined “indirectly” by monitoring the sulfur content of the fuel gas supply firing the affected sources.

- (D) For the purpose of this rule, an “Alternative Continuous Emissions Monitoring System” or “ACEMS” (also known as a “Predictive or Parametric Emissions Monitoring System” or “PEMS”) may be used as an alternative to a CEMS pollutant monitoring requirement, subject to District Rules and Regulations, and the approval of the Executive Officer. Instead of directly monitoring the pollutant emissions at a source required to have a CEMS as in ~~subparagraph (j)(5)(7)(A)~~, emission information is “predicted” by the ACEMS or PEMS by monitoring key equipment operating parameters (e.g., temperature, pressure) at the affected source, irrespective of exhaust gas or fuel supply analysis.
- (11) EMISSION FACTOR means the amount of air contaminant emitted per unit of time or per unit of material handled, processed, produced, or burned.
- (12) EMISSION REDUCTION CREDIT (ERC) means the amount of emissions reduction which is verified and determined by the Executive Officer to be eligible for credit in an emissions reduction bank.
- (13) EMISSION SOURCE is any equipment or process subject to Rule 222. The source does not require a permit, but the owner/operator is required to file information pursuant to Rule 222 and Rule 301(t).
- (14) EQUIPMENT means any article, machine, or other contrivance, or combination thereof, which may cause the issuance or control the issuance of air contaminants, and which:
- (A) Requires a permit pursuant to Rules 201 and/or 203; or
- (B) Is in operation pursuant to the provisions of Rule 219
- (15) EXPIRATION means the end of the period of validity for an application, Permit to Operate, or a temporary Permit to Operate.
- (16) FACILITY means any source, equipment, or grouping of equipment or sources, or other air contaminant-emitting activities which are located on

one or more contiguous properties within the District, in actual physical contact or separated solely by a public roadway or other public right-of-way, and are owned or operated by the same person (or persons under common control) or an outer continental shelf (OCS) source as defined in 40 CFR § 55.2. Such above-described groupings, if on noncontiguous properties but connected only by land carrying a pipeline, shall not be considered one facility. Equipment or installations involved in crude oil and gas production in Southern California coastal or OCS waters, and transport of such crude oil and gas in Southern California coastal or OCS waters, shall be included in the same facility which is under the same ownership or use entitlement as the crude oil and gas facility on-shore.

- (17) FACILITY PERMIT is a permit which consolidates existing equipment permits and all new equipment at a facility, into one permit. A facility permit may be issued pursuant to Regulation XX and/or XXX.
- (18) FACILITY REGISTRATION is a permit which consolidates existing equipment permits and all new equipment at a facility into one permit. A Facility Registration may be issued at District discretion to any facility not subject to Regulation XX or XXX.
- (19) GREENHOUSE GAS or “GHG” means carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), sulfur hexafluoride (SF₆), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs).
- (20) IDENTICAL EQUIPMENT means any equipment which is to be operated by the same operator, and have the same equipment address, and have the same operating conditions and processing material to the extent that a single permit evaluation would be required for the set of equipment. Portable equipment, while not operating at the same location, may qualify as identical equipment.
- (21) NON-ROAD ENGINE is a portable engine that requires a permit and is certified by the Executive Officer to be a Non-Road Engine regulated by U.S. EPA pursuant to 40 CFR Part 89.
- (22) PREMISES means one parcel of land or contiguous parcels of land under the same ownership or entitlement to use, not including the parcels which are remotely located and connected only by land carrying a pipeline.
- (23) QUALIFYING PORTABLE ENGINE is a portable engine that requires a permit and is certified by the Executive Officer to meet all the requirements of Non-Road Engine of 40 CFR Part 89 except date of manufacture, and has

been demonstrated to meet the emission limitations of 40 CFR Section 89.112-96.

- (24) RECLAIM TRADING CREDITS (RTCs) means the amount of emissions credit available to a facility for use at the facility for transfer or sale to another party. Each RTC has a denomination of one pound of RECLAIM pollutant and a term of one year, and can be issued as part of a facility's Annual Allocation or alternatively in the form of an RTC certificate.
- (25) REGISTRATION PERMIT means a permit to construct or permit to operate issued to an owner/operator of equipment which has previously been issued a Certified Equipment Permit by the District. The owner/operator shall agree to operate under the conditions specified in the Certified Equipment Permit.
- (26) RELOCATION means the removal of an existing source from one parcel of land in the District and installation on another parcel of land where the two parcels are not in actual physical contact and are not separated solely by a public roadway or other public right-of-way.
- (27) REVOCATION is an action taken by the Hearing Board following a petition by the Executive Officer which invalidates a Permit to Construct or a Permit to Operate.
- (28) SMALL BUSINESS is as defined in Rule 102 as "Small Business."
- (29) SPECIFIC ORGANIC GASES are any of the following compounds:
 - trifluoromethane (HFC-23)
 - chlorodifluoromethane (HCFC-22)
 - dichlorotrifluoroethane (HCFC-123)
 - tetrafluoroethane (HFC-134a)
 - dichlorofluoroethane (HCFC-141b)
 - chlorodifluoroethane (HCFC-142b)
 - 1,1,1-trifluoroethane (HFC-143a)
 - 1,1-difluoroethane (HFC-152a)
 - cyclic, branched, or linear, completely fluorinated alkanes
 - cyclic, branched, or linear, completely fluorinated ethers with no unsaturations
 - cyclic, branched, or linear, completely fluorinated tertiary amines with no unsaturations
 - sulfur-containing perfluorocarbons with no unsaturations and with sulfur bonds only to carbon and fluorine.

- (30) SOURCE means any grouping of equipment or other air contaminant-emitting activities which are located on parcels of land within the District, in actual physical contact or separated solely by a public roadway or other public right-of-way, and are owned or operated by the same person or by persons under common control. Such above-described groupings, if remotely located and connected only by land carrying a pipeline, shall not be considered one stationary source. (Under RECLAIM, a SOURCE is any individual unit, piece of equipment or process which may emit an air contaminant and which is identified, or required to be identified, in the RECLAIM Facility Permit)
 - (31) STREAMLINED STANDARD PERMIT means a permit issued for certain types of equipment or processes commonly permitted by SCAQMD with pre-set levels of controls and emissions. The operating conditions and other qualifying criteria are pre-determined by the SCAQMD and provided to the permit applicant in the permit application package for concurrence.
 - (32) STATEWIDE EQUIPMENT is equipment with a valid registration certificate issued by CARB for the Statewide Portable Equipment Registration Program.
 - (33) TEMPORARY PERMIT TO OPERATE represents interim authorization to operate equipment until the Permit to Operate is granted or denied. A temporary Permit to Operate is not issued by the District but may exist pursuant to Rule 202.
- (c) Fees for Permit Processing
- (1) Permit Processing Fee
 - (A) Permit Processing Fee Applicability

Except as otherwise provided in this rule, every applicant who files an application for a Permit to Construct, Permit to Operate, Facility Permit, court judgments in favor of the District and administrative civil penalties or a revision to a Facility Permit, shall, at the time of filing, pay all delinquent fees associated with the facility and shall pay a permit processing fee.

 - (i) Except as otherwise provided in this paragraph, the permit processing fee shall be determined in accordance with the schedules (set forth in the Summary Permit Fee Rates tables at the time the application is deemed complete.

- (ii) A person applying for permits for relocation of equipment shall pay fees in accordance with the schedules set forth in the Summary Permit Fee Rates tables at the time the application is deemed complete. All fees due, within the past 3 years, from the previous facility for equipment for which a Change of Location application is filed, and all facility-specific fees (such as “Hot Spots” fees), must be paid before the Change of Location application is accepted.
- (iii) A person applying for permits for any equipment/process not otherwise listed in Table I shall pay the fees associated with Schedule C. Prior to the issuance of a permit, these fees are subject to adjustment, as necessary.
- (iv) For applications submitted prior to July 1, 1990, the applicant shall pay a permit processing fee as specified in the Summary Permit Fee Rates tables, less any previously paid filing fees not to exceed the amount due. These fees are due and payable within thirty (30) days of receipt of notification.
- (v) In the event a Permit to Construct expires under the provisions of Rule 205, and the applicable rules, regulations, and BACT for that particular piece of equipment have not been amended since the original evaluation was performed, the permit processing fee for a subsequent application for a similar equipment shall be the fee established in the Summary Permit Fee Rates - Change of Operator table according to the applicable schedule under the Change of Operator category, provided the subsequent application is submitted within one (1) year from the date of expiration of either the Permit to Construct, or an approved extension of the Permit to Construct.

(B) Notice of Amount Due and Effect of Nonpayment

For fees due upon notification, such notice may be given by personal service or by deposit, postpaid, in the United States mail and shall be due thirty (30) days from the date of personal service or mailing. For the purpose of this subparagraph, the fee payment will be considered to be received by the District if it is postmarked by the United States Postal Service on or before the expiration date stated

on the billing notice. If the expiration date falls on a Saturday, Sunday, or a state holiday, the fee payment may be postmarked on the next business day following the Saturday, Sunday, or the state holiday with the same effect as if it had been postmarked on the expiration date. Nonpayment of the fee within this period of time will result in expiration of the application and voiding of the Permit to Construct or Permit to Operate. No further applications will be accepted from the applicant until such time as overdue permit processing fees have been fully paid. If an application is canceled, a permit processing fee will be charged if evaluation of the application has been initiated.

- (C) **Payment for Permit Processing of Equipment Already Constructed**
In the case of application for a Permit to Operate equipment already constructed, or where a Permit to Construct was granted prior to August 1, 1982, the applicant shall pay the permit processing fee within thirty (30) days of receipt of notification. In the case where a portion of the permit evaluation fee was paid when a Permit to Construct was granted, the amount paid shall be credited to the amount due for permit processing in accordance with the Summary Permit Fee Rates tables, and shall be due within thirty (30) days of receipt of notification. In both cases, payment shall be as specified in subparagraph (c)(1)(B) of this rule. If, at the time the Permit to Operate is granted or denied, it is determined that any annual operating permit fee as provided in subdivision (d) of this rule had been based on incorrect information, the applicant will be billed for or credited with the difference, as appropriate.
- (D) **Higher Fee for Failing to Obtain a Permit**
- (i) When equipment is operated, built, erected, installed, altered, or replaced (except for replacement with identical equipment) without the owner/operator first obtaining a required Permit to Construct or Permit to Operate, the permit processing fee shall be 150 percent (150%) of the amount set forth in the Summary Permit Fee Rates tables of this rule unless the applicant is a Small Business as defined in this provision and the facility has no prior permit applications, Permit to Construct or Permit to Operate (as evidenced by a

facility identification number) with the District in which case the permit processing fee shall be the amount set forth in the Summary Permit Fee Rates tables of this rule. If a facility has been issued a Notice of Violation (NOV), there shall be no waiver of the higher fee. The applicant shall also remit annual operating fees for the source for a full three (3) years, or the actual years of operation if less than three (3) years. The assessment of such fee shall not limit the District's right to pursue any other remedy provided for by law. Fees are due and payable within thirty (30) days of receipt of notification. [See subparagraph (c)(2)(B).] However, the higher fee shall be waived if the application is being submitted for equipment that was previously permitted (issued either a Permit to Construct or a Permit to Operate) but had expired due to non-payment of fees, provided the application is submitted within one (1) year of the expiration date, and that permit is reinstatable under subdivision (g) of this rule.

(ii) For purposes of assessing a higher fee for failing to obtain a permit only, small business shall be defined as a business which is independently owned and operated and not an affiliate of a non-small business entity and meets the following criteria:

(A) If a non-manufacturer, the number of employees is 25 or less and the total gross annual receipts are \$1,000,000 or less; or

(B) If a manufacturer, the number of employees is 50 or less and the total gross annual receipts are \$5,000,000 or less, or

(C) Is a not-for-profit training center.

(E) Small Business

When applications are filed in accordance with the provisions of subparagraphs (c)(1)(A), (c)(1)(H)(i), (c)(1)(D) or paragraph (c)(3) for a ~~s~~Small ~~b~~Business as defined in Rule 102 – Definition of Terms, the fees assessed shall be fifty percent (50%) of the amount set forth in the Summary Permit Fee Rates - Permit Processing, Change of

Conditions, Alteration/Modifications table and in the Summary of ERC Processing Rates, Banking, Change of Title, Alteration/Modification, Conversion to Short Term Credits, Re-Issuance of Short Term Credits, Retirement of Short Term Credits for Transfer Into Rule 2202, and Transfer of ERCs Out of Rule 2202 table.

- (F) Fees for Permit Processing for Identical Equipment and Processing of Applications for Short Term Emission Reduction Credits
- When applications are submitted in accordance with the provisions of subparagraphs (c)(1)(A), (c)(1)(D), (c)(1)(E), (c)(1)(I), paragraphs (c)(3) or (c)(4) concurrently for identical equipment, or for change of title or alteration/modification of short term emission reduction credits, full fees for the first application, and fifty percent (50%) of the applicable processing fee for each additional application shall be assessed. The provisions of this subparagraph do not apply to Certified Equipment Permits, Registration Permits, and the exceptions mentioned in subparagraphs (c)(3)(A), (c)(3)(B), and (c)(3)(C). This subparagraph shall, upon request of the applicant, apply to applications which have been received before July 1, 1996, but not yet been processed or which have not received final determination regarding applicable permit processing fees.
- (G) Discounts for Small Business and Identical Equipment
- Applications qualifying with the provisions of both subparagraph (c)(1)(E) and (c)(1)(F) shall only be entitled to one fee discount equivalent to the maximum discount afforded under either subparagraph.
- (H) Fees for Permit Processing for Certified Equipment Permits and Registration Permits
- (i) Persons applying for a Certified Equipment Permit shall pay a one-time permit processing fee for each application. The fee shall be determined in accordance with the Summary Permit Fee Rates tables of this rule. No annual operating permit renewal fee shall be charged.
 - (ii) A permit processing fee equal to 50% of Schedule A Permit Processing Fee of the Summary Permit Fee Rates table shall

be assessed to a person applying for a Change of Operator for a Certified Equipment Permit.

- (iii) A permit processing fee equal to 50% of Schedule A Permit Processing Fee of the Summary Permit Fee Rates table shall be charged to a person applying for a Registration Permit to Construct and Permit to Operate for certified equipment. Annual operating permit renewal fees shall be paid pursuant to subdivision (d).
- (iv) When certified equipment is built, erected, installed, or replaced (except for identical replacement) without the owner/operator obtaining a required Rule 201 Permit to Construct, the permit processing fee assessed shall be 150 percent (150%) of the amount set forth in subparagraph (c)(1)(H)(iii) of Rule 301.

(I) Applications Submitted for Equipment Previously Exempted by Rule 219

When applications for equipment are submitted within one year after the adoption of the most recent amendment to Rule 219 and are filed in accordance with the provisions of subparagraphs (c)(1)(A), (c)(1)(F), paragraphs (c)(2), or (c)(3) and require a permit, solely due to the most recent amendments to Rule 219, the permit processing fees assessed shall be in accordance with Schedule A.

(J) Standard Streamlined Permits

The Streamlined Standard Permit application processing fee shall be ~~\$811.45~~\$865.01 for FY 2017-18 and \$899.61 for FY 2018-19 and thereafter, except that the fee shall not exceed the applicable permit processing fee including small business discount if applicable. There shall be no small business discount on the basic fee of ~~\$811.45~~\$865.01 for FY 2017-18 and \$899.61 for FY 2018-19 and thereafter. Applications submitted for existing equipment which is operating and qualifies for a Streamlined Standard Permit shall be assessed an application processing fee in accordance with the provisions of subparagraph 301(c)(1)(D). Standard Streamlined Permits may be issued for the following equipment or processes: Replacement dry-cleaning equipment and Lithographic printing equipment.

- (2) Fee for Change of Operator or Additional Operator
- Under Rule 209 (Transfer and Voiding of Permits), a permit granted by the District is not transferable. Every applicant who files an application for a change of operator or additional operator with the same operating conditions of a Permit to Operate shall be subject to a permit processing fee as follows:
- (A) The permit processing fee shall be as established in the Summary Permit Fee Rates - Change of Operator table for equipment at one location so long as the new operator files an application for a Permit to Operate within one (1) year from the last renewal of a valid Permit to Operate and does not change the operation of the affected equipment. All fees billed from the date of application submittal that are associated with the facility for equipment for which a Change of Operator or Additional Operator application is filed, and all facility-specific fees (such as “Hot Spots” fees), must be paid before the Change of Operator or Additional Operator application is accepted. If after an application is received and SCAQMD determines that fees are due, the new operator shall pay such fees within 30 days of notification. If the fees are paid timely, the operator will not be billed for any additional fees billed to the previous operator.
- (B) If an application for change of operator of a permit is not filed within one (1) year from the last annual renewal of the permit under the previous operator, the new operator shall submit an application for a new Permit to Operate, along with the permit processing fee as prescribed in subparagraph (c)(1)(A). A higher fee, as described in subparagraph (c)(1)(D), shall apply.
- (3) Change of Operating Condition, Alteration/Modification/Addition
- All delinquent fees, and court judgments in favor of the District and administrative civil penalties associated with the facility must be paid before a Change of Operating Condition, Alteration/Modification /Addition application will be accepted. When an application is filed for a permit involving change of operating conditions, and/or a permit involving proposed alterations/modifications or additions resulting in a change to any existing equipment for which a Permit to Construct or a Permit to Operate was granted and has not expired in accordance with these rules, the permit

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processing fee shall be the amount set forth in the Summary Permit Fee Rates tables. The only exceptions to this fee shall be:

- (A) Permits that must be reissued with conditions prohibiting the use of toxic materials and for which no evaluation is required, no physical modifications of equipment are made, and the use of substitute materials does not increase Volatile Organic Compounds (VOC) by more than 0.5 pound in any one day. When an application is filed for a modification described by this exception, the permit processing fee shall be the applicable fee as shown in the table below in this subparagraph: ~~\$811.45~~

| <u>Facility Type</u> | <u>Non-Title V</u> | <u>Title V</u> |
|----------------------------------|--------------------|-------------------|
| <u>FY 2017 -18</u> | <u>\$865.01</u> | <u>\$964.81</u> |
| <u>FY 2018-19 and thereafter</u> | <u>\$899.61</u> | <u>\$1,119.18</u> |

- (B) Permits that must be reissued to reflect the permanent removal of a standby fuel supply, or to render equipment non-operational shall pay the applicable reissue permit fee as shown in the tables below in this subparagraph, which as follows:

- (i) Does not result in a new source review emission adjustment:-
~~A reissue permit per equipment/reissued permit fee of \$594.18 pursuant to Rule 301(f) shall be charged;~~

| <u>Facility Type</u> | <u>Non-Title V (per equipment or reissued permit)</u> | <u>Title V (per equipment or reissued permit)</u> |
|----------------------------------|---|---|
| <u>FY 2017 -18</u> | <u>\$633.40</u> | <u>\$706.48</u> |
| <u>FY 2018-19 and thereafter</u> | <u>\$658.74</u> | <u>\$819.52</u> |

~~or~~

- (ii) Does R result in a new source review emission adjustment:-
~~A reissued permit fee of \$1,557.831,660.65 for FY2017-18,~~

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~~§1,727.07 for FY2018-19 and thereafter and thereafter per equipment shall be charged.~~

| <u>Facility Type</u> | <u>Non-Title V (per equipment)</u> | <u>Title V (per equipment)</u> |
|--------------------------------------|--|------------------------------------|
| <u>FY 2017 -18</u> | <u>\$1,660.65</u> | <u>\$1,852.26</u> |
| <u>FY 2018-19 and thereafter</u> | <u>\$1,727.08</u> | <u>\$2,148.62</u> |

- (C) Permits reissued for an administrative change in permit description, for splitting a permit into two or more permits based on Equipment/Process listed in Table IA or IB (an application is required for each Equipment/Process) or for a change in permit conditions based on actual operating conditions and which do not require any engineering evaluation and do not cause a change in emissions, shall be charged a fee according to the following schedule:

| Schedule | <u>Non-Title V FY 2017-18 Re-Issuance Fee for FY 08-09 and Thereafter</u> | <u>Non-Title V FY 2018-19 and thereafter</u> | <u>Title V FY 2017-18</u> | <u>Title V FY 2018-19 and thereafter</u> |
|-----------------|---|--|-------------------------------|--|
| A | \$594.186 <u>33.40</u> | <u>\$658.74</u> | <u>\$706.48</u> | <u>\$819.52</u> |
| A1 | \$594.186 <u>33.40</u> | <u>\$658.74</u> | <u>\$706.48</u> | <u>\$819.52</u> |
| B | \$811.458 <u>65.01</u> | <u>\$899.61</u> | <u>\$964.81</u> | <u>\$1,119.18</u> |
| B1 | \$811.458 <u>65.01</u> | <u>\$899.61</u> | <u>\$964.81</u> | <u>\$1,119.18</u> |
| C | \$811.458 <u>65.01</u> | <u>\$899.61</u> | <u>\$964.81</u> | <u>\$1,119.18</u> |
| D | \$811.458 <u>65.01</u> | <u>\$899.61</u> | <u>\$964.81</u> | <u>\$1,119.18</u> |
| E | \$811.458 <u>65.01</u> | <u>\$899.61</u> | <u>\$964.81</u> | <u>\$1,119.18</u> |
| F | \$811.458 <u>65.01</u> | <u>\$899.61</u> | <u>\$964.81</u> | <u>\$1,119.18</u> |

Proposed Amended Rule 301 (Cont.) (~~Updated July 1, 2016~~ Amended June 2, 2017)

| Schedule | <u>Non-Title V</u> <u>FY 2017-18</u> Re-Issuance Fee for FY 08-09 and Thereafter | <u>Non-Title V</u> <u>FY 2018-19</u> and <u>thereafter</u> | <u>Title V</u> <u>FY 2017-18</u> | <u>Title V</u> <u>FY 2018-19</u> and <u>thereafter</u> |
|----------|---|--|-------------------------------------|--|
| | G | \$811.458 <u>65.01</u> | <u>\$899.61</u> | <u>\$964.81</u> |
| H | \$811.458 <u>65.01</u> | <u>\$899.61</u> | <u>\$964.81</u> | <u>\$1,119.18</u> |

- (D) For permits reissued because of Rule 109 or Rule 109.1, which do not result in Best Available Control Technology (BACT) determination, the permit processing fee shall be 50% of the amount set forth in the Summary Permit Fee Rules tables.
- (4) Fee for Evaluation of Applications for Emission Reductions
Every applicant who files an application for banking of emission reduction credits; change of title of emission reduction credits; alteration/modification of emission reduction credits; or conversion of emission reduction credits, mobile source credits, or area source credits to short term emission reduction credits, as described in paragraph (a)(2) of this rule shall, at the time of filing, pay a processing fee in accordance with Schedule I in the Summary Permit Fee Rates tables. Additionally, the applicant shall, if required by Rule 1310(c), either:
- (A) Pay a fee for publication of public notice, as specified in Table II
 - (B) and a preparation fee as per Rule 301(i)(4), or
 - (B) arrange publication of the public notice independent of the District option and provide to the Executive Officer a copy of the proof of publication.
- (5) Fees for Retirement of Short Term Emission Reduction Credits for Transfer into Rule 2202, and for ERCs Transfer Out of Rule 2202.
Any applicant who files an application to transfer a short term emission reduction credit certificate into Rule 2202 or to transfer ERCs out of Rule 2202 pursuant to Rule 2202 – On-Road Motor Vehicle Mitigation Options shall, at the time of filing, pay the fee as listed in the Summary of ERC Processing Rates, Banking, Change of Title, Alteration/Modification, Conversion to Short Term Credits, Re-Issuance of Short Term Credits,

Retirement of Short Term Credits for Transfer Into Rule 2202, and Transfer of ERCs Out of Rule 2202 table.

(d) Annual Operating Permit Renewal Fee

(1) Renewal of Permit to Operate

All Permits to Operate (including temporary Permits to Operate pursuant to Rule 202) for equipment on the same premises shall be renewed on the annual renewal date set by the Executive Officer. A Permit to Operate is renewable if the permit is valid according to the District's Rules and Regulations and has not been voided or revoked and if the annual operating permit fee is paid within the time and upon the notification specified in paragraph (d)(8) of this rule and if all court judgments in favor of the District and administrative civil penalties associated with the facility are paid.

(2) Annual Operating Fees

The annual operating permit renewal fee shall be assessed in accordance with the following schedules:

| Equipment/Process Schedules in Tables IA and IB | Non-Title V Annual Operating Permit Renewal Fee | Title V Annual Operating Permit Renewal Fee |
|--|---|---|
| Equipment/Processes appearing in Tables IA and IB as Schedule A1 | \$177.09 188.78 for FY 2017-18 and \$218.98 -196.33 for FY 2018-19 and thereafter | \$210.56 for FY 2017-18 and \$244.25 for FY 2018-19 and thereafter |
| Equipment/Processes appearing in Tables IA and IB as Schedules A, B, and B1-B1 (excluding Rule 461 liquid fuel dispensing nozzles) | \$354.86 378.28 for FY2017-18 and \$393.41 for FY2018-19 and thereafter | \$421.93 for FY2017-18 and \$489.44 for FY2018-19 and thereafter |
| Equipment/Processes appearing in Tables IA and IB as Schedules C and D | \$1,270.97 1,354.85 for FY2017-18 and \$1,409.04 for FY2018-19 and thereafter | \$1,511.18 for FY2017-18 and \$1,752.97 for FY2018-19 and thereafter |
| Equipment/Processes appearing in Tables IA and IB as Schedules E, F, G, and H | \$3,051.76 3,253.18 for FY2017-18 and \$3,383.31 for FY2018-19 and thereafter | \$3,628.54 for FY2017-18 and \$4,209.11 for FY2018-19 and thereafter |
| Rule 461 liquid fuel dispensing system | \$104.94 111.83 for FY2017-18 and \$116.30 for FY2018-19 and thereafter | \$124.74 for FY2017-18 and \$144.70 for FY2018-19 and thereafter |

Proposed Amended Rule 301 (Cont.) (Updated July 1, 2016 Amended June 2, 2017)

| | | |
|--|----------------------------------|--|
| | per product dispensed per nozzle | <u>thereafter per product dispensed per nozzle</u> |
|--|----------------------------------|--|

In Addition to the annual operating permit renewal fees based on equipment/process, each RECLAIM/Title V facility shall pay the additional fee of:

| | |
|------------------------------|--|
| Title V Facility | -\$611.73 <u>514.49</u> for FY2017-18 and; <u>\$709.61</u> for FY2018-19 and thereafter per facility |
| RECLAIM Facility | -\$853.74 <u>910.09</u> for FY2017-18 and; <u>\$946.49</u> for FY2018-19 and thereafter per Major Device |
| | -\$170.75 <u>182.02</u> for FY2017-18 and; <u>\$189.30</u> for FY2018-19 and thereafter per Large Device |
| | -\$170.75 <u>182.02</u> for FY2017-18 and; <u>\$189.30</u> for FY2018-19 and thereafter per Process Unit Device |
| RECLAIM and Title V Facility | RECLAIM fee + Title V fee |

(3) Credit for Solar Energy Equipment

Any permittee required to pay an annual operating permit renewal fee shall receive an annual fee credit for any solar energy equipment installed at the site where the equipment under permit is located. Solar energy projects that receive grant funding from the Rule 1309.1 – Priority Reserve account shall not be eligible for this annual fee credit.

(A) Computation

The design capacity of the solar energy equipment expressed in thousands of British Thermal Units (Btu) per hour shall be used to determine the fee credit calculated at ~~\$1.86~~1.91 per 1,000 Btu.

(B) Limitation

The solar energy credit shall not exceed the annual operating permit renewal fee for all permits at the site where the solar energy equipment is located.

(4) Renewal of Temporary Permit to Operate New Equipment

A Permit to Construct, which has not expired or has not been canceled or voided, will be considered a temporary Permit to Operate on the date the applicant completes final construction and commences operation, pursuant to subdivision (a) of Rule 202. For the purposes of this paragraph, the date specified as the estimated completion date on the application for Permit to

Construct will be considered the date of commencement of operation, unless the applicant notifies the District in writing that operation will commence on another date, or unless the equipment already has been placed in operation. Such temporary Permit to Operate shall be valid for the period of time between commencement of operation and the applicant's next annual renewal date following commencement of operation and shall be subject to a prorated amount of the annual operating permit renewal fee prescribed in paragraph (d)(2). The proration shall be based on the time remaining to the next annual renewal date. On that next annual renewal date, and each year thereafter, the annual operating permit renewal fee for the temporary Permit to Operate shall be due in the amount prescribed in paragraph (d)(2).

(5) **Renewal of Temporary Permit to Operate Existing Equipment**

In the case of equipment operating under a temporary Permit to Operate issued pursuant to subdivision (c) of Rule 202, where a Permit to Construct was not issued, the company is immediately subject to a prorated amount of the annual operating permit renewal fee prescribed in paragraph (d)(2) following the submission of the completed application for Permit to Operate. The proration shall be based on the time remaining to the next annual renewal date. On that next annual renewal date, and each year thereafter, the annual operating permit renewal fee shall be due in the amount prescribed in paragraph (d)(2). If no annual renewal date has been established, the Executive Officer shall set one upon receipt of the application.

(6) **Annual Renewal Date**

If, for any reason, the Executive Officer determines it is necessary to change the annual renewal date, all annual operating permit renewal fees shall be prorated according to the new annual renewal date.

(7) **Annual Renewal Date for Change of Operator**

The same annual renewal date shall apply from one change of operator to another.

(8) **Notice of Amount Due and Effect of Nonpayment**

At least thirty (30) days before the annual renewal date, the owner/operator of equipment under permit will be notified by mail of the amount to be paid and the due date. If such notice is not received at least thirty (30) days before the annual renewal date, the owner/operator of equipment under

permit shall notify the District on or before the permit renewal date that said notice was not received. The annual operating permit renewal fee for each permit shall be in the amount described in paragraph (d)(2). If the annual operating permit renewal fee is not paid within thirty (30) days after the due date, the permit will expire and no longer be valid. In the case of a RECLAIM facility, if the individual device fee(s) are not paid, the application(s) associated with the device(s) shall expire and no longer be valid. For a Title V facility, if the Title V facility fee, which is not based on any specific equipment but applies to the whole facility, is not paid, the Title V facility permit shall expire. In such a case, the owner/operator will be notified by mail of the expiration and the consequences of operating equipment without a valid permit, as required by Rule 203 (Permit to Operate). For the purpose of this paragraph, the fee payment will be considered to be received by the District if it is postmarked by the United States Postal Service on or before the expiration date stated on the billing notice. If the expiration date falls on a Saturday, Sunday, or a state holiday, the fee payment may be postmarked on the next business day following the Saturday, Sunday, or state holiday with the same effect as if it had been postmarked on the expiration date.

(9) Annual Operating Fees for Redundant Emission Controls

Any person holding permits to operate for two or more emission controls applicable to the same equipment who establishes that any of the emission controls is redundant, i.e., not necessary to assure compliance with all applicable legal requirements, shall not be required to pay annual operating permit renewal fees under subdivision (d) for the redundant equipment. The Executive Officer may reinstate the obligation to pay such fees at any time upon determination that operating the control is or has become necessary to assure compliance with any applicable legal requirements.

(e) Annual Operating Emissions Fee

(1) Annual Operating Emission Fee Applicability

In addition to the annual operating permit renewal fee, the owner/operator of all equipment operating under permit shall pay an annual emissions fee based on the total weight of emissions of each of the contaminants specified in Table III from all equipment used by the operator at all locations, including total weight of emissions of each of the contaminants specified in

Table III resulting from all products which continue to passively emit air contaminants after they are manufactured, or processed by such equipment, with the exception of such product that is shipped or sold out of the District so long as the manufacturer submits records which will allow for the determination of emissions within the District from such products.

(2) Emissions Reporting and Fee Calculation

For the reporting period July 1, 2000 to June 30, 2001, and all preceding reporting periods, emissions from equipment not requiring a written permit pursuant to Regulation II shall be reported but not incur a fee for emissions so long as the owner/operator keeps separate records which allow the determination of emissions from such non-permitted equipment. Notwithstanding the above paragraph, for the purposes of Rule 317 – Clean Air Act Non-Attainment Fees, all major stationary sources of NO_x and VOC, as defined in Rule 317, shall annually report and pay the appropriate clean air act non-attainment fees for all actual source emissions including but not limited to permitted, unpermitted, unregulated and fugitive emissions. Beginning with the reporting period of July 1, 2001 to June 30, 2002, and for subsequent reporting periods, each facility with total emissions including emissions from equipment or processes not requiring a written permit pursuant to Regulation II greater than or equal to the threshold amount of contaminants listed in paragraph (e)(5) shall report all emissions and incur an emissions fee as prescribed in Table III.

Non-permitted emissions which are not regulated by the District shall not be reported and shall be excluded from emission fees if the facility provides a demonstration that the emissions are not regulated and maintains sufficient records to allow the accurate demonstration of such non-regulated emissions.

(3) Exception for the Use of Clean Air Solvents

An owner/operator shall not pay a fee for emissions from the use of Clean Air Solvents issued a valid Certificate from the District so long as the facility submits separate records which allow the determination of annual emissions, usage, and identification of such products. A copy of the Clean Air Solvent certificate issued to the manufacturer or distributor shall be submitted with the separate records.

(4) Flat Annual Operating Emission Fee

The owner/operator of all equipment operating under at least one permit (not including certifications, registrations or plans) shall each year be assessed a flat annual emissions fee of \$~~124.35~~127.46.

(5) Emission Fee Thresholds

Each facility with emissions greater than or equal to the threshold amount of the contaminant listed below shall be assessed a fee as prescribed in Table III. ~~For the six month transitional reporting period pursuant to subparagraph (e)(8)(B) (July 1, 2007 through December 31, 2007), the fee shall be assessed on emissions greater than or equal to one half (1/2) of the threshold amount listed below.~~

TABLE III

| Air Contaminant(s) | Annual Emissions Threshold (TPY) |
|---|---|
| Gaseous sulfur compounds (expressed as sulfur dioxide) | ≥4 TPY |
| Total organic gases (excluding methane, exempt compounds as specified in paragraph (e)(13), and specific organic gases as specified in paragraph (b)(28)) | ≥4 TPY |
| Specific organic gases | ≥4 TPY |
| Oxides of nitrogen (expressed as nitrogen oxide) | ≥4 TPY |
| Total particulate matter | ≥4 TPY |
| Carbon monoxide | ≥100 TPY |

(6) Clean Fuels Fee Thresholds

Each facility emitting 250 tons or more per year (≥ 250 TPY) of ~~any of the above referenced contaminants~~ Volatile Organic Compounds, Nitrogen Oxides, Sulfur Oxides and Particulate Matter shall pay an annual clean fuels fee as prescribed in Table V (California Health and Safety Code Section 40512).

(7) Fees for Toxic Air Contaminants or Ozone Depleters

Each facility emitting a toxic air contaminant or ozone depleter greater than or equal to the annual thresholds listed in Table IV shall be assessed an annual emissions fee as indicated therein. ~~For the six month transitional reporting period pursuant to subparagraph (e)(8)(B) (July 1, 2007 through December 31, 2007), the fee shall be assessed on emissions greater than or equal to one half (1/2) of the threshold amount listed in Table IV.~~ The

annual emissions fee for toxic air contaminants and ozone depleters shall be based on the total weight of emissions of these contaminants associated with all equipment and processes including, but not limited to, material usage, handling, processing, loading/unloading; combustion byproducts, and fugitives (equipment/component leaks).

- (A) Any dry cleaning facility that emits less than two (2) tons per year of perchloroethylene ~~or less than one (1) ton per year for the six month transitional reporting period from July 1, 2007 through December 31, 2007~~, and qualifies as a small business as defined in the general definition of Rule 102, shall be exempt from fees listed in Table IV. This provision shall be retroactive to include the July 10, 1992, rule amendment which included perchloroethylene in Table IV.
 - (B) Any facility that emits less than two (2) tons per year, ~~or less than one (1) ton per year for the six month transitional reporting period from July 1, 2007 through December 31, 2007~~ of formaldehyde, perchloroethylene, or methylene chloride, may petition the Executive Officer, at least thirty (30) days prior to the official submittal date of the annual emissions report as specified in paragraph (e)(10), for exemption from formaldehyde, perchloroethylene, or methylene chloride fees as listed in Table IV. Exemption from emissions fees shall be granted if the facility demonstrates that no alternatives to the use of these substances exist, no control technologies exist, and that the facility qualifies as a small business as defined in the general definition of Rule 102.
- (8) Reporting of Total Emissions from Preceding Reporting Period and Unreported or Under-reported Emissions from Prior Reporting Periods
- (A) The owner/operator of equipment subject to paragraph (e)(1), (e)(2), (e)(5), (e)(6), and (e)(7) shall report to the Executive Officer the total emissions for the immediate preceding reporting period of each of the air contaminants concerned from all equipment. The report shall be made at the time and in the manner prescribed by the Executive Officer. The permit holder shall report the total emissions for the twelve (12) month period reporting for each air contaminant concerned from all equipment or processes, regardless of the quantities emitted.

~~(B)~~—During the period of July 1, 1994, through December 31, 2007, the reporting period for annual operating emissions fees shall be from July 1 of a given year through June 30 of the following year. A six-month emissions report and fees will be due for the reporting period from July 1, 2007 through December 31, 2007. Beginning January 1, 2008, the reporting period for annual operating emissions fees shall be from January 1 through December 31 of each year.

~~(C)~~(B) The Executive Officer will determine default emission factors applicable to each piece of permitted equipment or group of permitted equipment, and make them available to the owner/operator in a manner specified by the Executive Officer and provide them to the owner/operator upon request. In determining emission factors, the Executive Officer will use the best available data. A facility owner/operator can provide alternative emission factors that more accurately represent actual facility operations subject to the approval of the Executive Officer.

~~(D)~~(C) A facility owner/operator shall report to the Executive Officer, in the same manner, and quantify any emissions of air contaminants in previous reporting periods which had not been reported correctly and should have been reported under the requirements in effect in the reporting period in which the emissions occurred.

(9) Request to Amend Emissions Report and Refund of Emission Fees

(A) A facility owner/operator shall submit a written request (referred to as an “Amendment Request”) for any proposed revisions to previously submitted annual emissions reports. Amendment requests with no fee impact, submitted after one (1) year and ~~sixty~~ seventy five (75) days from the official due date ~~(July 1 or January 1 as applicable)~~ of the subject annual emissions report shall include a non-refundable standard evaluation fee of ~~\$324.54~~ 332.65 for each subject facility and reporting period. Evaluation time beyond two hours shall be assessed at the rate of ~~\$162.29~~ 166.35 per hour and shall not exceed ten (10) hours. Amendment requests received within one year (1) and ~~sixty (60)~~ seventy five (75) days from the official due date ~~(July 1 or January 1 as applicable)~~ of a previously submitted annual emissions report shall not incur any

such evaluation fees. The Amendment Request shall include all supporting documentation and copies of revised applicable forms.

- (B) A facility owner/operator shall submit a written request (referred to as a “Refund Request”) to correct the previously submitted annual emissions reports and request a refund of overpaid emission fees. Refund Requests must be submitted within one (1) year and ~~sixty (60)~~seventy five (75) days from the official due date ~~(July 1 or January 1 as applicable)~~ of the subject annual emissions report to be considered valid. The Refund Request shall include all supporting documentation and copies of revised applicable forms. If the Refund Request is submitted within one (1) year and ~~sixty (60)~~seventy five (75) days from the official due date ~~(July 1 or January 1 as applicable)~~ of the subject annual emissions report, and results in no fee impact, then the facility owner/operator shall be billed for the evaluation fee pursuant to subparagraph (e)(9)(A).

(10) Notice to Pay and Late Filing Surcharge

- (A) A notice to report emissions and pay the associated emission fees will be mailed annually to the owners/operators of all equipment (as shown in District records) to which this subdivision applies. A notice to pay the semi-annual fee specified in paragraph (e)(11) will also be mailed to facilities which in the preceding reporting year emitted any air contaminant equal to or greater than the emission thresholds specified in subparagraph (e)(11)(A). Emissions reports and fee payments are the responsibility of the owner/operator regardless of whether the owner/operator was notified. ~~The due dates to submit the emissions fees and reports for:~~

~~(i) — Semi-annual reports are January 1 for fiscal year reporting during July 1, 1994 through December 31, 2007, and July 1 for calendar year reporting beginning January 1, 2008 and after.~~

~~(ii) — (ii) Annual reports are July 1 for fiscal year reporting during July 1, 1994 through December 31, 2007, and January 1 for calendar year reporting beginning January 1, 2008 and after.~~

If both the fee payment and the completed emissions report are not received by the ~~sixtieth (60th)~~seventy-fifth (75th) day following ~~January 1 or July 1 as applicable~~ (for semi-annual reports), or ~~July~~

~~1 or~~ January 1 ~~as applicable~~ (for annual reports), they shall be considered late, and surcharges for late payment shall be imposed as set forth in subparagraph (e)(10)(B). For the purpose of this subparagraph, the emissions fee payment and the emissions report shall be considered to be timely received by the District if it is postmarked on or before the ~~sixtieth (60th)~~ seventy-fifth (75th) day following the official due date ~~(July 1 or January 1 as applicable)~~. If the ~~sixtieth (60th)~~ seventy-fifth (75th) day falls on a Saturday, Sunday, or a state holiday, the fee payment and emissions report may be postmarked on the next business day following the Saturday, Sunday, or the state holiday with the same effect as if they had been postmarked on the ~~sixtieth (60th)~~ seventy-fifth (75th) day.

- (B) If fee payment and emissions report are not received within the time prescribed by subparagraph (e)(10)(A), a surcharge shall be assessed and added to the original amount of the emission fee due according to the following schedule:

| | |
|-------------------|-------------------------------|
| Less than 30 days | 5% of reported amount |
| 30 to 90 days | 15% of reported amount |
| 91 days to 1 year | 25% of reported amount |
| More than 1 year | (See subparagraph (e)(10)(D)) |

- (C) If an emission fee is timely paid, and if, within one year after the ~~sixtieth (60th)~~ seventy-fifth (75th) day from the official due date is determined to be less than ninety percent (90%) of the full amount that should have been paid, a fifteen percent (15%) surcharge shall be added, and is calculated based on the difference between the amount actually paid and the amount that should have been paid, to be referred to as underpayment. If payment was ninety percent (90%) or more of the correct amount due, the difference or underpayment shall be paid but with no surcharges added. The fee rate to be applied shall be the fee rate in effect for the year in which the emissions actually occurred. If the underpayment is discovered after one (1) year and ~~sixty (60)~~ seventy five (75) days from the official fee due date, fee rates and surcharges will be assessed based on subparagraph (e)(10)(D).

- (D) The fees due and payable for the emissions reported or reportable pursuant to subparagraph (e)(8)(D) shall be assessed according to the fee rate for that contaminant specified in Tables III, IV, and V, and further increased by fifty percent (50%). The fee rate to be applied shall be the fee rate in effect for the year in which the emissions are actually reported, and not the fee rate in effect for the year the emissions actually occurred.
 - (E) If one hundred twenty (120) days have elapsed since January 1st, July 1st, or as applicable, and all emission fees including any surcharge have not been paid in full, the Executive Officer may take action to revoke all Permits to Operate for equipment on the premises, as authorized in Health and Safety Code Section 42307.
- (11) Semi-Annual Emissions Fee Payment
- (A) For facilities emitting the threshold amount of any contaminant listed below, the Executive Officer will estimate one half (1/2) of the previous annual emission fees and request that the permit holder pay such an amount as the first installment on annual emission fees for the current reporting period. ~~The installment payment for calendar year 2008 annual emission fees will be based on one half (1/2) of the emissions reported for fiscal year 2006-2007.~~

| Air contaminant(s) | Annual emissions threshold (TPY) |
|---|---|
| Gaseous sulfur compounds (expressed as sulfur dioxide) | ≥10 TPY |
| Total organic gases (excluding methane, exempt compounds as specified in paragraph (e)(13), and specific organic gases as specified in paragraph (b)(28)) | ≥10 TPY |
| Specific organic gases | ≥10 TPY |
| Oxides of nitrogen (expressed as nitrogen dioxide) | ≥10 TPY |
| Total particulate matter | ≥10 TPY |
| Carbon monoxide | ≥100 TPY |

- (B) In lieu of payment of one half the estimated annual emission fees, the owner/operator may choose to report and pay on actual emissions for the first six months (~~July 1 through December 31 for~~

~~fiscal year reporting prior to January 1, 2008 or~~ January 1 through June 30 ~~for calendar year reporting beginning January 1, 2008 and thereafter~~). By ~~July 1 or~~ January 1 ~~as applicable~~ of the year following the reporting period, the permit holder shall submit a final Annual Emission Report together with the payment of the balance; the annual emission fees less the installment previously paid. ~~For fiscal year reporting prior to January 1, 2008, the report shall contain an itemization of emissions from July 1 through June 30 of the applicable year. For calendar year reporting beginning January 1, 2008 and thereafter, t~~The report shall contain an itemization of emissions for the preceding twelve (12) months of the reporting period (January 1 through December 31.)

(C) An installment fee payment is considered late and is subject to a surcharge if not received within ~~sixty (60)~~ seventy five (75) days of the due date ~~(July 1 or January 1 as applicable)~~ pursuant to paragraph (e)(10).

(12) Fee Payment Subject to Validation

Acceptance of a fee payment does not constitute validation of the emission data.

(13) Exempt Compounds

Emissions of acetone, ethane, methyl acetate, parachlorobenzotrifluoride (PCBTF), and volatile methylated siloxanes (VMS), shall not be subject to the requirements of Rule 301(e).

(14) Reporting Emissions and Paying Fees

For the ~~six-month~~ reporting period of ~~July 1, 2007~~ January 1 through December 31, ~~2007 and calendar year 2008,~~ emission fees shall be determined in accordance with fee rates specified in Tables III, IV and V, and paragraph (e)(2). Installment fees that have been paid for Semi-Annual Emission Fees ~~by March 1, 2008~~ shall not be subject to this provision.

(15) Deadline for Filing Annual Emissions Report and Fee Payment

~~The deadline for filing annual emissions reports and fee payments is as follows:~~

Notwithstanding any other applicable Rule 301(e) provisions regarding the annual emissions report and emission fees, for the reporting period January 1 through December 31 of July 1, 2007 through December 31, 2007, the fee payment and the completed annual emissions report shall be received by the

District, or postmarked, on or before ~~September 1, 2008~~ the seventy-fifth (75th) day following January 1 of the subsequent year to avoid any late payment surcharges specified in subparagraph (e)(10)(B); ~~or~~

~~(A) — The deadline for filing the calendar year 2008 Annual Emissions Report and fee payment shall be March 2nd, 2009. For any facility that is subject to the Regulation for the Mandatory Reporting of Greenhouse Gas (GHG) emissions adopted by the CARB on December 6, 2007, or subsequent revisions that voluntarily elects to report the GHG emissions to the District in the manner prescribed by the Executive Officer, the deadline for filing Annual Emissions Reports and fee payments shall coincide with the deadlines set forth in the Regulation for the Mandatory Reporting of GHG emissions adopted by the CARB on December 6, 2007, or subsequent revisions.~~

(16) Reporting GHG Emissions and Paying Fees

A facility that is subject to the California Air Resources Board (CARB)'s mandatory reporting of Greenhouse Gas (GHG) emissions may request District staff to review and verify the facility's GHG emissions. The fee for review and verification for each GHG emissions report shall consist of an initial submittal fee of ~~\$128.11~~ \$131.31 in addition to a verification fee assessed at ~~\$132.59~~ \$135.90 per hour or prorated portion thereof.

(f) Certified Permit Copies and Reissued Permits

A request for a certified permit copy shall be made in writing by the permittee after the destruction, loss, or defacement of a permit. A request for a permit to be reissued shall be made in writing by the permittee where there is a name or address change without a change of operator or location. The permittee shall, at the time a written request is submitted, pay the fees to cover the cost of the certified permit copy or reissued permit as follows:

~~(1) A fee of \$26.34 shall be paid for a eCertified pPermit eCopy:~~

| <u>Facility Type</u> | <u>Non-Title V</u> | <u>Title V</u> |
|----------------------------------|--------------------|----------------|
| <u>FY 2017 -18</u> | <u>\$28.08</u> | <u>\$31.32</u> |
| <u>FY 2018-19 and thereafter</u> | <u>\$29.20</u> | <u>\$36.33</u> |

(2) Reissued Permit ~~A fee of \$203.93 shall be paid for a reissued permit.~~

| <u>Facility Type</u> | <u>Non-Title V</u> | <u>Title V</u> |
|----------------------------------|--------------------|-----------------|
| <u>FY 2017 -18</u> | <u>\$217.39</u> | <u>\$242.47</u> |
| <u>FY 2018-19 and thereafter</u> | <u>\$226.09</u> | <u>\$281.28</u> |

No fee shall be assessed to reissue a permit to correct an administrative error by District staff.

(g) Reinstating Expired Applications or Permits; Surcharge

An application or a Permit to Operate which has expired due to nonpayment of fees or court judgments in favor of the District or administrative civil penalties associated with the facility may be reinstated by submitting a request for reinstatement of the application or Permit to Operate accompanied by a reinstatement surcharge and payment in full of the amount of monies due at the time the application or Permit to Operate expired. The reinstatement surcharge shall be fifty percent (50%) of the amount of fees due per equipment at the time the application or Permit to Operate expired, or the following amount, whichever is lower:

| | |
|--|---|
| <u>Title V Facility Permit Holders</u> | <u>\$257.25 for FY 2017-18 and \$298.41 for FY 2018-19 and thereafter per equipment</u> |
| <u>All Other Non-Title V Facility Permit Holders</u> | \$216.36 <u>\$230.64 for FY 2017-18 and \$239.87 for FY 2018-19 and thereafter per equipment</u> |

Such request and payment shall be made within one (1) year of the date of expiration. An application or Permit to Operate which has expired due to nonpayment of fees shall not be reinstated if the affected equipment has been altered since the expiration of the application or Permit to Operate. If the period of expiration has exceeded one (1) year or the affected equipment has been altered, operation of the equipment shall require a new Permit to Operate and the application shall be subject to Rule 1313(b).

(h) Reinstating Revoked Permits

If a Permit to Operate is revoked for nonpayment of annual permit fees based on emissions or fees on non-permitted emissions, it may be reinstated upon payment

by the permit holder of such overdue fees and accrued surcharge in accordance with (e)(9).

(i) Clean Air Act Non-Attainment Fees

Any fees remitted to the District pursuant to Rule 317 – Clean Air Act Non-attainment Fees shall be held in escrow accounts unique to each source. Fees accrued in such escrow accounts may be used for either of the following at the discretion of the source’s owner or operator.

- (1) Creditable up to the amount of fees due by the same source during the calendar year or subsequent calendar year(s) for annual emissions fees due pursuant to Rule 301(e)(2), (4), (6), (7) and (11) and annual operating permit renewal fees due pursuant to Rule 301(d)(1), (2) and (4). In no case shall the credit be greater than the fees paid; or
- (2) use by the owner or operator for VOC and NOx reduction programs at their source that are surplus to the State Implementation Plan according to the following prioritization:
 - (A) at the source; or
 - (B) use within another facility under common ownership; or
 - (C) use in the community adjacent to the facility; or
 - (D) other uses to reduce emissions.

Up to five percent of funds can be used by the South Coast Air Quality Management District for administrative support for items in paragraph (i)(2).

(j) Special Permit Processing Fees - California Environmental Quality Act (CEQA) Assistance, Air Quality Analysis, Health Risk Assessment, and Public Notice ~~on~~ Significant for Projects

(1) Payment for CEQA Assistance

(A) CEQA Document Preparation

When a determination is made by the Executive Officer that the District is the Lead Agency for a project, pursuant to the California Environmental Quality Act (CEQA), Public Resources Code Section 21000 et seq. and state CEQA Guidelines (14 California Code of Regulations section 15000 et seq.), the project applicant may be required to pay a review fee (based on a staff rate of ~~\$162.29~~ 166.35 per hour) when a 400-CEQA form requires the CEQA staff to review for CEQA applicability. If preparation of CEQA

documentation is deemed necessary, the applicant shall pay an initial fee for the preparation of necessary CEQA documentation according to the following schedule:

| | |
|--|--|
| Notice of Exemption (upon applicant request) | -\$324.58 <u>332.69</u> |
| Negative Declaration | -\$4,894.54 <u>5,016.90</u> |
| Mitigated Negative Declaration | -\$4,894.54 <u>5,016.90</u> |
| Environmental Impact Report (EIR) | -\$6,526.00 <u>6,689.15</u> |
| Supplemental or Subsequent EIR | -\$6,526.00 <u>6,689.15</u> |
| Addendum to EIR | -\$3,382.14 <u>3,466.69</u> |

If the Executive Officer determines that the District's CEQA preparation costs (may include, but not limited to, mailing, noticing, publications, et cetera) and staff time (based on the rate of ~~\$162.29~~166.35 per hour) exceed the initial fee the project applicant, upon notification from the District, shall make periodic payment of the balance due. The Executive Officer shall determine the amount and timing of such periodic payments, based upon the level of CEQA analysis and the amount of monies needed to offset the actual preparation costs.

(B) CEQA Document Assistance

When the District is not the Lead Agency for a project and a request is made by: another public agency; a project proponent; or any third party, for staff assistance with any of the following tasks including, but not limited to: reviewing all or portions of a CEQA document and air quality analysis protocols for emissions inventories and air dispersion modeling prior to its circulation to the public for review pursuant to Public Resources Code §21092; assisting lead agencies with developing and implementing mitigation measures, the requestor may be required to pay a fee for staff time at the rate of ~~\$162.29~~166.35 per hour. This fee shall not apply to review of CEQA documents prepared by other public agencies that are available for public review pursuant to Public Resources Code

§21092 and is part of the District's intergovernmental review responsibilities under CEQA.

(2) Payment for Air Quality Analysis

When a determination is made by the Executive Officer that an air quality analysis of the emissions from any source is necessary to predict the extent and amount of air quality impact prior to issuance of a permit, the Executive Officer may order air quality simulation modeling by qualified District personnel. Alternatively, the Executive Officer may require (or the owner/operator of the source may elect) that modeling be performed by the owner/operator or an independent consultant.

Where modeling is performed by the owner/operator or an independent consultant, the Executive Officer may require that the results be verified by qualified District personnel. The owner/operator of the source shall provide to the Executive Officer a copy of the final modeling report including all input data, description of methods, analyses, and results. The owner/operator of the source modeled by District personnel shall pay a fee as specified in Table IIA to cover the costs of the modeling analysis. A fee, as specified in Table IIA, shall be charged to offset the cost of District verification of modeling performed by an independent consultant.

(3) Payment for Health Risk Assessment

(A) When a determination is made by the Executive Officer that any source being evaluated for a Permit to Construct or a Permit to Operate may emit toxic or potentially toxic air contaminants, the Executive Officer may order a Health Risk Assessment be conducted by qualified District personnel or by a qualified consultant, as determined by the Executive Officer, engaged by the District under a contract. Alternatively, the Executive Officer may require (or owner/operator of the source may elect) that the assessment be performed by the owner/operator or an independent consultant engaged by the owner/operator. The Health Risk Assessment shall be performed pursuant to methods used by the California EPA's Office of Environmental Health Hazard Assessment.

(B) For a Health Risk Assessment conducted by the owner/operator of the source or the owner/operator's consultant, the Executive Officer may require that the results be verified by qualified District

personnel or by a qualified consultant engaged by the District. The owner/operator of the source shall provide to the Executive Officer a copy of the final Health Risk Assessment including all input data, and description of methods, analyses, and results. The owner/operator of the source for which a Health Risk Assessment is conducted or is evaluated and verified by District personnel or consultant shall pay the fees specified in Table IIA to cover the costs of an Air Quality Analysis and Health Risk Assessment analysis, evaluation, or verification. When the Health Risk Assessment is conducted or is evaluated and verified by a consultant engaged by the District, or District personnel, the fees charged will be in addition to all other fees required.

(C) When a Health Risk Assessment is evaluated by the California EPA, pursuant to Health and Safety Code Sections 42315, 44360, 44361 or 44380.5, or by a consultant engaged by the California EPA, or when the District consults with the California EPA regarding the Health Risk Assessment, any fees charged by the California EPA to the District will be charged to the person whose Health Risk Assessment is subject to the review, in addition to other fees required.

(4) Payment for Public Notice

An applicant for a ~~significant~~ project requiring public notification, as defined in Rule 212~~(e)~~ shall pay the applicable fee, for preparation of the notice as required by the rules, as shown below in this paragraph:

| <u>Public Notification Type</u> | <u>Non-Title V Source</u> | <u>Title V Source</u> |
|--|---|---|
| <u>For emission reduction credits (ERCs) in excess of the amounts as specified in Rule 1310(c)</u> | <u>\$1,008.50 for FY 2017-18 and \$1,048.84 for FY 2018-19 and thereafter</u> | <u>\$1,124.87 for FY 2017-18 and \$1,304.85 for FY 2018-19 and thereafter</u> |

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| <u>Public Notification Type</u> | <u>Non-Title V Source</u> | <u>Title V Source</u> |
|--|---|---|
| <u>Requesting allocations from the Offset Budget or requesting the generation or use of any Short Term Credit (STCs)</u> | <u>\$1,008.50 for FY 2017-18 and \$1,048.84 for FY 2018-19 and thereafter</u> | <u>\$1,124.87 for FY 2017-18 and \$1,304.85 for FY 2018-19 and thereafter</u> |
| <u>Significant revision of a Title V permit</u> | <u>---</u> | <u>\$1,124.87 for FY 2017-18 and \$1,304.85 for FY 2018-19 and thereafter</u> |

~~or for emission reduction credits (ERCs) in excess of the amounts as specified in Rule 1310(e), or the operator of a facility requesting allocations from the Offset Budget or requesting the generation or use of any Short Term Credit (STCs), or for significant permit revision of a Title V permit shall be assessed a fee of \$946.06 for preparation of the notice required by the rules.~~ The notice preparation fee is waived for existing dry cleaning operations at the same facility that install, modify or replace dry cleaning equipment to comply with Rule 1421 provided there is a concurrent removal from service of the perchloroethylene equipment. Eligibility includes converting from perchloroethylene to non-toxic alternative solvents, including non-toxic hydrocarbon solvents. In addition, an applicant for a project subject to the requirements of Rule 212(g) shall either:

- (A) pay a fee, as specified in Table IIB, for publication of the notice by prominent advertisement in the newspaper of general circulation in the area affected where the facility is located and for the mailing of the notice to persons identified in Rule 212(g), or
- (B) arrange publication of the above notice independent of the District option. This notice must be by prominent advertisement in the newspaper of general circulation in the area affected where the facility is located. Where publication is performed by the owner/operator or an independent consultant, the owner/operator of

the source shall provide to the Executive Officer a copy of the proof of publication.

- (5) Payment for Review of Continuous Emissions Monitoring System (CEMS), Fuel Sulfur Monitoring System (FSMS), and Alternative Continuous Emissions Monitoring System (ACEMS)

- (A) New Application for Process Equipment Requiring CEMS or, Alternatively, an FSMS or ACEMS to Comply with the CEMS Requirement

When a determination is made by the Executive Officer that a Continuous Emissions Monitoring System (CEMS) is required in order to determine a source's compliance with a District rule or regulation, the applicant shall:

- (i) Apply for the use of a CEMS and pay a basic processing fee as specified in Table IIC at the time of filing.
- (ii) Apply for the use of an FSMS or ACEMS in lieu of a CEMS and pay a basic processing fee as specified in Table IIC at the time of filing.

- (B) Modification of an Existing Certified CEMS, FSMS, or ACEMS

If a certified CEMS, FSMS, or ACEMS is modified in a manner (excluding routine replacement or servicing of CEMS or FSMS components for preventive or periodic maintenance according to established quality assurance guidelines, or CEMS or FSMS components designated by the Executive Officer as "standardized" or direct replacement-type components) determined by the Executive Officer to compromise a source's compliance with a District rule or regulation, the applicant shall pay a processing fee covering the evaluation of the modification and recertification, if necessary, as follows:

- (i) If one or more CEMS or FSMS components (excluding additional pollutant monitors) are replaced, modified, or added, the applicant shall pay a minimum processing fee of ~~\$866.02~~887.67; and additional fees will be assessed at a rate of ~~\$162.29~~166.35 per hour for time spent on the evaluation in excess of 10 hours up to a maximum total fee of ~~\$5,414.44~~5,549.80.

- (ii) If one or more pollutant monitors are added to a CEMS or FSMS (and one or more of its components are concurrently replaced, modified, or added), the applicant shall pay a minimum processing fee as specified in Table IIC, based on the number of CEMS or FSMS pollutant monitors and components added.
 - (iii) If one or more pollutant emission sources at a facility are added to an FSMS, a time-shared CEMS, or a SO_x CEMS which is specifically used to “back-calculate” fuel sulfur content for these sources, the applicant shall pay a minimum processing fee as specified in Table IIC, based on the number of CEMS or FSMS monitors and components added.
 - (iv) If one or more ACEMS (or PEMS) components are replaced, modified, or added, the applicant shall pay a minimum processing fee ~~\$866.02~~887.67; and additional fees will be assessed at a rate of ~~\$162.29~~166.35 per hour for time spent on the evaluation in excess of 10 hours up to a maximum total fee of ~~\$5,414.44~~5,549.80.
- (C) Modification of CEMS, FSMS, or ACEMS Monitored Equipment
For any RECLAIM or non-RECLAIM equipment monitored or required to be monitored by a CEMS, FSMS, or ACEMS, that is modified in a manner determined by the Executive Officer to compromise a source’s compliance with a District CEMS-, FSMS-, or ACEMS-related rule or regulation, or requires an engineering evaluation, or causes a change in emissions; the applicant shall pay a minimum processing fee of ~~\$866.02~~887.67, covering the evaluation and recertification, if necessary, of the CEMS, FSMS, or ACEMS. Additional fees will be assessed at a rate of ~~\$162.29~~166.35 per hour for time spent on the evaluation in excess of 10 hours up to a maximum total fee of ~~\$5,414.44~~5,549.80.
- (D) Periodic Assessment of an Existing RECLAIM CEMS, FSMS, or ACEMS
An existing RECLAIM CEMS, FSMS, or ACEMS, which undergoes certification as in (i)(5)(A), must be retested on a quarterly, semi-annual, or annual basis to remain in compliance with District Regulation XX. The applicant shall pay a minimum

processing fee of ~~\$866.02~~887.67 for this evaluation, if required. Additional fees will be assessed at a rate of ~~\$162.29~~166.35 per hour for time spent on the evaluation in excess of 10 hours up to a maximum total fee of ~~\$5,414.44~~5,549.80.

(E) CEMS, FSMS, or ACEMS Change of Ownership

Every applicant who files an application for a change of operator of a RECLAIM or non-RECLAIM facility permit shall also file an application for a change of operator of a CEMS, FSMS, or ACEMS, if applicable, and be subject to a processing fee equal to ~~\$258.16~~264.61 for the first CEMS, FSMS, or ACEMS, plus ~~\$51.49~~52.78 for each additional CEMS, FSMS, or ACEMS.

(6) Payment for Review and Certification of Barbecue Charcoal Igniter Products

(A) Certification of Barbecue Charcoal Igniter Products

Pursuant to the requirements of District Rule 1174, manufacturers, distributors, and/or retailers of applicable barbecue charcoal igniter products shall perform the required testing and shall submit a formal report for review by SCAQMD staff for product compliance and certification. For each product evaluated, the applicant shall pay a minimum processing fee of ~~\$640.46~~656.47 per product certified, and additional fees will be assessed at the rate of ~~\$128.11~~131.31 per hour for time spent on the evaluation/certification process in excess of 5 hours.

(B) Repackaging of Certified Barbecue Charcoal Igniter Products

When a currently certified barbecue charcoal igniter product is repackaged for resale or redistribution, the manufacturer, distributor, and/or retailer shall submit the required documentation to SCAQMD staff for evaluation and approval. For each product or products evaluated, the applicant shall pay a processing fee of ~~\$320.25~~328.26 for the first certificate issued, and additional fees will be assessed at the rate of ~~\$128.11~~131.31 per hour for the time spent in excess of 3 hours for the first certificate issued. Additional certificates for the same product or products shall be assessed at the rate of ~~\$64.02~~65.62 per each additional certificate issued.

- (7) Fees for Inter-basin, Inter-district, or Interpollutant Transfers of Emission Reduction Credits

An applicant for inter-basin, inter-district, or interpollutant transfer of ERCs shall file an application for ERC Change of Title and pay fees as listed in the Summary ERC Processing Rates – Banking, Change of Title, Alteration/Modification Table. Additional fees shall be assessed at a rate of ~~\$162.29~~ perbased on the number of hours for the time spent on review and evaluation of inter-basin, inter-district, and interpollutant transfers of ERCs pursuant to Rule 1309 subdivisions (g) and (h).

| <u>Facility Type</u> | <u>Non-Title V</u> | <u>Title V</u> |
|----------------------------------|--------------------|--------------------|
| <u>FY 2017 -18</u> | <u>\$173/hr</u> | <u>\$192.96/hr</u> |
| <u>FY 2018-19 and thereafter</u> | <u>\$179.92/hr</u> | <u>\$223.83</u> |

- (8) Fees for Grid Search to Identify Hazardous Air Pollutant Emitting Facilities

A fee of ~~\$322.44~~ \$330.50 shall be submitted by any individual, business or agency requesting the District to conduct a grid search to identify all facilities with the potential to emit hazardous air pollutants located within one-quarter mile of a proposed school boundary.

Failure to pay the fees described in this subdivision within thirty (30) days after their due date(s) shall result in expiration of pending applications, and no further applications will be accepted from the applicant until the fees have been paid in full.

- (k) Government Agencies

All applicants and permittees, including federal, state, or local governmental agencies or public districts, shall pay all fees.

- (l) RECLAIM Facilities

(1) For RECLAIM facilities, this subdivision specifies additional conditions and procedures for assessing the following fees:

- (A) Facility Permit;
- (B) Facility Permit Amendment;
- (C) Change of Operating Condition;
- (D) Change of Operator;
- (E) Annual Operating Permit;

- (F) Transaction Registration;
 - (G) RECLAIM Pollutant Emission;
 - (H) Duplicate Permits;
 - (I) Reissued Permits;
 - (J) RECLAIM Breakdown Emissions; and
 - (K) Non-Tradeable Allocation Credit Mitigations.
- (2) RECLAIM Fees Applicability
All RECLAIM Facility Permit holders shall be subject to this subdivision.
- (3) Rule 301 - Permit Fees Applicability
Unless specifically stated, all RECLAIM Facility Permit holders shall be subject to all other provisions of Rule 301 - Permit Fees.
- (4) Facility Permit Fees

- (A) Existing facilities entering the RECLAIM program after initial implementation of the RECLAIM program will pay 10 percent of the sum of the permit processing fees from the Summary Permit Fee Rates tables for each equipment merged into the Facility Permit, with a minimum fee ~~of \$541.10~~ as shown in the following table below in this subparagraph:-

| <u>Facility Permit Amendment Fee</u> | <u>FY 2017-18</u> | <u>FY 2018-19 and thereafter</u> |
|--|-------------------|--------------------------------------|
| <u>Non-Title V</u> | <u>\$576.81</u> | <u>\$599.88</u> |
| <u>Title V</u> | <u>\$643.37</u> | <u>\$746.31</u> |

- (B) New facilities with new equipment entering the RECLAIM program will pay a Facility Permit Fee equal to the sum total of the permit processing fees from the Summary Permit Fee Rates tables for each equipment merged into the Facility Permit.
- (5) Facility Permit Amendment
At the time of filing an application for a Facility Permit Amendment, a Facility Permit Amendment Fee shall be paid and an application for such amendment shall be submitted. The Facility Permit Amendment Fee for an application that requires an engineering evaluation or causes a change in emissions shall be ~~\$1,021.20 (\$2,042.42 if both RECLAIM and Title V facility)~~ based on the type of facility permit as follows:

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| <u>Facility Permit Amendment Fee</u> | <u>FY 2017-18</u> | <u>FY 2018-19 and thereafter</u> |
|--------------------------------------|-------------------|----------------------------------|
| <u>RECLAIM</u> | <u>\$1,088.60</u> | <u>\$1,132.14</u> |
| <u>Title V</u> | <u>\$1,214.21</u> | <u>\$1,408.48</u> |
| <u>RECLAIM & Title V</u> | <u>\$2,302.81</u> | <u>\$2,540.62</u> |

plus the sum of applicable fees assessed for each application required for affected equipment as specified in the Summary Permit Fee Rate tables. The Facility Permit Amendment Fee for an application that does not require an engineering evaluation or causes a change in emissions shall be based on the type of facility permit as follows: ~~\$1,021.20 (\$2,042.42 if both a RECLAIM and Title V facility)~~

| <u>Facility Permit Amendment Fee</u> | <u>FY 2017-18</u> | <u>FY 2018-19 and thereafter</u> |
|--------------------------------------|-------------------|----------------------------------|
| <u>RECLAIM</u> | <u>\$1,088.60</u> | <u>\$1,132.14</u> |
| <u>Title V</u> | <u>\$1,214.21</u> | <u>\$1,408.48</u> |
| <u>RECLAIM & Title V</u> | <u>\$2,302.81</u> | <u>\$2,540.62</u> |

plus the applicable administrative permit change fee based on the equipment schedule as set forth in Rule 301(c)(3)(C) for each application required for affected equipment. All delinquent fees, court judgments in favor of the District and administrative civil penalties associated with the facility must be paid before a Facility Permit Amendment application will be accepted.

(6) Change of Operating Condition

At the time of filing an application for a Change of Operating Conditions that requires engineering evaluation or causes a change in emissions, a Change of Condition Fee shall be paid. Such fee shall be equal to the sum of fees assessed for each equipment subject to the change of condition as specified in the Summary Permit Fee Rates – Permit Processing, Change of Conditions, Alteration/Modification table and in the Summary ERC Processing Rates – Banking, Change of Title, Alteration/Modification table. All delinquent fees associated with the affected facility subject to the change

of condition must be paid before a Change of Operating Conditions application will be accepted.

(7) Fee for Change of Operator

The Permit Processing Fee for a Change of Operator of a RECLAIM facility permit shall be determined from the Table Summary of Permit Fee Rates – Change of Operator, Non-Small Business. In addition, a Facility Permit Amendment fee as specified in paragraph (1)(5) shall be assessed. All fees, billed within the past 3 years from the date of application submittal that are, associated with the facility for equipment for which a Change of Operator or Additional Operator application is filed, and all facility-specific fees (such as “Hot Spots” fees), must be paid before a Change of Operator or Additional Operator application is accepted. If after an application is received and SCAQMD determines that fees are due, the new operator shall pay such fees within 30 days of notification. If the fees are paid timely the new operator will not be billed for any additional fees billed to the previous operator.

(8) Annual Operating Permit Renewal Fee

(A) Unless otherwise stated within this subdivision, the Facility Permit holder shall be subject to all terms and conditions pursuant to subdivision (d).

(B) An Annual Operating Permit Renewal Fee shall be submitted by the end of the compliance year. Such fee shall be equal to the sum of applicable permit renewal fees specified in paragraph (d)(2).

(C) At least thirty (30) days before the annual renewal date, the owner/operator of equipment under permit will be notified by mail of the amount to be paid and the due date. If such notice is not received at least thirty (30) days before the annual renewal date, the owner/operator of equipment under permit shall notify the District on or before the permit renewal date that said notice was not received. If the Annual Operating Permit Renewal fee is not paid within thirty (30) days after the due date, the permit will expire and no longer be valid. In such a case, the owner/operator will be notified by mail of the expiration and the consequences of operating equipment without a valid permit as required by District Rule 203 (Permit to Operate). For the purpose of this subparagraph, the fee payment will be considered to be received by the District if it is

postmarked by the United States Post Office on or before the expiration date stated on the billing notice. If the expiration date falls on a Saturday, Sunday, or a state holiday, the fee payment may be postmarked on the next business day following the Saturday, Sunday, or state holiday as if it had been postmarked on the expiration date.

(9) Transaction Registration Fee

The transferor and transferee of an RTC shall jointly register the transaction with the District pursuant to District Rule 2007 – Trading Requirements. At the time the transaction is registered with the District, ~~The transferee shall pay a Transaction Registration Fee as shown in the following table below in this paragraph: of \$152.98 at the time the transaction is registered with the District.~~

| <u>Facility Registration Fee</u> | <u>FY 2017-18</u> | <u>FY 2018-19 and thereafter</u> |
|----------------------------------|-------------------|----------------------------------|
| <u>Non-Title V</u> | <u>\$163.08</u> | <u>\$169.60</u> |
| <u>Title V</u> | <u>\$181.89</u> | <u>\$210.99</u> |

(10) RECLAIM Pollutant Emission Fee

At the end of the reporting period specified in subparagraph (e)(8)(B), RECLAIM facilities shall pay a RECLAIM Pollutant Emission Fee based on the facilities’ total certified RECLAIM pollutant emissions. For facilities emitting ten (10) tons per year or more of any contaminant the previous year, the Facility Permit holders shall pay a semi-annual installment equal to one half (1/2) of the total estimated fee with final balance due at the end of the reporting period.

- (A) The Facility Permit Holder shall pay emission fees according to the provisions of subdivision (e) for all emissions that are not accounted for with RECLAIM pollutant emissions. The Facility Permit holder shall add non-RECLAIM emissions to applicable RECLAIM emissions to determine the appropriate fee rate from Table III fee rate per ton of emissions.
- (B) Facility Permit Holders shall pay RECLAIM Pollutant Emission Fees according to the provisions of subdivision (e), except that:

- (i) Fees based on emissions of RECLAIM pollutants as defined in Rule 2000(c)(58) for annual payments shall be calculated based on certified emissions as required by paragraph (b)(2) or (b)(4) of Rule 2004, as applicable;
 - (ii) RECLAIM Pollutant Emission Fees shall be due as established by subdivision (e) of this rule for both Cycle 1 and Cycle 2 Facilities;
 - (iii) Facilities emitting ten (10) tons per year or more of a RECLAIM pollutant during the previous annual reporting period, shall also pay a semi-annual installment based on either (a) one-half (1/2) of the facility's RECLAIM pollutant fees for the previous annual reporting period; or (b) emissions certified pursuant to paragraph (b)(2) and (b)(4) of Rule 2004 in the two (2) quarters falling in the time period that coincides with the first six (6) months of the current reporting period, by the deadline as —established by subdivision (e) of this rule for both Cycle 1 and Cycle 2 Facilities.
 - (iv) A fee payment is considered late and subject to the late payment surcharge of paragraph (e)(10) if not received within sixty (60) days of the due date specified in this paragraph.
- (C) If the Executive Officer determines that the APEP emissions reported by a Facility Permit Holder are less than the amount calculated as specified in Rule 2004(b)(2) and (b)(4), the Facility Permit Holder shall pay RECLAIM Pollutant Emission Fees on the difference between the APEP total as determined by the Executive Officer and the reported APEP total as specified in subparagraph (1)(10)(A).
- (D) In the event that certified emissions determined pursuant to Rule 2004(b)(2) and (b)(4), for compliance year beginning January 1, 1995 and after, include emissions calculated using missing data procedures, and these procedures were triggered pursuant to Rule 2011(c)(3) or 2012(c)(3) solely by a failure to electronically report emissions for major sources due to a problem with transmitting the emission data to the District which was beyond the control of the

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Facility Permit holder, such portion of the emissions may be substituted by valid emission data monitored and recorded by a certified CEMS, for the purpose of RECLAIM pollutant emission fee determination only, provided that a petition is submitted to the Executive Officer with the appropriate processing fee by the Facility Permit holder. The petition must be made in writing and include all relevant data to clearly demonstrate that the valid emission data were recorded and monitored by a certified CEMS as required by Rules 2011 and 2012 and the only reason for missing data procedures being triggered was due to a problem with transmitting the emission data to the District which was beyond the control of the Facility Permit holder. In addition to the RECLAIM pollutant emission fee, the petitioner shall pay a minimum processing fee ~~of \$632.78~~as shown in the following table in this subparagraph: ~~and additional fees will be assessed at a rate of \$162.29 per hour for time spent on evaluation in excess of 3 hours.~~

| <u>Facility Type</u> | <u>FY 2017-18</u> | <u>FY 2018-19 and thereafter</u> |
|----------------------|-------------------|----------------------------------|
| <u>Non-Title V</u> | <u>\$674.54</u> | <u>\$701.52</u> |
| <u>Title V</u> | <u>\$752.38</u> | <u>\$872.76</u> |

and an additional fee assessed at the applicable hourly rate, for time spent on evaluation in excess of 3 hours, as shown in the table below in this subparagraph:

| <u>Facility Type (After 3 hours)</u> | <u>FY 2017-18</u> | <u>FY 2018-19 and thereafter</u> |
|--------------------------------------|--------------------|----------------------------------|
| <u>Non-Title V</u> | <u>\$173/hr</u> | <u>\$179.92/hr</u> |
| <u>Title V</u> | <u>\$192.96/hr</u> | <u>\$223.83/hr</u> |

~~(E) — The Executive Officer may establish a special operating fee for petroleum refineries (Standard Industrial Classification No. 2911) up to an amount based on \$0.07 per pound in FY 07-08 and \$0.07 per pound in FY 08-09 of the initial SO_x RECLAIM allocation (initial allocation of the original operator if a change of operator has~~

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~~occurred since the assignment of the initial allocation) to cover the cost of a technology assessment to reduce SOx emissions from the RECLAIM universe. Fee payment is due upon notification by the Executive Officer. If the fee payment is not received by the sixtieth (60th) day following the due date a surcharge shall be added to the original amount according to the schedule in subparagraph (e)(10)(B).~~

(11) Certified Permits Copies

A request for a certified copy of a Facility Permit shall be made in writing by the permittee. The permittee shall, at the time the written request is submitted, pay a fee ~~\$26.34~~ for the first page as follows:

| <u>Facility Permit Amendment Fee</u> | <u>FY 2017-18</u> | <u>FY 2018-19 and thereafter</u> |
|--|-------------------|--------------------------------------|
| <u>Non-Title V</u> | <u>\$28.08</u> | <u>\$29.20</u> |
| <u>Title V</u> | <u>\$31.32</u> | <u>\$36.33</u> |

and ~~\$1.86~~ the applicable fee per page for each additional page in the Facility Permit as shown below:-

| <u>Facility Permit Amendment Fee</u> | <u>FY 2017-18</u> | <u>FY 2018-19 and thereafter</u> |
|--|--------------------|--------------------------------------|
| <u>Non-Title V</u> | <u>\$1.98/page</u> | <u>\$2.06/page</u> |
| <u>Title V</u> | <u>\$2.21/page</u> | <u>\$2.56/page</u> |

(12) Reissued Permits

A request for a reissued Facility Permit shall be made in writing by the permittee where there is a name or address change without a change of operator or location. The permittee shall, at the time the written request is submitted, pay a fee ~~\$203.93~~ for the first page as follows:

| <u>Facility Permit Amendment Fee</u> | <u>FY 2017-18</u> | <u>FY 2018-19 and thereafter</u> |
|--|-------------------|--------------------------------------|
| <u>Non-Title V</u> | <u>\$217.39</u> | <u>\$226.09</u> |
| <u>Title V</u> | <u>\$242.47</u> | <u>\$281.27</u> |

and the applicable fee per page ~~1.86~~ for each additional page in the facility permit as shown below:

| <u>Facility Permit Amendment Fee</u> | <u>FY 2017-18</u> | <u>FY 2018-19 and thereafter</u> |
|--------------------------------------|--------------------|----------------------------------|
| <u>Non-Title V</u> | <u>\$1.98/page</u> | <u>\$2.06/page</u> |
| <u>Title V</u> | <u>\$2.21/page</u> | <u>\$2.56/page</u> |

(13) Breakdown Emission Report Evaluation Fee

The Facility Permit Holder, submitting a Breakdown Emission Report to seek exclusion of excess emissions from the annual allocations pursuant to Rule 2004 - Requirements, shall pay fees for the evaluation of a Breakdown Emission Report. The Facility Permit Holder shall pay a filing fee of one (1) hour based on the fee rates shown in the table below in this paragraph. ~~of \$162.29~~ at the time of filing of a Breakdown Emission Report, and shall be assessed an evaluation fee at the hourly rate ~~of \$162.29 per hour~~ shown in the same table.

| <u>Facility Type</u> | <u>FY 2017-18</u> | <u>FY 2018-19 and thereafter</u> |
|----------------------|--------------------|----------------------------------|
| <u>Non-Title V</u> | <u>\$173.00/hr</u> | <u>\$179.92/hr</u> |
| <u>Title V</u> | <u>\$192.96/hr</u> | <u>\$223.83/hr</u> |

(14) Breakdown Emission Fee

At the end of the time period from July 1 through June 30, the Facility Permit holder shall pay a Breakdown Emission Fee for excess emissions determined pursuant to District Rule 2004 - Requirements. The Facility Permit Holder shall include excess emissions to the total certified RECLAIM emissions to determine the appropriate RECLAIM Pollutant Emission Fee.

(15) Mitigation of Non-Tradeable Allocation Credits

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Upon submitting a request to activate non-tradeable allocation credits pursuant to District Rule 2002(h), the RECLAIM Facility Permit Holder shall pay a mitigation fee per ton of credits requested as shown below:~~of~~

| <u>Facility Permit Amendment Fee</u> | <u>FY 2017-18</u> | <u>FY 2018-19 and thereafter</u> |
|--------------------------------------|------------------------|----------------------------------|
| <u>Non-Title V</u> | <u>\$11,544.44/ton</u> | <u>\$12,006.22/ton</u> |
| <u>Title V</u> | <u>\$12,876.49/ton</u> | <u>\$14,936.73/ton</u> |

~~\$10,829.68~~ plus a non-refundable ~~\$107.95~~ processing fee as shown below:

| <u>Facility Permit Amendment Fee</u> | <u>FY 2017-18</u> | <u>FY 2018-19 and thereafter</u> |
|--------------------------------------|-------------------|----------------------------------|
| <u>Non-Title V</u> | <u>\$115.07</u> | <u>\$119.67</u> |
| <u>Title V</u> | <u>\$128.35</u> | <u>\$148.89</u> |

- (16) Evaluation Fee to Increase an Annual Allocation to a Level Greater than a Facility's Starting Allocation Plus Non-Tradable Credits

The Facility Permit Holder submitting an application to increase an annual Allocation to a level greater than the facility's starting allocation plus non-tradeable credits pursuant to Rule 2005 - New Source Review shall pay fees for the evaluation of the required demonstration specified in Rule 2005(c)(3). The Facility Permit Holder shall pay an evaluation fee at the applicable hourly rate of \$162.29 per hour~~as shown in the table below:~~

| <u>Facility Permit Amendment Fee</u> | <u>FY 2017-18</u> | <u>FY 2018-19 and thereafter</u> |
|--------------------------------------|---------------------|----------------------------------|
| <u>Non-Title V</u> | <u>\$173.00/hr</u> | <u>\$179.92/ton</u> |
| <u>Title V</u> | <u>\$192.96/ton</u> | <u>\$223.83/ton</u> |

(m) Title V Facilities

(1) Applicability

The requirements of this subdivision apply only to facilities that are subject to the requirements of Regulation XXX - Title V Permits.

(2) Rule 301 Applicability

All Title V facilities shall be subject to all other provisions of Rule 301 - Permit Fees, except as provided for in this subdivision.

(3) Permit Processing Fees for Existing Facilities with Existing District Permits
Applying for an Initial Title V Facility Permit

(A) The applicant shall pay the following initial fee when the application is submitted:

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| Title V INITIAL Fee | | | | |
|---|---------------------------------------|---------------------------------------|---|---|
| Number of Devices | 1-20 | 21-75 | 76-250 | 251+ |
| Applications submitted on or after July 1, 2005 through June 30, 2006 | \$1,219.43 | \$3,902.58 | \$8,781.18 | \$14,879.43 |
| Applications submitted on or after July 1, 2006 through June 30, 2007 | \$1,341.39 | \$4,292.85 | \$9,659.32 | \$16,367.36 |
| Applications submitted on or after July 1, 2007 through June 30, 2008 | \$1,475.51 | \$4,722.14 | \$10,625.23 | \$17,994.61 |
| Applications submitted on or after July 1, 2008-2017 through June 30, 2018 | \$1,623.07 <u>1,929.83</u> | \$5,194.34 <u>6,176.07</u> | \$11,687.76 <u>13,896.75</u> | \$19,804.52 <u>23,547.57</u> |
| <u>Applications submitted on or after July 1, 2018</u> | <u>\$2,238.60</u> | <u>\$7,164.24</u> | <u>\$16,120.23</u> | <u>\$27,315.18</u> |

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To determine the initial fee when the number of devices is not available, the applicant may substitute the number of active equipment. This fee will be adjusted when the Title V permit is issued and the correct number of devices are known.

- (B) The applicant shall, upon notification by the District of the amount due when the permit is issued, pay the following final fee based on the time spent on the application:

| Title V FINAL Fee | | | | |
|---|---|---|---|--|
| Number of Devices | 1-20 | 21-75 | 76-250 | 251+ |
| Time Spent in Excess of: | 8 Hours | 30 Hours | 70 Hours | 120 Hours |
| On or after July 1, 2005 through June 30, 2006 | \$121.93 per hour; up to a maximum total fee of \$14,885.68 | \$121.93 per hour; up to a maximum total fee of \$29,771.34 | \$121.93 per hour; up to a maximum total fee of \$73,309.10 | \$121.93 per hour; up to a maximum total fee of \$111,642.50 |
| On or after July 1, 2006 through June 30, 2007 | \$134.12 per hour; up to a maximum total fee of \$16,374.26 | \$134.12 per hour; up to a maximum total fee of \$32,748.46 | \$134.12 per hour; up to a maximum total fee of \$81,871.14 | \$134.12 per hour; up to a maximum total fee of \$145,539.83 |

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| | | | | |
|--|--|--|--|--|
| On or after July 1, 2007 through June 30, 2008 | \$147.55 per hour; up to a maximum total fee of \$18,011.66 | \$147.55 per hour; up to a maximum total fee of \$36,023.32 | \$147.55 per hour; up to a maximum total fee of \$90,058.25 | \$147.55 per hour; up to a maximum total fee of \$135,087.44 |
| On or after July 1, 2008 <u>2017 through June 30, 2018</u> | \$162.29 <u>192.96</u> per hour; up to a maximum total fee of \$19,812.83 <u>23,557.45</u> | \$162.29 <u>192.96</u> per hour; up to a maximum total fee of \$39,625.64 <u>47,114.89</u> | \$162.29 <u>192.96</u> per hour; up to a maximum total fee of \$101,434.77 <u>120,605.94</u> | \$162.29 <u>192.96</u> per hour; up to a maximum total fee of \$148,596.16 <u>176,680.83</u> |
| <u>On or after July 1, 2018</u> | <u>\$223.83 per hour; up to a maximum total fee of \$27,326.64</u> | <u>\$223.83 per hour; up to a maximum total fee of \$54,653.27</u> | <u>\$223.83 per hour; up to a maximum total fee of \$139,902.89</u> | <u>\$223.83 per hour; up to a maximum total fee of \$204,949.76</u> |

For applicants that did not pay the correct initial fee based on the actual number of devices, the fee when the permit is issued shall be equal to the correct initial fee less the initial fee actually paid, plus the final fee.

Applications submitted on or prior to January 15, 1998 shall not be subject to the final fee.

- (C) If the facility requests revisions to the existing permit terms or conditions, including permit streamlining, an alternative operating scenario or a permit shield, the facility shall submit additional applications with the applicable fees in subdivisions (c) and (i) for each piece of equipment for which a revision is requested. Evaluation time spent on these additional applications shall be excluded from the time calculated for the billing for initial permit issuance in subparagraph (m)(3)(B).

- (4) Permit Processing Fee Applicability
The permit processing fee for a new facility required to obtain a Title V facility permit to construct shall be the sum of all the applicable fees in subdivisions (c) and (i) for all equipment at the facility.
- (5) Rule 301 Fee Applicability
The permit processing fee for a facility required to obtain a Title V facility permit because of a modification, pursuant to paragraph (c)(2) of Rule 301, shall be those specified in paragraph (m)(3) plus the sum of all the applicable fees in subdivisions (c) and (i) for all new and modified equipment at the facility.
- (6) Administrative Permit Revision Fee
Notwithstanding paragraphs (l)(6), (l)(9), and (m)(3), and except as provided in paragraphs (l)(5), (l)(7), (l)(12), (m)(3), (m)(5) and (m)(8), the permit processing fee for an administrative permit revision shall be a fee of ~~\$1,021.20~~1,214.21 for FY2017-18 and \$1,408.48 for FY2018-19 and thereafter.
- (7) Permit Revision Fee
The permit processing fees for a minor permit revision, de minimis significant permit revision, or significant permit revision shall be ~~\$1,021.20~~1,214.21 for FY2017-18 and \$1,408.48 for FY2018-19 and thereafter plus the applicable fee in paragraphs (l)(5), (l)(6), (m)(3), and (m)(4). RECLAIM facilities shall only pay the fee specified in paragraph (l)(5).
- (8) Renewal Fees
The fees for renewal of a Title V Facility Permit, at the end of the term specified on the permit, shall be an initial processing fee of ~~\$2,319.52~~2,757.91 for FY2017-18 and \$3,199.18 for FY2018-19 and thereafter to be paid when the application is submitted; and a final fee of ~~\$162.29~~192.96 for FY2017-18 and \$223.83 for FY2018-19 and thereafter per hour for time spent on the application in excess of 8 hours, due upon notification by the District of the amount due when the permit is issued.
- (9) Public Notice Fees
The holder of, or applicant for, a Title V permit shall either:
(A) pay a fee, as specified in Table IIB, for publication of the notice by prominent advertisement in the newspaper of general circulation in

the area affected where the facility is located and for the mailing of the notice to persons identified in Rule 212(g), or

- (B) arrange publication of the above notice independent of the District option. This notice must be by prominent advertisement in the newspaper of general circulation in the area affected where the facility is located.

Where publication is performed by the owner/operator or an independent consultant, the owner/operator of the source shall provide to the Executive Officer a copy of the proof of publication.

(10) Public Hearing Fees

The holder of, or applicant for, a Title V permit shall, upon notification by the District of the amount due, pay fees of ~~\$3,248.71~~3,862.72 for FY2017-18 and \$4,480.76 for FY2018-19 and thereafter plus ~~\$1,010.07~~1,200.97 for FY2017-18 and \$1,393.13 for FY2018-19 and thereafter per hour for a public hearing held on a permit action.

(11) Application Cancellation

If a Title V permit application is canceled, the applicant shall pay, upon notification of the amount due, a final fee in accordance with this subdivision. The District shall refund the initial fee only if evaluation of the application has not been initiated.

(12) Notice of Amount Due and Effect of Nonpayment

For fees due upon notification, such notice may be given by personal service or by deposit, postpaid, in the United States mail and shall be due thirty (30) days from the date of personal service or mailing. For the purpose of this paragraph, the fee payment will be considered to be received by the District if it is postmarked by the United States Postal Service on or before the expiration date stated on the billing notice. If the expiration date falls on a Saturday, Sunday, or a state holiday, the fee payment may be postmarked on the next business day following the Saturday, Sunday, or the state holiday with the same effect as if it had been postmarked on the expiration date. Nonpayment of the fee within this period of time will result in permit expiration or revocation of the subject permit(s) in accordance with subdivision (f) of Rule 3002. No further applications will be accepted from the applicant until such time as overdue permit processing fees have been fully paid.

(13) Exclusion Requests
 The fees for requesting exclusion or exemption from the Title V program shall be calculated in accordance with Rule 306 – Plan Fees.

(n) All Facility Permit Holders

(1) Applicability

The requirements of this subdivision apply to all non-RECLAIM holders of a Facility Permit.

(2) Rule 301 Applicability

All non-RECLAIM Facility Permit holders or applicants shall be subject to all other provisions of Rule 301 - Permit Fees, except as provided for in this subdivision.

(3) Facility Permit Revision

Except as provided in paragraphs (m)(7) and (m)(8), the permit processing fee for an addition, alteration or revision to a Facility Permit that requires engineering evaluation or causes a change in emissions shall be the sum of applicable fees assessed for each affected equipment as specified in subdivisions (c) and (i).

(4) Change of Operating Condition

The permit processing fee for a Change of Operating Condition that requires engineering evaluation or causes a change in emissions shall be the sum of fees assessed for each equipment or process subject to the change of condition as specified in subdivisions (c) and (i).

(5) Fee for Change of Operator

The Permit Processing Fee for a Change of Operator of a facility permit shall be determined from the Table Summary of Permit Fee Rates – Change of Operator, Non-Small Business. In addition, an administrative permit revision fee, as shown in the table below in this paragraph ~~of \$1,021.20~~ shall be assessed.

| <u>Facility Type</u> | <u>FY 2017 -18</u> | <u>FY 2018-19 and thereafter</u> |
|----------------------|--------------------|----------------------------------|
| <u>Non-Title V</u> | <u>\$1,088.60</u> | <u>\$1,132.14</u> |
| <u>Title V</u> | <u>\$1,214.21</u> | <u>\$1,408.48</u> |

All fees billed within the past 3 years from the date of application submittal that are associated with the facility for equipment for which a Change of Operator or Additional Operator application is filed, and all facility specific fees (such as “Hot Spots” fees), must be paid before the Change of Operator or Additional Operator application is accepted. If after an application is received and SCAQMD determines that fees are due, the new operator shall pay such fees within 30 days of notification. If the fees are paid timely, the new operator will not be billed for any additional fees billed the previous operator.

- (6) Annual Operating Permit Renewal Fee
- (A) Unless otherwise stated within this subdivision, the Facility Permit holder shall be subject to all terms and conditions pursuant to subdivision (d).
 - (B) An Annual Operating Permit Renewal Fee shall be submitted by the end of the compliance year. Such fee shall be equal to the sum of applicable annual operating permit renewal fees specified in paragraph (d)(2).
 - (C) At least thirty (30) days before the annual renewal date, the owner/operator of equipment under permit will be notified by mail of the amount to be paid and the due date. If such notice is not received at least thirty (30) days before the annual renewal date, the owner/operator of equipment under permit shall notify the District on or before the permit renewal date that said notice was not received. If the Annual Operating Permit Renewal Fee is not paid within thirty (30) days after the due date, the permit will expire and no longer be valid. In such a case, the owner/operator will be notified by mail of the expiration and the consequences of operating equipment without a valid permit as required by District Rule 203 (Permit to Operate). For the purpose of this subparagraph, the fee payment will be considered to be received by the District if it is postmarked by the United States Post Office on or before the expiration date stated on the billing notice. If the expiration date falls on a Saturday, Sunday, or a state holiday, the fee payment may be postmarked on the next business day following the Saturday, Sunday, or state holiday as if it had been postmarked on the expiration date.

(7) Certified Permit Copies

A request for a certified copy of a Facility Permit shall be made in writing by the permittee. The permittee shall, at the time a written request is submitted, pay ~~\$26.34~~27.00 for the first page and ~~\$1.91~~1.86 for each additional page in the facility permit.

(8) Reissued Permits

A request for a reissued Facility Permit shall be made in writing by the permittee where there is a name or address change without a change of operator or location. The permittee shall, at the time a written request is submitted, pay ~~\$203.93~~209.03 for the first page plus ~~\$1.86~~1.91 for each additional page in the Facility Permit.

(o) Asbestos Fees

Any person who is required by District Rule 1403 - Asbestos Emissions from Demolition/Renovation Activities to submit a written notice of intention to demolish or renovate shall pay at the time of delivery of notification, the Asbestos and Lead Fees specified in Table VI of this rule. Fees are per notification and multiple fees may apply. No notification shall be considered received pursuant to Rule 1403, unless it is accompanied by the required payment. Each revision of a notification shall require a payment of the Revision to Notification fee in Table VI. When a revision involves a change in project size, the person shall pay, in addition to the revision fee, the difference between the fee for the original project size and the revised project size according to Table VI. If the project size does not change for the revision, no additional fees based on project size shall be required. Revisions are not accepted for expired notifications.

For all requests of pre-approved Procedure 5 plans submitted in accordance with Rule 1403(d)(1)(D)(i)(V)(2), the person shall pay the full fee for the first evaluation and shall pay fifty percent (50%) of the applicable fee for each subsequent pre-approved Procedure 5 plan evaluation.

(p) Lead Abatement Notification Fees

A person who is required by a federal or District rule to submit written notice of intent to abate lead shall, at the time of delivery of notification, pay the appropriate renovation and abatement fee specified in Table VI of this rule. Fees are per notification and multiple fees may apply. No notification shall be considered received unless it is accompanied by the required payment. Each revision of a

notification shall require a payment of the Revision to Notification fee in Table VI. When a revision involves a change in project size, the person shall pay, in addition to the revision fee, the difference between the fee for the original project size and the revised project size according to Table VI. If the project size does not change for the revision, no additional fees based on project size shall be required. Revisions are not accepted for expired notifications.

(q) NESHAP Evaluation Fee

(1) At the time of filing an application for a Change of Operating Conditions submitted solely to comply with the requirements of a NESHAP, a NESHAP Evaluation Fee shall be paid. The fee shall be ~~\$328.36~~\$336.57. Additional fees shall be assessed at a rate of ~~\$162.29~~166.35 per hour for time spent in the evaluation in excess of two (2) hours, to a maximum total fee not to exceed the applicable Change of Conditions Fees listed for each affected piece of equipment as specified in the Summary Permit Fee Rates - Permit Processing, Change of Conditions, Alteration /Modification table and in the Summary ERC Processing Rates – Banking, Change of Title, Alteration/Modification table.

(2) Payment of all applicable fees shall be due in thirty (30) days from the date of personal service or mailing of the notification of the amount due. Non-payment of the fees within this time period will result in expiration of the permit. For the purpose of this paragraph, the fee payment will be considered to be received by the District if it is postmarked by the United States Postal Service on or before the expiration date stated on the billing notice. If the expiration date falls on a Saturday, Sunday, or a state holiday, the fee payment may be postmarked on the business day following the Saturday, Sunday, or the state holiday, with the same effect as if it had been postmarked on the expiration date. No further applications will be accepted until such time as all overdue fees have been fully paid.

(r) Fees for Certification of Clean Air Solvents

Persons applying for Clean Air Solvent certification shall pay the following fee for each product to be certified:

| | |
|--|---|
| Gas Chromatograph/Mass Spectrometry Analysis | \$364.14 <u>\$373.24</u> for five or fewer compounds \$33.79 <u>\$34.63</u> for each additional compound |
| Density measurement | \$136.56 <u>\$139.97</u> |

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| | |
|-------------------------------|---|
| Time and material | \$128.11 <u>131.31</u> per person per hour or prorated portion thereof |
| Clean Air Solvent Certificate | \$186.30 <u>190.96</u> |

At the time of filing for a Clean Air Solvent certificate, the applicant shall submit a fee of ~~\$815.08~~835.46 for each product to be tested. Adjustments, including refunds or additional billings, shall be made to the submitted fee as necessary. A Clean Air Solvent Certificate shall be valid for five (5) years from the date of issuance and shall be renewed upon the determination of the Executive Officer that the product(s) containing a Clean Air Solvent continue(s) to meet Clean Air Solvent criteria, and has not been reformulated.

(s) Fees for Certification of Consumer Cleaning Products Used at Institutional and Commercial Facilities

Persons applying for certification of Consumer Cleaning Products Used at Institutional and Commercial Facilities shall pay the following fee for each product to be certified:

| | |
|--|---|
| Gas Chromatograph/Mass Spectrometry Analysis | \$364.14 <u>373.24</u> for five or fewer compounds \$33.79 <u>34.63</u> for each additional compound |
| Time and material | \$128.11 <u>131.31</u> per person per hour or prorated portion thereof |
| Clean Air Choices Cleaner Certificate | \$186.30 <u>190.96</u> |

At the time of filing for certification of any Consumer Cleaning Products Used at Institutional and Commercial Facilities, the applicant shall submit a fee of ~~\$858.71~~880.18 for each product to be tested. Adjustments, including refunds or additional billings, shall be made to the submitted fee as necessary. A Consumer Cleaning Products Used at Institutional and Commercial Facilities Certificate shall be valid for three (3) years from the date of issuance and shall be renewed upon the determination of the Executive Officer that the product(s) certified as a Consumer Cleaning Products Used at Institutional and Commercial Facilities continue(s) to meet Consumer Cleaning Products Used at Institutional and Commercial Facilities criteria, and has not been reformulated.

- (t) All Facility Registration Holders
 - (1) Applicability

The requirements of this subdivision apply to all holders of a Facility Registration.
 - (2) Rule 301 Applicability

Unless specifically stated otherwise, all Facility Registration holders shall be subject to all other provisions of Rule 301 - Permit Fees.
 - (3) Fee Applicability to Existing Facilities

Existing facilities entering the Facility Registration Program shall pay no fee if no changes are initiated by actions of the permittee to the existing permit terms or conditions or to the draft Facility Registration prepared by the District.
 - (4) Duplicate of Facility Registrations

A request for a duplicate of a Facility Registration shall be made in writing by the permittee. The permittee shall, at the time a written request is submitted, pay ~~\$26.34~~27.00 for the first page and ~~\$1.86~~1.91 for each additional page in the Facility Registration.
 - (5) Reissued Facility Registrations

A request for a reissued Facility Registration shall be made in writing by the permittee where there is a name or address change without a change of operator or location, or for an administrative change in permit description or a change in permit conditions to reflect actual operating conditions, which do not require any engineering evaluation, and do not cause a change in emissions. The permittee shall, at the time a written request is submitted, pay ~~\$203.93~~209.03 for the first equipment listed in the Facility Registration plus ~~\$1.86~~1.91 for each additional equipment listed in the Facility Registration.

- (u) Fees for Non-permitted Emission Sources Subject to Rule 222
 - (1) Initial Filing Fee

Prior to the operation of the equipment, the owner/operator of an emission source subject to Rule 222 shall pay to the District an initial non-refundable non-transferable filing and processing fee of ~~\$198.13~~203.08 for each emission source.

- (2) Change of Operator/Location
If the owner/operator or the location of an emission source subject to Rule 222 changes, the current owner/operator must file a new application for Rule 222 and pay to the District an initial non-refundable non-transferable filing and processing fee of \$~~198.13~~203.08 for each emission source.
 - (3) Annual Renewal Fee
On an annual re-filing date set by the Executive Officer the owner/operator of a source subject to Rule 222 shall pay a renewal fee of \$~~198.13~~203.08 (except for non-retrofitted boilers). At least thirty (30) days before such annual re-filing date, all owners/operators of emission sources subject to Rule 222 will be notified by either electronic or regular mail of the amount to be paid and the due date for the annual re-filing fee.
 - (4) Notification of Expiration
If the annual re-filing fee is not paid within thirty (30) days after the due date, the filing will expire and no longer be valid. In such case, the owner/operator will be notified by either electronic or regular mail of the expiration and the consequences of operating equipment without a valid Rule 222 filing.
 - (5) Reinstating Expired Filings
To re-establish expired filings, the owner/operator of a source subject to Rule 222 shall pay a reinstatement fee of fifty percent (50%) of the amount of fees due per emission source. Payment of all overdue fees shall be made in addition to the reinstatement surcharge. Payment of such fees shall be made within one year of the date of expiration. If the period of expiration has exceeded one year or the affected equipment has been altered, the owner/operator of an emission source subject to Rule 222 shall file a new application and pay all overdue fees.
- (v) Fees for Expedited Processing Requests
An applicant has the option to request expedited processing for an application for a permit, CEQA work, an application for an ERC/STC, Air Dispersion Modeling, HRA, Source Test Protocols and Report Fees and Asbestos Procedure 4&5 notifications. A request for expedited processing pursuant to this section shall be made upon initial application submittal. Expedited processing is intended to be performed by District Staff strictly during overtime work. Approval of such a

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request is contingent upon the District having necessary procedures in place to implement an expedited processing program and having available qualified staff for overtime work to perform the processing requested. The applicant shall be notified whether or not the request for expedited processing has been accepted within 30 days of submittal of the request. If the request for expedited processing is not accepted by the District, the additional fee paid for expedited processing will be refunded to the applicant.

(1) Permit Processing Fee

Fees for requested expedited processing of permit applications will be an additional fee of fifty percent (50%) of the applicable base permit processing fee (after taking any discounts for identical equipment but not the higher fee for operating without a permit) by equipment schedule. For schedule F and higher as shown in the table below in this paragraph, expedited processing fees will include an additional hourly fee, as set forth in the applicable “Non-Title V Added Base Hourly Fee” or “Title V Added Base Hourly Fee” columns, when the processing time exceeds times as indicated in the “Processing Time Exceeding” column ~~1 below~~; but not to exceed the total amounts in the applicable “Non-Title V Maximum Added Base Cap Fee” or “Title V Maximum Added Base Cap Fee” columns ~~4~~, ~~based on the applicable schedule as follows:~~

FY 2017-18

| Processing Time Exceeding | Schedule | Non-Title V Added Base Hourly Fee \$ | Non-Title V Maximum Added Base Cap Fee | Schedule | Title V Added Base Hourly Fee | Title V Maximum Added Base Cap Fee |
|----------------------------------|-----------------|--|---|-----------------|--------------------------------------|---|
| <u>FY 2017-18</u> | | | | | | |
| 99 hours | F | \$243.45 <u>259.52</u> | \$45,758.40 <u>48,778.45</u> | F | <u>\$289.46</u> | <u>\$54,406.74</u> |
| 117 hours | G | \$243.45 <u>259.52</u> | \$78,394.89 <u>83,568.95</u> | G | <u>\$289.46</u> | <u>\$93,211.52</u> |
| 182 hours | H | \$243.45 <u>259.52</u> | \$99,678.91 <u>110,6257.72</u> | H | <u>\$289.46</u> | <u>\$118,518.22</u> |

Proposed Amended Rule 301 (Cont.) (~~Updated July 1, 2016~~ Amended June 2, 2017)

| <u>FY 2018-19</u> | | | | | | |
|-------------------|----------|-----------------|---------------------|----------|-----------------|---------------------|
| <u>99 hours</u> | <u>F</u> | <u>\$269.90</u> | <u>\$50,729.59</u> | <u>F</u> | <u>\$335.78</u> | <u>\$63,111.82</u> |
| <u>117 hours</u> | <u>G</u> | <u>\$269.90</u> | <u>\$86,911.71</u> | <u>G</u> | <u>\$335.78</u> | <u>\$108,125.36</u> |
| <u>182 hours</u> | <u>H</u> | <u>\$269.90</u> | <u>\$110,508.03</u> | <u>H</u> | <u>\$335.78</u> | <u>\$137,481.14</u> |

(2) CEQA Fee

Fees for requested expedited CEQA work will be an additional fee based upon actual review and work time billed at a rate for staff overtime which is equal to the staff’s hourly rate of ~~\$162.29~~ 166.35 plus ~~\$84.18~~ 86.28 per hour (one half of hourly plus mileage). The established CEQA fees found in the provisions of Rule 301 ~~(h)~~ (j) shall be paid at the time of filing with the additional overtime costs billed following permit issuance. Notwithstanding other provisions of this section, fees are due at the time specified in the bill which will allow a reasonable time for payment. This proposal is contingent upon the ability of the District to implement the necessary policies and procedures and the availability of qualified staff for overtime work.

(3) CEMS, FSMS, and ACEMS Fee

Fees for requested expedited processing of CEMS, FSMS, and ACEMS applications will be an additional fee based upon actual review and work time billed at a rate for staff overtime which is equal to the staff’s hourly rate of ~~\$162.29~~ 166.35 plus ~~\$84.18~~ 86.28 per hour (one half of hourly plus mileage). The established “Basic Fee” schedule found in the CEMS, FSMS, and ACEMS Fee Schedule in TABLE IIC shall be paid at the time of filing with the additional overtime costs billed following project completion. Notwithstanding other provisions of this section, fees are due at the time specified in the bill which will allow a reasonable time for payment. A request for expedited CEMS, FSMS, and ACEMS application work can only be made upon initial work submittal, and approval of such a request is contingent upon the ability of the District to implement the necessary policies and procedures and the availability of qualified staff for overtime work.

- (4) Air Dispersion Modeling, HRA, Source Test Protocols and Reports Fees
Fees for requested expedited review and evaluation of air dispersion modelings, health risk assessments, source test protocols and source test reports will be an additional fee based upon actual review and work time billed at a rate for staff overtime which is equal to the staff's hourly rate of ~~\$135.91~~139.31 plus ~~\$70.50~~72.26 per hour (one half of hourly plus mileage).
 - (5) ERC/STC Application Fees
Fees for requested expedited review and evaluation of ERC/STC application fees will be an additional fee based upon actual review and work time billed at a rate for staff overtime which is equal to the staff's hourly rate of ~~\$162.29~~166.35 plus ~~\$84.18~~86.28 per hour (one half of hourly plus mileage).
 - (6) Procedure 4 & 5 Evaluation
Fees for requested expedited reviews and evaluation of Procedure 4 or 5 plans per Rule 301(n) Asbestos Fees will be an additional fee of fifty percent (50%) of the Procedure 4 & 5 plan evaluation fee.
- (w) Enforcement Inspection Fees for Statewide Portable Equipment Registration Program (PERP)
- (1) Registered Portable Equipment Unit Inspection Fee
Registered portable equipment units are those which emit PM10 in excess of that emitted by an associated engine alone. An hourly fee of \$98.00 shall be assessed for a triennial portable equipment unit inspection, including the subsequent investigation and resolution of violations, if any, of applicable state and federal requirements, not to exceed \$500.00 per unit.
 - (2) Registered Tactical Support Equipment (TSE) Inspection Fee
Registered TSE includes registered equipment using a portable engine, including turbines, that meet military specifications, owned by the U.S. Department of Defense, the U.S. military services, or its allies, and used in combat, combat support, combat service support, tactical or relief operations, or training for such operations.
 - (A) To determine compliance with all applicable state and federal requirements, each registered TSE unit will be inspected once per calendar year.

- (i) For registered TSE units determined to be in compliance with all applicable state and federal requirements during the annual inspection:
 - (a) A fee for the annual inspection of a single registered TSE unit shall be assessed at a unit cost of \$75.00.
 - (b) A fee for annual inspection of two or more registered TSE units at a single location shall be assessed at the lesser of the following costs:
 - (1) The actual time to conduct the inspection at the rate of \$100.25 per hour; or
 - (2) A unit cost of \$75.00 per registered TSE unit inspected.
 - (ii) For registered TSE units determined to be out of compliance with one or more applicable state or federal requirements during the annual inspection, fees for the annual inspection (including the subsequent investigation and resolution of the violation) shall be assessed at the lesser of the following costs:
 - (1) The actual time to conduct the inspection at the rate of \$100.25 per hour; or
 - (2) A unit cost of \$75.00 per registered TSE unit inspected.
- (3) **Off-hour Inspection Fee**
In addition to the inspection fees stated above, any arranged inspections requested by the holder of the registration that are scheduled outside of District normal business hours may be assessed an additional off-hour inspection fee of \$40.96 per hour for the time necessary to complete the inspection.
- (4) **Notice to Pay and Late Payment Surcharge**
A notice to pay the inspection fees will be mailed to the registration holder. Fees are due and payable immediately upon receipt of the notice to pay. All inspection fees required under this section are due within 30 days of the invoice date. If fee payment is not received by the thirtieth (30th) day following the date of the notice to pay, the fee shall be considered late and, a late payment surcharge of \$70.11 per portable engine or equipment unit shall be imposed, not to exceed \$138.73 for any notice to pay. For the

purpose of this subparagraph, the inspection fee payment shall be considered to be timely received by the District if it is postmarked by the United States Postal Service on or before the thirtieth (30th) day following the date of the notice to pay. If the thirtieth (30th) day falls on a Saturday, Sunday, or a state holiday, the fee payment may be postmarked on the next business day following the Saturday, Sunday, or the state holiday with the same effect as if it had been postmarked on the thirtieth (30th) day. Failure to pay the inspection fees and any late payment surcharge within 120 days of the date of the initial notice to pay may result in the suspension or revocation of the registration by CARB. Once a registration has been suspended, CARB will not consider reinstatement until all fees due, including late payment surcharge fees, have been paid in full.

(x) Rule 1149 and Rule 1166 Notification Fees

Any person who is required by the District to submit a written notice pursuant to Rule 1149, Rule 1166 or for soil vapor extraction projects shall pay a notification fee of ~~\$59.37~~60.85 per notification.

(y) Fees for the Certification of Equipment Subject to the Provisions of Rules 1111, 1121 and 1146.2

(1) Initial Certification Fee

Any person requesting certification pursuant to rules 1111, 1121 or 1146.2 shall pay a fee of ~~\$547.22~~560.90 per certification letter for each family of model series certified. This fee shall be paid in addition to the fees paid to review any associated source test report(s).

(2) Additional Fees for Modification or Extension of Families to Include a New Model(s)

Any person requesting a modification or extension of a certification already issued to include a new model(s) shall pay an additional fee of ~~\$273.62~~280.46 for certification of new models added by extension to the previously certified model series per request.

- (3) Failure to pay all certification fees shall result in the revocation of each certified piece of equipment that was evaluated for which fee payment has not been received within 30 days after the due date.

- (z) “No Show” Fee for Rule 461 – Gasoline Dispensing Equipment Scheduled Testing
 - (1) Reverification, and Performance Testing

If a testing company does not show for a Reverification test, or Performance test within one hour of its original scheduled time, and an SCAQMD inspector arrives for the inspection, a “No Show” fee of ~~\$402.37~~412.43 shall be charged to the testing company.
 - (2) Pre-Backfill Inspection

If a contracting company is not ready for a Pre-Backfill inspection of its equipment at the original scheduled time, and/or did not notify the SCAQMD inspector of postponement/cancellation at least three hours prior to the scheduled time, a “No Show” fee of ~~\$402.37~~412.43 shall be charged to the contracting company.

- (aa) Defense of Permit

Within 10 days of receiving a complaint or other legal process initiating a challenge to the SCAQMD’s issuance of a permit, the SCAQMD shall notify the applicant or permit holder in writing. The applicant or permit holder may, within 30 days of posting of the notice, request revocation of the permit or cancellation of the application. An applicant or permit holder not requesting revocation or cancellation within 30 days of receipt of notice from the District shall be responsible for reimbursement to the District for all reasonable and necessary costs to defend the issuance of a permit or permit provisions against a legal challenge, including attorney’s fees and legal costs. The Executive Officer will invoice the applicant or permit holder for fees and legal costs at the conclusion of the legal challenge. The SCAQMD and the applicant or permit holder will negotiate an indemnity agreement within 30 days of the notice by SCAQMD to the facility operator. The agreement will include, among other things, attorneys’ fees and legal costs. The Executive Officer or designee may execute an indemnity agreement only after receiving authorization from the Administrative Committee. The Executive Officer may in his discretion, waive all or any part of such costs upon a determination that payment for such costs would impose an unreasonable hardship upon the applicant or permit holder.

~~(ab) — Temporary Rebate of CPI Adjustment~~

~~For FY 2010-2011, owners or operators subject to and paying fees pursuant to the following paragraphs —~~

~~(d)(2) Annual Operating Fees~~

~~(e)(1) Annual Operating Emission Fee Applicability~~

~~(e)(4) Flat Annual Operating Emission Fee~~

~~(e)(7) Fee for Toxic Air contaminants or Ozone Depleters~~

~~shall be rebated the fee increase corresponding to the 2.1% CPI adjustment.~~

FY 2017-18
SUMMARY PERMIT FEE RATES -
PERMIT PROCESSING, CHANGE OF CONDITIONS,
ALTERATION/MODIFICATION

| Schedule | <u>Non-Title V Permit Processing Fee</u> | <u>Non-Title V Change of Condition</u> | <u>Non Title V Alteration/Modification</u> | <u>Title V Permit Processing</u> | <u>Title V Change of Condition</u> | <u>Title V Alteration/Modification</u> |
|----------|---|---|---|----------------------------------|------------------------------------|--|
| A | \$1,557.83 <u>1,660.65</u> | \$811.45 <u>865.01</u> | \$1,557.83 <u>1,660.65</u> | <u>\$1,852.26</u> | <u>\$964.81</u> | <u>\$1,852.26</u> |
| A1 | \$1,557.83 <u>1,660.65</u> | \$811.45 <u>865.01</u> | \$1,557.83 <u>1,660.65</u> | <u>\$1,852.26</u> | <u>\$964.81</u> | <u>\$1,852.26</u> |
| B | \$2,482.82 <u>2,646.69</u> | \$1,229.97 <u>1,311.15</u> | \$2,482.82 <u>2,646.69</u> | <u>\$2,952.07</u> | <u>\$1,462.43</u> | <u>\$2,952.07</u> |
| B1 | \$3,927.10 <u>4,186.29</u> | \$2,128.67 <u>2,269.16</u> | \$3,927.10 <u>4,186.29</u> | <u>\$4,669.32</u> | <u>\$2,530.99</u> | <u>\$4,669.32</u> |
| C | \$3,927.10 <u>4,186.29</u> | \$2,128.67 <u>2,269.16</u> | \$3,927.10 <u>4,186.29</u> | <u>\$4,669.32</u> | <u>\$2,530.99</u> | <u>\$4,669.32</u> |
| D | \$5,420.06 <u>5,777.78</u> | \$3,640.60 <u>3,880.88</u> | \$5,420.06 <u>5,777.78</u> | <u>\$6,444.45</u> | <u>\$4,328.67</u> | <u>\$6,444.45</u> |
| E | \$6,231.43 <u>6,642.70</u> | \$5,345.29 <u>5,698.08</u> | \$6,231.43 <u>6,642.70</u> | <u>\$7,409.17</u> | <u>\$6,355.55</u> | <u>\$7,409.17</u> |
| F | \$15,659.93 <u>16,693.49</u> + T&M | \$7,803.77 <u>8,318.82</u> + T&M | \$12,414.14 <u>13,233.47</u> + T&M | <u>\$18,619.66</u> + T&M | <u>\$9,278.68</u> + T&M | <u>\$14,760.41</u> + T&M |
| G | \$18,483.59 <u>19,703.51</u> + T&M | \$13,242.48 <u>14,116.48</u> + T&M | \$15,237.77 <u>16,243.46</u> + T&M | <u>\$21,976.99</u> + T&M | <u>\$15,745.31</u> + T&M | <u>\$18,117.71</u> + T&M |
| H | \$28,642.06 <u>30,532.44</u> + T&M | \$16,790.37 <u>17,898.53</u> + T&M | \$25,396.25 <u>27,072.40</u> + T&M | <u>\$34,055.41</u> + T&M | <u>\$19,963.75</u> + T&M | <u>\$30,196.14</u> + T&M |

+T&M = Time and Materials Charge in Addition to the Rates Above for Selected Schedules

| <u>Schedule</u> | <u>Begin Charging Hourly Rate After (hrs)</u> | <u>Non-Title V T& M Rate (\$/hr)</u> | <u>Non-Title V Not to Exceed (\$)</u> | <u>Title V T& M Rate (\$/hr)</u> | <u>Title V Not to Exceed (\$)</u> |
|-----------------|---|--|---------------------------------------|--------------------------------------|-----------------------------------|
| <u>F</u> | <u>99</u> | <u>\$173.00</u> | <u>\$32,518.98</u> | <u>\$192.96</u> | <u>\$36,271.17</u> |
| <u>G</u> | <u>117</u> | <u>\$173.00</u> | <u>\$55,712.60</u> | <u>\$192.96</u> | <u>\$62,140.98</u> |

Proposed Amended Rule 301 (Cont.) (Updated July 1, 2016 Amended June 2, 2017)

| | | | | | |
|----------|------------|-----------------|--------------------|-----------------|--------------------|
| <u>H</u> | <u>182</u> | <u>\$173.00</u> | <u>\$70,838.47</u> | <u>\$192.96</u> | <u>\$79,012.14</u> |
|----------|------------|-----------------|--------------------|-----------------|--------------------|

FY 2018-19 and thereafter
SUMMARY PERMIT FEE RATES - PERMIT PROCESSING, CHANGE OF
CONDITIONS, ALTERATION/MODIFICATION

| <u>Schedule</u> | <u>Non-Title V Permit Processing</u> | <u>Non-Title V Change of Condition</u> | <u>Non Title V Alteration/Modification</u> | <u>Title V Permit Processing</u> | <u>Title V Change of Condition</u> | <u>Title V Alteration/Modification</u> |
|-----------------|--------------------------------------|--|--|----------------------------------|------------------------------------|--|
| <u>A</u> | <u>\$1,727.08</u> | <u>\$899.61</u> | <u>\$1,727.08</u> | <u>\$2,148.62</u> | <u>\$1,119.18</u> | <u>\$2,148.62</u> |
| <u>A1</u> | <u>\$1,727.08</u> | <u>\$899.61</u> | <u>\$1,727.08</u> | <u>\$2,148.62</u> | <u>\$1,119.18</u> | <u>\$2,148.62</u> |
| <u>B</u> | <u>\$2,752.56</u> | <u>\$1,363.60</u> | <u>\$2,752.56</u> | <u>\$3,424.40</u> | <u>\$1,696.42</u> | <u>\$3,424.40</u> |
| <u>B1</u> | <u>\$4,353.74</u> | <u>\$2,359.93</u> | <u>\$4,353.74</u> | <u>\$5,416.41</u> | <u>\$2,935.95</u> | <u>\$5,416.41</u> |
| <u>C</u> | <u>\$4,353.74</u> | <u>\$2,359.93</u> | <u>\$4,353.74</u> | <u>\$5,416.41</u> | <u>\$2,935.95</u> | <u>\$5,416.41</u> |
| <u>D</u> | <u>\$6,008.89</u> | <u>\$4,036.12</u> | <u>\$6,008.89</u> | <u>\$7,475.56</u> | <u>\$5,021.26</u> | <u>\$7,475.56</u> |
| <u>E</u> | <u>\$6,908.41</u> | <u>\$5,926.00</u> | <u>\$6,908.41</u> | <u>\$8,594.64</u> | <u>\$7,372.44</u> | <u>\$8,594.64</u> |
| <u>F</u> | <u>\$17,361.23 + T&M</u> | <u>\$8,651.57 + T&M</u> | <u>\$ 13,762.81+ T&M</u> | <u>\$21,598.81 ± T&M</u> | <u>\$10,763.27 ± T&M</u> | <u>\$17,122.08 + T&M</u> |
| <u>G</u> | <u>\$20,491.65 + T&M</u> | <u>\$14,681.14+ T&M</u> | <u>\$16,893.20 + T&M</u> | <u>\$25,493.31 ± T&M</u> | <u>\$18,264.56 ± T&M</u> | <u>\$21,016.54 + T&M</u> |
| <u>H</u> | <u>\$31,753.74 + T&M</u> | <u>\$18,614.47 + T&M</u> | <u>\$28,155.30 + T&M</u> | <u>\$39,504.28 ± T&M</u> | <u>\$23,157.95 ± T&M</u> | <u>\$35,027.52 + T&M</u> |

| <u>Schedule</u> | <u>Begin Charging Hourly Rate After (hrs)</u> | <u>Non-Title V T& M Rate (\$/hr)</u> | <u>Non-Title V Not to Exceed (\$)</u> | <u>Title V T& M Rate (\$/hr)</u> | <u>Title V Not to Exceed (\$)</u> |
|-----------------|---|--|---------------------------------------|--------------------------------------|-----------------------------------|
| <u>F</u> | <u>99</u> | <u>\$179.92</u> | <u>\$33,819.74</u> | <u>\$223.83</u> | <u>\$42,074.56</u> |
| <u>G</u> | <u>117</u> | <u>\$179.92</u> | <u>\$57,941.10</u> | <u>\$223.83</u> | <u>\$72,083.54</u> |

Proposed Amended Rule 301 (Cont.) (Updated July 1, 2016 Amended June 2, 2017)

| | | | | | |
|----------|------------|-----------------|--------------------|-----------------|--------------------|
| <u>H</u> | <u>182</u> | <u>\$179.92</u> | <u>\$73,672.01</u> | <u>\$223.83</u> | <u>\$91,654.08</u> |
|----------|------------|-----------------|--------------------|-----------------|--------------------|

F: T&M = Time and Material charged at \$162.29 per hour above 99 hours; not to exceed \$30,505.61.

G: T&M = Time and Material charged at \$162.29 per hour above 117 hours; not to exceed \$52,263.23.

H: T&M = Time and Material charged at \$162.29 per hour above 182 hours; not to exceed \$66,452.60.

SUMMARY OF ERC PROCESSING RATES, BANKING, CHANGE OF TITLE, ALTERATION/MODIFICATION, CONVERSION TO SHORT TERM CREDITS, RE-ISSUANCE OF SHORT TERM CREDITS, RETIREMENT OF SHORT TERM CREDITS FOR TRANSFER INTO RULE 2202, and TRANSFER OF ERCs OUT OF RULE 2202

| Schedule | Banking Application | Change of Title | Al te ra tio n/ M od ifi ca tio n | Conversion to Short Term Credits | Re-Issuance of Short Term Credits | Retirement of Short Term Emission Credits for Transfer into Rule 2202 and Transfer of ERCs Out of Rule 2202 |
|-----------------|----------------------------|------------------------|--|---|--|--|
| I | \$4,019.82 | \$710.08 | \$710.08 | \$710.08 | \$710.08 | \$238.82 |

Proposed Amended Rule 301 (Cont.) (Updated July 1, 2016 Amended June 2, 2017)

| <u>Schedule I</u> | <u>Non-Title V FY 2017-18</u> | <u>Non-Title V FY 2018-19 and thereafter</u> | <u>Title V FY 2017-18</u> | <u>Title V FY 2018-19 and thereafter</u> |
|--|-----------------------------------|--|-------------------------------|--|
| <u>Banking Application</u> | <u>\$4,285.13</u> | <u>\$4,456.54</u> | <u>\$4,779.57</u> | <u>\$5,544.30</u> |
| <u>Change of Title</u> | <u>\$756.95</u> | <u>\$787.23</u> | <u>\$844.29</u> | <u>\$979.38</u> |
| <u>Alteration/ Modification</u> | <u>\$756.95</u> | <u>\$787.23</u> | <u>\$844.29</u> | <u>\$979.38</u> |
| <u>Conversion to Short Term Credits</u> | <u>\$756.95</u> | <u>\$787.23</u> | <u>\$844.29</u> | <u>\$979.38</u> |
| <u>Re-Issuance of Short Term Credits</u> | <u>\$756.95</u> | <u>\$787.23</u> | <u>\$844.29</u> | <u>\$979.38</u> |
| <u>Retirement of Short Term Emission Credits for Transfer into Rule 2202 and Transfer of ERCs Out of Rule 2202</u> | <u>\$254.58</u> | <u>\$264.76</u> | <u>\$283.96</u> | <u>\$329.39</u> |

**SUMMARY OF PERMIT FEE RATES
CHANGE OF OPERATOR^a**

| <u>Facility Type</u> | <u>Small Business</u> | <u>Non-Small Business</u> |
|----------------------|--|--|
| <u>Non-Title V</u> | <u>\$230.64 for FY 2017-18 and \$239.87 for FY 2018-19 and thereafter</u> | <u>\$633.40 for FY 2017-18 and \$658.74658.74 for FY 2018-19 and thereafter</u> |
| <u>Title V</u> | <u>\$216.36257.25 for FY 2017- 18 and \$298.41 for FY 2018- 19 and thereafter</u> | <u>\$594.18706.48 for FY 2017-18 and \$819.52 for FY 2018-19 and thereafter</u> |

^a The change of operator fee for Non-RECLAIM Title V facilities shall not exceed ~~\$7,390.278~~7,787.03 for FY 2017-18 and ~~\$10,192.95~~10,192.96 for FY 2018-19 and thereafter per facility and for all other Non-RECLAIM facilities shall not exceed ~~\$14,780.54~~ ~~17,574.06~~15,756.06 for FY 2017-18 and ~~\$20,385.91~~16,386.30 for FY 2018-19 and thereafter per facility.

TABLE IA - PERMIT FEE RATES FOR CONTROL EQUIPMENT

| Equipment/Process | Schedule | Equipment/Process | Schedule |
|--|----------|---|----------|
| Abatement System/HEPA, Asbestos, Lead | B | Dry Filter (>100 - 500 FT ²) | B |
| Activated Carbon Adsorber, Venting Single Source (s.s.=single source) | B | Dry Filter (>500 FT ²) | C |
| Activated Carbon Adsorber, Venting Multiple Source (m.s.=multiple sources) | C | Dust Collector/HEPA, other Rule 1401 toxics | C |
| Activated Carbon Adsorber, Other | D | Electrostatic Precipitator, Restaurant | B |
| Activated Carbon Adsorber, Drum Venting Toxic Source (t.s = toxic source) | C | Electrostatic Precipitator, Asphalt Batch Equipment | C |
| Activated Carbon Adsorber, with regeneration | E | Electrostatic Precipitator, Extruder | B |
| Afterburner (<=1 MMBTU/hr, venting s.s.) | B | Electrostatic Precipitator, < 3000 CFM | B |
| Afterburner (<=1 MMBTU/hr, venting m.s.) | C | Electrostatic Precipitator, => 3000 CFM | D |
| Afterburner, Catalytic for Bakery Oven | C | Electrostatic Precipitator for Fluid Catalytic Cracking Unit (FCCU) | H |
| Afterburner, Direct Flame | D | Ethylene Oxide Sterilization, Control, Hospital | B |
| Afterburner/Oxidizer: Regenerative Ceramic/Hot Rock Bed Type, Recuperative Thermal | D | Flare, Landfill/Digester Gas, Enclosed | E |
| Afterburner/Oxidizer, Catalytic | D | Flare, Landfill/Digester Gas, Open | C |
| Air Filter, Custom | C | Flare, Portable | B |
| Amine (or DEA) Regeneration Unit ¹ | D | Flare System, Refinery ² | F |
| Amine Treating Unit ¹ | D | Flare Other | C |
| Baghouse, Ambient (<= 100 FT ²) | A | Flue Gas Desulfurization ¹ | D |
| Baghouse, Ambient (> 100 - 500 FT ²) | B | Gas Absorption Unit ³ | D |
| Baghouse, Ambient (> 500 FT ²) | C | Gas Scrubbing System ¹ | F |
| Baghouse, Hot (>350 F) | D | Incinerator, Afterburner | D |
| Biofilter (<= 100 cfm) | B | Mesh pads, for toxics gas stream | C |
| Biofilter (> 100 cfm) | C | Mesh pads, for other acid mists | B |
| Boiler as Afterburner | D | Mist Control | B |
| CO Boiler | F | Mist Eliminator with HEPA | C |
| Condenser | C | Negative Air Machine/HEPA, Asbestos, Lead | A |
| Control Systems, two in series | C | Non-Selective Catalytic Reduction | B |
| Control Systems, three in series | D | Odor Control Unit | D |
| Control Systems, four or more in series | E | Relief and Blowdown System ⁴ | D |
| Control Systems, Venting Plasma Arc Cutters | B1 | Scrubber, Biofiltration | C |
| Cyclone | B | Scrubber Controlling NO _x venting | D |
| Dry Filter (<= 100 FT ²) | A | Scrubber Controlling SO _x venting | D |
| | | Scrubber Controlling HCL or NH ₃ venting s.s. | B |
| | | Scrubber Controlling HCL or NH ₃ venting m.s. | C |
| | | Scrubber, NO _x , multistage | D |

TABLE IA - PERMIT FEE RATES FOR CONTROL EQUIPMENT

| Equipment/Process | Schedule |
|---|----------|
| Scrubber, NOx, single stage | C |
| Scrubber, Odor, <5000 cfm | C |
| Scrubber, Other venting s.s. | B |
| Scrubber, Other venting m.s. | C |
| Scrubber, Other Chemical venting s.s. | B |
| Scrubber, Other Chemical venting m.s. | D |
| Scrubber, Particulates venting s.s. | B |
| Scrubber, Particulates venting m.s. | C |
| Scrubber, Particulates venting t.s. | D |
| Scrubber, Restaurant | B |
| Scrubber, Toxics venting | D |
| Scrubber, Venturi venting s.s. | B |
| Scrubber, Venturi venting m.s. | C |
| Scrubber, Venturi venting t.s. | C |
| Scrubber, Water (no packing) | B |
| Selective Catalytic Reduction (SCR) | C |
| Settling Chamber | B |
| Ship Hold Hatch Cover | A |
| Slop Oil Recovery System | D |
| Sour Water Oxidizer Unit ⁵ | D |
| Sour Water Stripper ⁶ | D |
| Sparger | B |
| Spent Acid Storage & Treating Facility ⁷ | E |
| Spent Carbon Regeneration System | D |
| Spent Caustic Separation System ⁸ | D |
| Spray Booth/Enclosure, Other | B |

| Equipment/Process | Schedule |
|---|----------|
| Spray Booth/Enclosure, Powder Coating System with single or multiple APC for particulates | B |
| Spray Booth, Metallizing | C |
| Spray Booth with Carbon Adsorber (non-regenerative) | C |
| Spray Booths (multiple) with Carbon Adsorber (non-regenerative) | D |
| Spray Booth(s) with Carbon Adsorber (regenerative) | E |
| Spray Booth(s) (1 to 5) with Afterburner/Oxidizer (Regenerative/Recuperative) | D |
| Spray Booths (>5) with Afterburner/Oxidizer (Regenerative/Recuperative) | E |
| Spray Booth, Automotive, with Multiple VOC Control Equipment | C |
| Spray Booth with Multiple VOC Control | D |
| Spray Booths (multiple) with Multiple VOC Control Equipment | E |
| Storm Water Handling & Treating System ⁹ | E |
| Sulfur Recovery Equipment ⁷ | H |
| Tail Gas Incineration | D |
| Tail Gas Unit ¹⁰ | H |
| Storage Tank, Degassing Unit | D |
| Ultraviolet Oxidation | D |
| Vapor Balance System ¹¹ | B |
| Vapor Recovery, Serving Crude Oil Production ¹¹ | D |
| Vapor Recovery, Serving Refinery Unit ¹¹ | E |
| Waste Gas Incineration Unit | E |

¹ Including, but not limited to, all or part of the following: Accumulators, Columns, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels

² Including, but not limited to, all or part of the following: Flare, Compressors, Drums, Knock Out Pots, Pots, Vessels

³ Including, but not limited to, all or part of the following: Accumulators, Columns,

TABLE IA - PERMIT FEE RATES FOR CONTROL EQUIPMENT

| | |
|---|---|
| Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels | Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, towers, Vessels |
| ⁴ Including, but not limited to, all or part of the following: Compressors, Drums, Knock Out Pots, Pots | ⁸ Including, but not limited to, all or part of the following: Process Tanks, Separators, Tanks |
| ⁵ Including, but not limited to, all or part of the following: Accumulators, Columns, Drums, Knock Out Pots, Tanks, Vessels | ⁹ Including, but not limited to, all or part of the following: Air Floatation Units, Floatation Units, Filter Presses, Clarifiers, Settling Tanks, Waste Water Separators, Tanks |
| ⁶ Including, but not limited to, all or part of the following: Condensers, Coolers, Drums, Sumps, Vessels | ¹⁰ Including, but not limited to, all or part of the following: Absorbers, Condensers, Coolers, Drums, Heat Exchangers, Knock Out Pots, Reactors, Tanks, Vessels |
| ⁷ Including, but not limited to, all or part of the following: Accumulators, Clarifier, Columns, Compressors, Condensers, Drums, Filters, Filter Presses, Heat Exchangers, Knock Out Pots, Pits, | ¹¹ Including, but not limited to, all or part of the following: Absorbers, Compressors, Condensers, Knock Out Pots, Pumps, Saturators |

TABLE IB - PERMIT FEE RATES FOR BASIC EQUIPMENT

| Equipment/Process | Schedule | Equipment/Process | Schedule |
|--|----------|---|----------|
| Abatement System, Asbestos, Lead | B | Aggregate Production/Crushing (<5000 tpd) | C |
| Abrasive Blasting (Cabinet, Mach., Room) | B | Including, but not limited to, all or part of the following: Bins, Bucket Elevators, Conveyors, Feeders, Hoppers, Crushers, Cyclones, Log Washers, Mixers, Screens, Vibrating Grizzlies, Weigh Stations | |
| Abrasive Blasting (Open) | A | Aggregate Production/Crushing (=>5000 tpd) | D |
| Absorption Chillers, Gas-Fired, < 5 MM Btu/hr | B | Including, but not limited to, all or part of the following: Bins, Bucket Elevators, Conveyors, Feeders, Hoppers, Crushers, Cyclones, Log Washers, Mixers, Screens, Vibrating Grizzlies, Weigh Stations | |
| Absorption Chillers, Gas-Fired, => 5 MM Btu/hr | C | Aggregate Screening | C |
| Acetylene Purification System Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels | C | Including, but not limited to, all or part of the following: Bins, Bucket Elevators, Conveyors, Feeders, Hoppers, Cyclones, Screens, Weigh Stations | |
| Acid Treating Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels | E | Air Strippers | C |
| Adhesives Organic Additions Including, but not limited to, all or part of the following: Reactors, Mixers, Process Tanks, Vessels | C | Aircraft Fueling Facility Including, but not limited to, all or part of the following: Storage Tanks, Dispensing Nozzles | D |
| Adsorption Chillers, Gas-Fired, < 5 MM Btu/hr | B | Alkylation Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels | E |
| Adsorption Chillers, Gas-Fired, => 5 MM Btu/hr | C | Ammonia Mfg. Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Coolers, Drums, Ejectors, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels | C |
| Adsorption, Other | B | Ammonia Vaporization Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Coolers, Drums, Ejectors, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels | C |
| Aeration Potable Water | C | | |
| Aggregate, Tank Truck Loading/Conveying Including, but not limited to, all or part of the following: Bins, Bucket Elevators, Conveyors, Feeders, Hoppers, Weigh Stations | B | | |
| Aggregate Production, with Dryer Including, but not limited to, all or part of the following: Bins, Bucket Elevators, Conveyors, Dryers, Feeders, Hoppers, Crushers, Cyclones, Log Washers, Mixers, Screens, Vibrating Grizzlies, Weigh Stations | E | | |

TABLE IB - PERMIT FEE RATES FOR BASIC EQUIPMENT

| Equipment/Process | Schedule |
|---|----------|
| Animal Feed Processing, Conveying Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Bucket Elevators | B |
| Animal Feed Processing, Other Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Bucket Elevators, Mixers, Feeders, Grinders | C |
| Anodizing (sulfuric, phosphoric) | B |
| Aqueous Ammonia Transfer & Storage | C |
| Aromatics Recovery Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels | E |
| Asphalt Air Blowing | B |
| Asphalt Blending/Batching Including, but not limited to, all or part of the following: Bins, Bucket Elevators, Conveyors, Cyclones, Dryers, Feeders, Hoppers, Knock Out Pots, Mixers, Screens, Tanks, Weigh Stations | E |
| Asphalt Coating | C |
| Asphalt Day Tanker/Tar Pot | A |
| Asphalt Refining Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels | E |
| Asphalt Roofing Line Including, but not limited to, all or part of the following: Pumps, Conveyors, Process Tanks, Coater Operations, Cutters | C |
| Asphalt Roofing Saturator | D |
| Asphalt-Rubber Spraying | B |
| Auto Body Shredding | C |
| Autoclave, Non-sterilizing Type | B |

| Equipment/Process | Schedule |
|--|----------|
| Battery Charging/Manufacturing Including, but not limited to, all or part of the following: Cutters, Crushers, Separators, Process Tanks, Conveyors | C |
| Benzene/Toluene/Xylene Production Equip. Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels | E |
| Beryllium Machining and Control Including, but not limited to, all or part of the following: Machining Operations, Filters, Baghouses, | C |
| Bleach Manufacturing Including, but not limited to, all or part of the following: Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Tanks, Towers, Vessels | B |
| Blending, Other | B |
| Boiler/hot water heater, various locations, diesel/oil fired (<300,000 BTU/hr) | A |
| Boiler/hot water heater, single facility, portable, diesel/oil fired (<600,000 BTU/hr) | A |
| Boiler, Landfill/Digester Gas (< 5 MMBTU/hr) | B |
| Boiler, Landfill/Digester Gas (5 to 20 MMBTU/hr) | C |
| Boiler, Landfill/Digester Gas (>20 to 50 MMBTU/hr) | D |
| Boiler, Landfill/Digester Gas (>50 MMBTU/hr) | F |
| Boiler, Natural gas-fired, 5 – 20 MM BTU/hr | C |
| Boiler, Other Fuel (<5MMBTU/hr) | B |
| Boiler, Other Fuel (5 - 20 MMBTU/hr) | C |
| Boiler, Other Fuel (>20 - 50 MMBTU/hr) | D |
| Boiler, Other Fuel (> 50 MMBTU/hr) | E |
| Boiler, Utility (> 50 MW) | H |
| Brake Shoes, Grinding, Bonding and Debonding, Deriveter | B |
| Bulk Chemical Terminal | B |

TABLE IB - PERMIT FEE RATES FOR BASIC EQUIPMENT

| Equipment/Process | Schedule |
|---|-----------------|
| Bulk Loading/Unloading Stn (< 50,000 GPD) | B |
| Bulk Loading/Unloading Rack (50,000 - 200,000 GPD) | D |
| Bulk Loading/Unloading Rack (> 200,000 GPD) | E |
| Bulk Loading/Unloading | C |
| Carpet Processing System Including, but not limited to, all or part of the following: Process Tanks, Dryers, Carpet Beaters, Carpet Shears | D |
| Catalyst Handling System Including, but not limited to, all or part of the following: Centrifuge, Bins, Conveyors, Hoppers, Cyclones, Screens, Tanks, Weigh Stations | C |
| Catalyst Mfg./Calcining Including, but not limited to, all or part of the following: Bins, Conveyors, Reactors, Mixers, Process Tanks, Kilns | D |
| Catalyst Storage (Hoppers) | C |
| Catalytic Reforming Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels | E |
| Caustic Treating Unit Including, but not limited to, all or part of the following: Knock Out Pots, Tanks, Towers, Vessels | E |
| Cement Marine Loading & Unloading Including, but not limited to, all or part of the following: Bins, Conveyors, Bucket Elevators, Hoppers, Loading & Unloading Arms, Weigh Stations | E |
| Cement Packaging Including, but not limited to, all or part of the following: Bins, Conveyors, Bucket Elevators, Hoppers, Weigh Stations | C |
| Cement Truck Loading | C |
| Charbroiler, Eating Establishment | A |
| Charbroiler with Integrated Control | B |
| Charbroiler, Food Manufacturing | C |

| Equipment/Process | Schedule |
|---|-----------------|
| Chemical Additive Injection System Including, but not limited to, all or part of the following: Injectors, Compressors, Pumps | C |
| Chip Dryer | D |
| Circuit Board Etchers | B |
| Cleaning, Miscellaneous | B |
| Coal Bulk Loading Including, but not limited to, all or part of the following: Bins, Conveyors, Bucket Elevators, Hoppers, Loading Arms, Weigh Stations | E |
| Coal Research Pilot / Equip (0-15 MMBTU/hr) | C |
| Coal Research Pilot / Equip (>15 MMBTU/hr) | D |
| Coal Tar Treating Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels | C |
| Coating & Drying Equipment, Continuous Organic, Web Type Including, but not limited to, all or part of the following: Coater Operations, Process Tanks, Dryers | C |
| Coffee Roaster < 50 lbs capacity with integrated afterburner | B |
| Coffee Roasting, (11-49 lb roaster capacity Including, but not limited to, all or part of the following: Bins, Conveyors, Bucket Elevators, Hoppers, Roasters, Coolers | A |
| Coffee Roasting, 50-99 lb roaster capacity Including, but not limited to, all or part of the following: Bins, Conveyors, Bucket Elevators, Hoppers, Roasters, Coolers | B |
| Coffee Roasting, 100 lb or more roaster capacity Including, but not limited to, all or part of the following: Bins, Conveyors, Bucket Elevators, Hoppers, Roasters, Coolers | C |

TABLE IB - PERMIT FEE RATES FOR BASIC EQUIPMENT

| Equipment/Process | Schedule | Equipment/Process | Schedule |
|---|----------|--|----------|
| Coke Handling & Storage Facility Including, but not limited to, al or part of the following: Centrifuge, Bins, Conveyors, Clarifier, Hoppers, Cyclones, Screens, Tanks, Weigh Stations | E | Crude Oil, Distillation Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels | E |
| Composting, in vessel Including, but not limited to, all or part of the following: Bins, Conveyors, Hoppers | C | Crude Oil/Gas/Water Separation System (< 30 BPD)** Including, but not limited to, all or part of the following: Adsorbers, Oil Water Separators, Oil Gas Water Separators, Pits, Sumps, Tanks, Vessels | C |
| Concrete/Asphalt Crushing Including, but not limited to, all or part of the following: Bins, Bucket Elevators, Conveyors, Feeders, Hoppers, Crushers, Cyclones, Screens, Vibrating Grizzlies, Weigh Stations | C | Crude Oil/Gas/Water Separation System, (>= 30 BPD & < 400 BPD)** Including, but not limited to, all or part of the following: Adsorbers, Oil Water Separators, Oil Gas Water Separators, Pits, Sumps, Tanks, Vessels | C |
| Concrete Batch Equipment Including, but not limited to, all or part of the following: Bins, Bucket Elevators, Conveyors, Dryers, Feeders, Hoppers, Crushers, Cyclones, Log Washers, Mixers, Screens, Vibrating Grizzlies, Weigh Stations | C | Crude Oil/Gas/Water Separation System, (>= 400 BPD)** Including, but not limited to, all or part of the following: Adsorbers, Oil Water Separators, Oil Gas Water Separators, Pits, Sumps, Tanks, Vessels | E |
| Confined Animal Facility | A | Decorating Lehr | C |
| Container Filling, Liquid | B | Decorator | B |
| Conveying, Other | B | Deep-Fat Fryer | C |
| Cooling Tower, Petroleum Operations | C | Dehydration Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels | C |
| Cooling Tower, Other | B | Degreaser, Cold Solvent Dipping | B |
| Core Oven | B | Degreaser, Cold Solvent Spray | C |
| Cotton Ginning System Including, but not limited to, all or part of the following: Hoppers, Conveyors, Separators, Screens, Classifiers, Mixers | D | Degreaser, (<= 1 lb VOC/day) | B |
| Crankcase Oil, Loading and Unloading | C | Degreaser (> 1 lb VOC/day) | B |
| Crematory | C | Degreaser, (VOCw/Toxics) | C |
| Crude Oil, Cracking Catalytic Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels | G | | |

TABLE IB - PERMIT FEE RATES FOR BASIC EQUIPMENT

| Equipment/Process | Schedule | Equipment/Process | Schedule |
|---|-----------------|---|-----------------|
| Delayed Coking Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels | E | Evaporator, Other | B |
| Deposition on Ceramics (< 5 pieces) | B | Extraction - Benzene Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels | C |
| Deposition on Ceramics (5 or more pieces) | C | Extruder | B |
| Desalting Unit Including, but not limited to, all or part of the following: Mixers, Pumps, Reactors, Settling Tanks, Sumps, Tanks, Vessels | C | Extrusion System (Multiple Units) Including, but not limited to, all or part of the following: Extruders | C |
| Die Casting Equipment | C | Fatty Acid Mfg. | C |
| Digester Gas Desulfurization System Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Tanks, Towers, Vessels | C | Feathers, Size Classification | A |
| Dip Tank, Coating | B | Feed Handling (combining conveying and loading) | D |
| Dip Tank, (<=3 gal/day) | B | Fermentation/Brewing Including, but not limited to, all or part of the following: Hoppers, Conveyors, Brew Kettles | C |
| Distillation, Other Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels | C | Fertilizer, Natural, Packaging/ Processing Including, but not limited to, all or part of the following: Bins, Conveyors, Bucket Elevators, Hoppers, Loading Arms, Weigh Stations | B |
| Drilling Rig, Crude Oil Prod. | C | Fertilizer, Synthetic, Production Including, but not limited to, all or part of the following: Bins, Conveyors, Bucket Elevators, Mixers, Dryers, Process Tanks, Reactors, Hoppers, Loading Arms, Weigh Stations | C |
| Drop Forge | B | Fiberglass Panel Mfg Including, but not limited to, all or part of the following: Conveyors, Mixers, Reactors, Process Tanks, Cutters | C |
| Dry Cleaning & Associated Control Equipment | A | Filament Winder, Rule 1401 Toxics | C |
| Dryer for Organic Material | C | Filament Winder, Other | B |
| Drying/Laundry | A | Filling Machine, Dry Powder | C |
| Drying, Other | B | Film Cleaning Machine | B |
| Emission Reduction Credits [Rule 301(c)(4) and (c)(5)] | I | Flour Handling (combining conveying, packaging, and loadout) | E |
| End Liner, Can | B | Flour Manufacturing (combining milling and conveying) | E |
| Ethylene Oxide Sterilization, Hospital | B | Flour Milling Including, but not limited to, all or part of the following: Bins, Conveyors, Bucket Elevators, Hoppers, Mills, Weigh Stations | D |
| Evaporation, Toxics | C | | |

TABLE IB - PERMIT FEE RATES FOR BASIC EQUIPMENT

| Equipment/Process | Schedule | Equipment/Process | Schedule |
|--|----------|--|----------|
| Flow Coater | B | Furnace, Electric, Induction and Resistance | C |
| Fluid Catalytic Cracking Equipment Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels | H | Furnace, Frit | C |
| Fluid Elimination, Waste Water | B | Furnace, Galvanizing | C |
| Foam-in-Place Packaging | A | Furnace, Graphitization and Carbonization | C |
| Food Processing Grinding, Blending, Packaging, Conveying, Flavoring | C | Furnace, Heat Treating | B |
| Fractionation Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels | E | Furnace, Other Metallic Operations | C |
| Fruit and Vegetable Treating | A | Furnace, Pot/Crucible | C |
| Fuel Gas Mixer | C | Furnace, Reverberatory | D |
| Fuel Gas, Treating Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Scrubbers, Settling Tanks, Towers, Vessels | D | Furnace, Wire Reclamation | C |
| Fuel Storage & Dispensing Equipment (Rule 461) Including, but not limited to, all or part of the following: Storage Tanks, Dispensing Nozzles | A | Garnetting, Paper/Polyester Including, but not limited to, all or part of the following: Feeders, Conveyors, Condensers, Cutters | C |
| Fumigation | A | Gas Plant Including, but not limited to, all or part of the following: Accumulators, Columns, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Re-generators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels | E |
| Furnace, Arc | D | Gas Turbine, Landfill/Digester Gas, <0.3MW | B |
| Furnace, Burn-Off, Armature | C | Gas Turbine, Landfill/Digester Gas, =>0.3 MW | E |
| Furnace, Burn-Off, Drum | D | Gas Turbine, <=50 MW, other fuel | D |
| Furnace, Burn-Off, Engine Parts | C | Gas Turbine, >50 MW, other fuel | G |
| Furnace, Burn-Off, Paint | C | Gas Turbine, Emergency, <0.3 MW | A |
| Furnace, Burn-Off, Wax | C | Gas Turbine, Emergency, =>0.3 MW | C |
| Furnace, Burn-Off, Other | C | Gas Turbines (Microturbines only) | A |
| Furnace, Cupola | D | Gas-Oil Cracking Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels | E |
| | | Gasoline, In-line Blending Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels | D |

TABLE IB - PERMIT FEE RATES FOR BASIC EQUIPMENT

| Equipment/Process | Schedule | Equipment/Process | Schedule |
|--|-----------------|---|-----------------|
| Gasoline, Refining Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels | D | Grain Cleaning Including, but not limited to, all or part of the following: Air Classifiers, Bins, Conveyors, Bucket Elevators, Hoppers, Mills, Screens, Weigh Stations | C |
| Gasoline, Separation - Liquid Production Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels | D | Grain Handling (combining storage and cleaning) | E |
| | | Grain Storage | C |
| Gasoline, Vapor Gathering System Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels | D | Grinder, Size Reduction | B |
| | | Groundwater Treatment System Including, but not limited to, all or part of the following: Air Strippers, Adsorbers, Process Tanks | C |
| | | Gypsum, Calcining Including, but not limited to, all or part of the following: Air Classifiers, Bins, Conveyors, Bucket Elevators, Hoppers, Kilns, Weigh Stations | E |
| | | Halon/Refrigerants, Recovery and Recycling Equipment | A1 |
| Gasoline Blending Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Scrubbers, Settling Tanks, Towers, Vessels | E | Heater, (<5 MMBTU/hr) | B |
| | | Heater, (5 - 20 MMBTU/hr) | C |
| | | Heater, (>20-50 MMBTU/hr) | D |
| | | Heater, (>50 MMBTU/hr) | E |
| | | Hot End Coating, (Glass Mfg. Plant) | B |
| Gasoline Fractionation Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels | F | Hydrant Fueling, Petrol. Middle Distillate Including, but not limited to, all or part of the following: Storage Tanks, Dispensing Nozzles | D |
| | | Hydrocarbons, Misc., Treating Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels | D |
| Gasoline Transfer & Dispensing Facility (See Fuel Storage & Dispensing Equipment) | | Hydrogen Desulfurization (HDS) Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels | F |
| Glass Forming Machine | C | | |
| Glass Furnace < 1TPD | B | | |
| Glass Furnace, > 1 - 50 TPD Pull | D | | |
| Glass Furnace, > 50 TPD Pull | E | | |

TABLE IB - PERMIT FEE RATES FOR BASIC EQUIPMENT

| Equipment/Process | Schedule | Equipment/Process | Schedule |
|--|--------------|--|----------|
| Hydrogen Production Equipment Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels | F | Iodine Reaction Including, but not limited to, all or part of the following: Columns, Compressors, Condensers, Coolers, Heat Exchangers, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Tanks, Towers | C |
| Hydrotreating Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels | E | Isomerization Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels | E |
| IC Engine, (51-500 HP) Cogeneration | B | Jet Engine Test Facility | C |
| IC Engine, (> 500 HP) Cogeneration | C | Kiln, Natural Gas | C |
| IC Engine, Emergency, 51-500 HP | B | Landfill Condensate/Leachate Collection/Storage | B |
| IC Engine, Emergency, (>500 HP) | B | Landfill Gas, Collection, (<10 Wells) | B |
| IC Engine, Landfill/Digester Gas | D | Landfill Gas, Collection, (10 -50 Wells) | C |
| IC Engine, Other, 51-500 HP | B | Landfill Gas, Collection, (> 50 Wells) | D |
| IC Engine, Other, >500 HP | C | Landfill Gas, Treatment | E |
| Impregnating Equipment | C | Lime/Limestone, Conveying Including, but not limited to, all or part of the following: Bins, Conveyors, Bucket Elevators, Hoppers, Weigh Stations | C |
| Incineration, Hazardous Waste | H | Liquid Separation, Other Including, but not limited to, all or part of the following: Process Tanks, Settling Tanks, Separators, Tanks | D |
| Incinerator, < 300 lbs/hr, Non-Hazardous | E | Liquid Waste Processing, Hazardous Including, but not limited to, all or part of the following: Air Floatation Units, Floatation Units, Filter Presses, Reactors, Process Tanks, Clarifiers, Settling Tanks, Waste Water Separators, Tanks | E |
| Incinerator, >=300 lbs/hr, Non-Hazardous | F | Liquid Waste Processing, Non Hazardous Including, but not limited to, all or part of the following: Air Floatation Units, Floatation Units, Filter Presses, Reactors, Process Tanks, Clarifiers, Settling Tanks, Waste Water Separators, Tanks | C |
| Indoor Shooting Range | B | LPG, Tank Truck Loading | D |
| Ink Mfg./Blending Including, but not limited to, all or part of the following: Process Tanks, Mixers | B | | |
| Inorganic Chemical Mfg. Including, but not limited to, all or part of the following: Process Tanks, Mixers, Reactors | D | | |
| Insecticide Separation/Mfg Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Coolers, Drums, Ejectors, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels | E | | |

TABLE IB - PERMIT FEE RATES FOR BASIC EQUIPMENT

| Equipment/Process | Schedule | Equipment/Process | Schedule |
|---|-----------------|--|-----------------|
| LPG, Treating Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels | D | Mercox Treating Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels | E |
| LPG Distillation Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels | E | Metal Deposition Equipment | C |
| Lube Oil Additive/Lubricant Mfg. | B | Metallic Mineral Production Including, but not limited to, all or part of the following: Bins, Bucket Elevators, Conveyors, Feeders, Hoppers, Crushers, Cyclones, Log Washers, Mixers, Screens, Vibrating Grizzlies, Weigh Stations | E |
| Lube Oil Re-refining Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels | D | Misc. Solvent Usage at a Premise | B |
| Marine Bulk Loading/Unloading System, Including, but not limited to, all or part of the following: Absorbers, Compressors, Condensers, Knock Out Pots, Pumps, Reactors, Saturators | D | Mixer, Chemicals | B |
| Marine Vessel Displaced Vapor Control, Including, but not limited to, all or part of the following: Absorbers, Compressors, Condensers, Knock Out Pots, Pumps, Reactors, Saturators | D | MTBE Production Facility Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Coolers, Drums, Ejectors, Heat Exchangers, Knock Out Pots, Mixers, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels | F |
| Merichem Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels | D | Natural Gas Dehydration Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels | C |
| | | Natural Gas Odorizers | C |
| | | Natural Gas Stabilization Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Scrubbers, Regenerators, Settling Tanks, Sumps, Tanks, Towers, Vessels | E |
| | | Nut Roasters Including, but not limited to, all or part of the following: Bins, Conveyors, Bucket Elevators, Hoppers, Roasters, Coolers | C |

TABLE IB - PERMIT FEE RATES FOR BASIC EQUIPMENT

| Equipment/Process | Schedule | Equipment/Process | Schedule |
|--|----------|--|----------|
| Nut Shell Drying Including, but not limited to, all or part of the following: Bins, Conveyors, Bucket Elevators, Hoppers, Dryers, Coolers | C | Petroleum Coke Conveying Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Bucket Elevators | B |
| Oil/Water Separator (< 10,000 GPD) Including, but not limited to, all or part of the following: Oil Water Separators, Pits, Sumps, Tanks, Vessels | B | Pharmaceutical Mfg. Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Reactors, Process Tanks, Pelletizers, Mixers, Dryers | C |
| Oil/Water Separator (>= 10,000 GPD) Including, but not limited to, all or part of the following: Oil Water Separators, Pits, Sumps, Tanks, Vessels | C | Pharmaceutical Mfg. Tableting, Coating Vitamins or Herbs | C |
| Open-Air resin operations | A | Pipe Coating, Asphaltic | B |
| Oven Bakery | C | Plasma Arc Cutting | B1 |
| Oven, Curing (Rule 1401 toxics) | C | Plastic Mfg., Blow Molding Machine | B |
| Oven, Other | B | Plastic/Resin Size Reduction Including, but not limited to, all or part of the following: Bins, Bucket Elevators, Conveyors, Feeders, Hoppers, Grinders, Mills, Cyclones, Screens, Weigh Stations | B |
| Packaging, Other | B | Plastic/Resins Reforming | C |
| Paint Stripping, Molten Caustic | C | Plastic/Resins Treating | C |
| Paper Conveying | A | Plastisol Curing Equipment | B |
| Paper Pulp Products | D | Polystyrene Expansion/Molding | C |
| Paper Size Reduction | C | Polystyrene Expansion/Packaging | C |
| Pavement Grinder | B | Polystyrene Extruding/Expanding | B |
| Pavement Heater | B | Polyurethane Foam Mfg. Including, but not limited to, all or part of the following: Coolers, Heat Exchangers, Pumps, Reactors, Mixers, Process Tanks | C |
| Pelletizing, Chlorine Compounds Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Pelletizers, Mixers, Dryers | C | Polyurethane Mfg/Production | B |
| Perlite Furnace | C | Polyurethane Mfg/Rebonding | B |
| Perlite Handling Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Bucket Elevators | C | Process Line, Chrome Plating (Hexavalent) | C |
| Pesticide/Herbicide Mfg. Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Coolers, Drums, Ejectors, Heat Exchangers, Knock Out Pots, Mixers, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels | E | Process Line, Chrome Plating (Trivalent) | B |
| Petroleum Coke Calcining Including, but not limited to, all or part of the following: Bins, Conveyors, Reactors, Mixers, Process Tanks, Kilns | F | Precious Metal, Recovery, Other | B |
| | | Precious Metal, Recovery, Catalyst | D |
| | | Printing Press, Air Dry | B |
| | | Printing Press With IR, EB or UV Curing | B |
| | | Printing Press, Other | C |
| | | Printing Press, Screen | B |
| | | Production, Other | B |
| | | Railroad Car Loading/Unloading, Other | C |
| | | Railroad Car Unloading, liquid direct to trucks | B |

TABLE IB - PERMIT FEE RATES FOR BASIC EQUIPMENT

| Equipment/Process | Schedule | Equipment/Process | Schedule |
|--|-----------------|--|-----------------|
| Reaction, Other | C | Semiconductor, Int. Circuit Mfg (5 or more) | C |
| Recovery, Other | B | Semiconductor, Photo resist (<5 pieces) | B |
| Refined Oil/Water Separator Including, but not limited to, all or part of the following: Oil/Water Separators, Pits, Sumps, Tanks, Vessels | B | Semiconductor, Photo resist (5 or more pieces) | C |
| Refrigerant Recovery/Recycling | A1 | Semiconductor, Solvent Cleaning (<5 pieces) | B |
| Rendering Equipment, Blood Drying | C | Semiconductor, Solvent Cleaning (5 or more pieces) | C |
| Rendering Equipment, Fishmeal Drying | C | Sewage Sludge Composting | C |
| Rendering Equipment, Rendering | D | Sewage Sludge Drying, Conveying, Storage, Load-out Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Bucket Elevators, Loading Arms | D |
| Rendering Equipment, Separation, Liquid | C | Sewage Sludge Digestion | D |
| Rendering Product, Handling Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Bucket Elevators | C | Sewage Sludge Dryer | D |
| Resin, Varnish Mfg. Including, but not limited to, all or part of the following: Coolers, Heat Exchangers, Pumps, Reactors, Mixers, Process Tanks | D | Sewage Sludge Incineration | H |
| Roller Coater | B | Sewage Treatment, (<= 5 MGD), Aerobic Including, but not limited to, all or part of the following: Air Flootation Units, Flootation Units, Filter Presses, Clarifiers, Settling Tanks, Trickling Filters, Waste Water Separators, Tanks | C |
| Rubber Mfg. Including, but not limited to, all or part of the following: Coolers, Heat Exchangers, Pumps, Reactors, Mixers, Process Tanks | C | Sewage Treatment, (>5 MGD) Including, but not limited to, all or part of the following: Air Flootation Units, Flootation Units, Filter Presses, Clarifiers, Settling Tanks, Trickling Filters, Waste Water Separators, Tanks | F |
| Rubber Presses or Molds with a ram diameter of more than 26 inches Submitted before September 11, 1999 Submitted on or after September 11, 1999 | A B | Sewage Treatment, (> 5 MGD), Anaerobic Including, but not limited to, all or part of the following: Air Flootation Units, Flootation Units, Digesters, Filter Presses, Clarifiers, Settling Tanks, Trickling Filters, Waste Water Separators, Tanks | G |
| Rubber Roll Mill | B | Sheet Machine | B |
| Sand Handling Equipment, Foundry Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Bucket Elevators | C | Shell Blasting System | B |
| Sand Handling Equipment w/Shakeout, Foundry Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Bucket Elevators | D | Shipping Container System | B |
| Screening, Green Waste | A | Sintering | C |
| Screening, Other Including, but not limited to, all or part of the following: Screens, Conveyors, Bins, Hoppers, Bucket Elevators | C | | |
| Semiconductor, Int. Circuit Mfg (<5 pieces) | B | | |

TABLE IB - PERMIT FEE RATES FOR BASIC EQUIPMENT

| Equipment/Process | Schedule | Equipment/Process | Schedule |
|--|----------|--|----------|
| Size Reduction, Other Including, but not limited to, all or part of the following: Bins, Bucket Elevators, Conveyors, Dryers, Feeders, Hoppers, Crushers, Cyclones, Mixers, Screens, Weigh Stations | C | Spent Stretford Solution Regeneration Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels | D |
| Size Reduction, Petroleum Coke Including, but not limited to, all or part of the following: Bins, Bucket Elevators, Conveyors, Dryers, Feeders, Hoppers, Crushers, Cyclones, Mixers, Screens, Weigh Stations | C | Spray Equipment, Open | B |
| Sludge Dewatering, Other Including, but not limited to, all or part of the following: Filter Press, Process Tanks, Settling Tanks | D | Spray Machine, Adhesive | B |
| Sludge Dryer, Other | B | Spray Machine, Coating | B |
| Sludge Incinerator | H | Spray Machine, Powder Coating | B |
| Smoke Generator | B | Spraying, Resin/Gel Coat | C |
| Smokehouse | C | Sterilization Equipment | C |
| Soap/Detergent Mfg Including, but not limited to, all or part of the following: Process Tanks, Mixers, Tanks, Conveyors, Bins, Hoppers, Bucket Elevators | D | Stereolithography | A |
| Soil Treatment, Other Including, but not limited to, all or part of the following: Bins, Conveyors, Ovens | D | Storage, Petroleum Coke | C |
| Soil Treatment, Vapor Extraction Including, but not limited to, all or part of the following: Adsorbers, Afterburners | C | Storage Container, Baker-Type | B |
| Solder Leveling | B | Storage Container, Baker-Type w/Control | C |
| Soldering Machine | B | Storage Silo, Other Dry Material | A |
| Solvent Reclaim, Still (Multistage) | C | Storage Tank, w/o Control, Crude Oil/Petroleum Products | B |
| Solvent Reclaim, Still (Single stage) | A | Storage Tank, Acid with sparger | B |
| Solvent Redistillation Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels | E | Storage Tank, Ammonia with sparger | B |
| | | Storage Tank, Asphalt <=50,000 gallons | B |
| | | Storage Tank, Asphalt >50,000 gallons | C |
| | | Storage Tank, Degassing Unit | D |
| | | Storage Tank, Fixed Roof with Internal Floater | C |
| | | Storage Tank, Fixed Roof with Vapor Control | C |
| | | Storage Tank, Fuel Oil | A |
| | | Storage Tank, Lead Compounds | C |
| | | Storage Tank, LPG | A |
| | | Storage Tank, LPG w/Vaporizing System | C |
| | | Storage Tank, Other | A |
| | | Storage Tank, Other w/ Control Equipment | B |
| | | Storage Tank, with Passive Carbon s.s. | B |
| | | Storage Tank, with Passive Carbon m.s. | C |
| | | Storage Tank, with Passive Carbon t.s. | C |

TABLE IB - PERMIT FEE RATES FOR BASIC EQUIPMENT

| Equipment/Process | Schedule | Equipment/Process | Schedule | |
|--|----------|---|----------|---|
| Storage Tank, Rendered Products | C | Thermal Cracking Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels | E | |
| Storage Tank, Waste Oil | A | | | |
| Storage Tank with condenser | B | | | |
| Storage Tank, with External Floating Roof | C | | | |
| Stove-Oil Filter/Coalescer Facility | D | | | |
| Striper, Can | B | | | |
| Striper, Pavement | B | | | |
| Stripping, Other | B | | | |
| Sulfonation Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels | E | | | |
| Sulfuric Acid Plant Including, but not limited to, all or part of the following: Accumulators, Columns, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels | F | | | |
| Sump, Covered & Controlled | C | Tire Buffer | A | |
| Sump, Spill Containment | A | Treating, Other | B | |
| Tablet Coating Pans | A | Treating, Petroleum Distillates Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels | D | |
| Tank, Hard Chrome Plating | C | | | |
| Tank/Line, Other Chrome Plating or Chrome Anodizing | C | | | |
| Tank, Line, Other Process Emitting Hexavalent Chrome | C | | | |
| Tank/Line, Trivalent Chrome Plating | B | | | |
| Tank/Line, Cadmium or Nickel Plating | C | | | |
| Tank/Line, Other Process Emitting Nickel or Cadmium | B1 | | | |
| Tank/Line, Other Plating | B | | | |
| Tank/Line Nitric Acid Process Emitting NOx | C | | | |
| Tank/Line, Other Process Using Aqueous Solutions | B | | | |
| Tank, Paint Stripping w/Methylene Chloride | C | Vacuum Distillation Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels | E | |
| Textiles, Recycled, Processing | C | Vacuum Machine | | C |
| | | Vacuum Metalizing | | B |
| | | Vacuum Pumps | C | |
| | | Vegetable Oil Extractor Including, but not limited to, all or part of the following: Bins, Conveyors, Cookers, Presses, Tanks, Kilns | E | |
| | | Warming Device, Electric | A | |
| | | Waste Water Treating (< 10,000 gpd) Including, but not limited to, all or part of the following: Air Flootation Units, Flootation Units, Filter Presses, Clarifiers, Settling Tanks, Waste Water Separators, Tanks | B | |
| | | | | Waste Water Treating (< 20,000 gpd) no toxics Including, but not limited to, all or part of the following: Air Flootation Units, Flootation Units, Filter Presses, Clarifiers, Settling Tanks, Waste Water Separators, Tanks |

TABLE IB - PERMIT FEE RATES FOR BASIC EQUIPMENT

| Equipment/Process | Schedule |
|---|----------|
| Waste Water Treating (20,000 - 50,000 gpd) Including, but not limited to, all or part of the following: Air Floatation Units, Floatation Units, Filter Presses, Clarifiers, Settling Tanks, Waste Water Separators, Tanks | D |
| Waste Water Treating (>50,000 gpd) Including, but not limited to, all or part of the following: Air Floatation Units, Floatation Units, Filter Presses, Clarifiers, Settling Tanks, Waste Water Separators, Tanks | E |
| Waste-to-Energy Equipment | H |
| Wet Gate Printing Equipment using Perchloroethylene | B |
| Weigh Station | A |
| Wood Treating Equipment Including, but not limited to, all or part of the following: Coater Operations, Process Tanks | C |

**TABLE IIA
SPECIAL PROCESSING FEES**

AIR QUALITY ANALYSIS/HEALTH RISK ASSESSMENT

| Schedule | Fee |
|----------|---|
| A | \$1,327.34 <u>1,360.52</u> |
| B | \$1,327.34 <u>1,360.52</u> |
| C | \$1,327.34 <u>1,360.52</u> |
| D | \$4,752.02 <u>4,870.82</u> + T&M |
| E | \$4,752.02 <u>4,870.82</u> + T&M |
| F | \$4,752.02 <u>4,870.82</u> + T&M |
| G | \$4,752.02 <u>4,870.82</u> + T&M |
| H | \$6,337.16 <u>6,495.59</u> + T&M |

D through G: T&M = Time and Material charged at ~~\$135.91~~139.31 per hour above 35 hours.

H: T&M = Time and Material charged at ~~\$135.91~~139.31 per hour above 47 hours. Time and material charges for work beyond these hourly limits shall be for analysis or assessment required due to modification of the project or supporting analysis submitted for initial review or for multiple analyses or assessments required for a project or other special circumstances and shall be approved by the Executive Officer.

An additional fee of ~~\$2,275.42~~2,332.31 shall be assessed for a project requiring modeling review triggered by the requirements of Regulation XVII – Prevention of Significant Deterioration (PSD). The total combined fee for these reviews shall not exceed ~~\$15,169.48~~15,548.72.

**TABLE IIB
FEE FOR PUBLIC NOTICE PUBLICATION ^(a)**

| County | <u>FY 2017-18</u> Rule 212(g) Notice ^(a) | <u>FY 2017-18</u> Title V Notice- ^(a) | <u>FY 2018-19 and</u> <u>thereafter</u> <u>Title V Notice</u> |
|----------------|---|---|---|
| Los Angeles | \$1,422.52 <u>1,458.08</u> | \$855.58 <u>1,017.28</u> | <u>\$1,180.05</u> |
| Orange | \$1,295.62 <u>1,328.01</u> | \$634.28 <u>754.16</u> | <u>\$874.83</u> |
| Riverside | \$281.31 <u>288.34</u> | \$301.16 <u>358.08</u> | <u>\$415.37</u> |
| San Bernardino | \$1,235.45 <u>1,266.34</u> | \$570.38 <u>678.18</u> | <u>\$786.69</u> |

^(a) If Rule 212(g) and Title V notices are combined, pursuant to Rule 212(h), only Rule 212(g) publication fee applies.

**TABLE IIC
CEMS, FSMS, & ACEMS FEE SCHEDULE**

| Certification Review | | |
|---|---------------------------------------|---|
| CEMS and FSMS Review¹ | Basic Fee² | Maximum Fee |
| Any combination of pollutants, diluent, flow, or other parameter ³ for: | | |
| One to two components | \$3,674.58 <u>3,766.44</u> | \$6,579.18 <u>6,743.66</u> |
| Three to four components | \$4,420.23 <u>4,530.74</u> | \$12,107.11 <u>12,409.79</u> |
| For each additional component beyond four, the following amount is added to the fee for four components | \$0.00 | \$2,990.68 <u>3,065.45</u> |
| For time-sharing of CEMS, the following amount is added to any fee determined above | \$0.00 | \$2,990.68 <u>3,065.45</u> |
| ACEMS Review | Basic Fee⁴ | Maximum Fee |
| | \$3,674.58 <u>3,766.44</u> | \$12,107.11 <u>12,409.79</u> |

¹The certification fee includes the initial application approval, approval of test protocol, and approval of the performance test results. An application resubmitted after a denial will be treated as a new application and will be subject to a new fee.

²Covers up to 40 hours evaluation time for the first two components, 60 hours for the first four components, and up to an additional 12 hours for each component beyond four. Excess hours beyond these will be charged at ~~\$162.29~~166.35 per hour, to the maximum listed in the table.

³Additional components, as necessary, to meet monitoring requirements (e.g., moisture monitor).

⁴Covers up to 40 hours evaluation time.

TABLE III - EMISSION FEES
For emissions in Calendar Year 2010 and thereafter

| Annual Emissions (tons/yr) | Organic Gases* (\$/ton) | Specific Organics** (\$/ton) | Nitrogen Oxides (\$/ton) | Sulfur Oxides (\$/ton) | Carbon Monoxide (\$/ton) | Particulate Matter (\$/tons) |
|----------------------------|--|--|--|--|-------------------------------|--|
| 4 – 25 | \$589.866 <u>04.61</u> | \$105.53 <u>108</u> <u>.17</u> | \$345.09 <u>35</u> <u>3.72</u> | \$409.14 <u>419.</u> <u>37</u> | - | \$451.05 <u>462.3</u> <u>3</u> |
| >25 – 75 | \$957.719 <u>81.65</u> | \$167.22 <u>171</u> <u>.40</u> | \$548.17 <u>56</u> <u>1.87</u> | \$661.39 <u>677.</u> <u>92</u> | - | \$730.88 <u>749.1</u> <u>5</u> |
| >75 | \$1,433.57 <u>1,469.41</u> | \$250.81 <u>257</u> <u>.08</u> | \$825.56 <u>84</u> <u>6.20</u> | \$992.98 <u>1,01</u> <u>7.80</u> | - | \$1,094.31 <u>1,1</u> <u>21.67</u> |
| ≥100 | - | - | - | - | \$7.06 <u>7.24</u> | - |

- * Excluding methane, exempt compounds as specified in paragraph (e)(13), and specific organic gases as specified in paragraph defined in subdivision (b) of this rule.
- ** See specific organic gases as defined in subdivision (b) of this rule.

~~*** For July 1, 2010 through June 30, 2011 inclusive the amount of the CPI increase will be rebated.~~

TABLE IV
TOXIC AIR CONTAMINANTS AND OZONE DEPLETERS
For emissions in Calendar Year 2010 and thereafter

| TOXIC COMPOUNDS | Fee \$/1 lb | Annual Emission Thresholds (lbs) |
|--|---------------------------------|----------------------------------|
| Ammonia (Reporting Period 07/01/04 and beyond) | \$0.03 | 200 |
| Asbestos | \$6.16 <u>6.31</u> | 0.0001 |
| Benzene | \$2.08 <u>2.13</u> | 2.0 |
| Cadmium | \$6.16 <u>6.31</u> | 0.01 |
| Carbon tetrachloride | \$2.08 <u>2.13</u> | 1.0 |
| Chlorinated dioxins and dibenzofurans (26 species) | \$10.28 <u>10.54</u> | 0.00002 |
| Ethylene dibromide | \$2.08 <u>2.13</u> | 0.5 |
| Ethylene dichloride | \$2.08 <u>2.13</u> | 2.0 |
| Ethylene oxide | \$2.08 <u>2.13</u> | 0.5 |

Proposed Amended Rule 301 (Cont.) (~~Updated July 1, 2016~~ Amended June 2, 2017)

| TOXIC COMPOUNDS | Fee \$/1 lb | Annual Emission Thresholds (lbs) |
|--|-------------------------------|---|
| Formaldehyde | \$0.46 <u>0.47</u> | 5.0 |
| Hexavalent chromium | \$8.21 <u>8.42</u> | 0.0001 |
| Methylene chloride | \$0.08 | 50.0 |
| Nickel | \$4.10 <u>4.20</u> | 0.1 |
| Perchloroethylene | \$0.46 <u>0.47</u> | 5.0 |
| 1,3-Butadiene | \$6.16 <u>6.31</u> | 0.1 |
| Inorganic arsenic | \$6.16 <u>6.31</u> | 0.01 |
| Beryllium | \$6.16 <u>6.31</u> | 0.001 |
| Polynuclear aromatic hydrocarbons (PAHs) | \$6.16 <u>6.31</u> | 0.2 |
| Vinyl chloride | \$2.08 <u>2.13</u> | 0.5 |
| Lead | \$2.08 <u>2.13</u> | 0.5 |
| 1,4-Dioxane | \$0.46 <u>0.47</u> | 5.0 |
| Trichloroethylene | \$0.16 | 20.0 |
| <u>Chlorofluorocarbons (CFCs)</u> | \$0.40 <u>0.41</u> | <u>---</u> |
| <u>1,1,1-trichloroethane</u> | <u>\$0.05</u> | <u>---</u> |

TABLE IV (cont.)
~~TOXIC AIR CONTAMINANTS AND OZONE DEPLETERS~~

| TOXIC COMPOUNDS | Fee \$/1 lb | Annual Emission Thresholds (lbs) |
|---|--------------------|---|
| For emissions Calendar Year 2010 and thereafter | | |
| Chlorofluorocarbons (CFCs) | -\$0.40 | --- |
| 1,1,1 trichloroethane | \$0.05 | --- |

**TABLE V
ANNUAL CLEAN FUELS FEES**

| Volatile Organic Compounds (\$/ton) | Nitrogen Oxides (\$/ton) | Sulfur Oxides (\$/ton) | Particulate Matter (\$/ton) |
|--|---------------------------------|---------------------------------|---------------------------------|
| \$45.96 <u>47.11</u> | \$25.77 <u>26.41</u> | \$31.94 <u>32.74</u> | \$25.77 <u>26.41</u> |

**TABLE VI
DEMOLITION, ASBESTOS AND LEAD NOTIFICATION FEES**

| Demolition and Renovation by Project Size (square feet) ¹ | | | | | |
|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|---------------------------------------|
| up to 1,000 | >1,000 to 5,000 | 5,000 to 10,000 | >10,000 to 50,000 | >50,000 to 100,000 | > 100,000 |
| \$59.37 <u>60.85</u> | \$181.53 <u>186.07</u> | \$424.95 <u>435.57</u> | \$666.33 <u>682.99</u> | \$965.68 <u>989.82</u> | \$1,609.46 <u>1,649.70</u> |

| Additional Service Charge Fees | | | | |
|---------------------------------|--------------------------------------|-----------------------------------|-------------------------------------|---|
| Revision to Notification | Special Handling Fee ² | Planned Renovation | Procedure 4 or 5 Plan Evaluation | Expedited Procedure 4 or 5 Fee ³ |
| \$59.37 <u>60.85</u> | \$59.37 <u>60.85</u> | \$666.33 <u>682.99</u> | \$666.33 <u>682.99</u> | \$333.16 <u>341.49</u> |

- ¹ For demolition, the fee is based on the building size.
For refinery or chemical unit demolition, the fee is based on the structure's footprint surface area.
- ² For renovation, the fee is based on the amount of asbestos/lead removed.
- ³ For all notifications postmarked less than 14 calendar days prior to project start date.
For all expedited Procedure 4 or 5 plan evaluation requests postmarked less than 14 calendar days prior to project start date.
For each subsequent notification for pre-approved Procedure 5 plan submitted per Rule 1403(d)(1)(D)(i)(V)(2).

**TABLE VII
SUMMARY OF RECLAIM & TITLE V FEES**

| Description | Rule section | <u>FY 2017-18</u> Fee | <u>FY 2018 and thereafter</u> |
|---|--------------|--|--|
| RECLAIM (l) | | | |
| Facility Amendment Fee with Engineering Evaluation | (l)(5) | | |
| • RECLAIM only | | \$1,021.20 <u>1,088.60</u> | <u>\$1,132.14</u> |
| • RECLAIM & Title V | | \$2,042.42 <u>2,302.81</u> | <u>\$2,540.62</u> |
| Facility Amendment Fee without Engineering Evaluation | (l)(5) | | |
| • RECLAIM only | | \$1,021.20 <u>1,088.60</u> | <u>\$1,132.14</u> |
| • RECLAIM & Title V | | \$2,042.42 <u>2,302.81</u> | <u>\$2,540.62</u> |
| Change of Operator | (l)(7) | | |
| • Facility Permit Amendment Fee + Application Processing Fee for Each Application | | \$1,021.20 <u>1,088.60</u> + \$594.18 <u>\$633.40</u> | <u>\$1,132.14</u> + <u>\$658.74</u> |
| Title V (m) | | | |
| Administrative Permit Revision Fee | (m)(6) | \$1,021.20 <u>214.21</u> | \$1,408.48 <u>1,214.21</u> |
| Permit Revision Fee | (m)(7) | | |
| • Minor permit revision | | \$1,021.20 <u>1,214.21</u> | |
| • De minimis significant permit revision | | <u>1</u> | <u>\$1,408.48</u> |
| • Significant permit revision | | \$1,021.20 <u>1,214.21</u> | <u>\$1,408.48</u> |

Proposed Amended Rule 301 (Cont.) (~~Updated July 1, 2016~~ Amended June 2, 2017)

| | | | |
|---|--------|---|---|
| | | \$1,021.20 <u>1,214.2</u> <u>1</u> | <u>\$1,408.48</u> |
| Permit Renewal Fees + Final Fee if time exceeds 8 hours | (m)(8) | \$2,319.52 <u>2,757.9</u> <u>1</u> + \$162.29 <u>192.96</u> Per <u>per</u> hour | <u>\$3,199.17</u> + <u>\$223.84</u> P <u>per</u> <u>hour</u> |
| Change of Operator • Administrative Permit Revision Fee | (m)(6) | \$1,021.20 <u>1,214.2</u> <u>1</u> | <u>\$1,408.48</u> |

(Adopted September 2, 1977)(Amended May 5, 1978)(Amended March 5, 1982)
(Amended August 5, 1983)(Amended October 5, 1984)(Amended January 6, 1989)
(Amended June 1, 1990)(Amended June 6, 1992)(Amended June 11, 1993)
(Amended June 10, 1994)(Amended May 12, 1995)(Amended May 10, 1996)
(Amended May 9, 1997)(Amended May 8, 1998)(Amended May 14, 1999)
(Amended May 19, 2000)(Amended May 11, 2001)(Amended May 3, 2002)
(Amended June 6, 2003)(Amended July 9, 2004)(Amended June 3, 2005)
(Amended June 9, 2006)(Amended May 4, 2007)(Amended May 2, 2008)
(Amended June 5, 2009)(Amended May 7, 2010)(Updated July 1, 2011)
(Updated July 1, 2012)(Updated July 1, 2013)(Amended June 6, 2014)
(Amended May 1, 2015)(Updated July 1, 2016)([Amended June 2, 2017](#))

~~Changes to the fees are effective July 1, 2016~~[Effective July 1, 2017](#)

PROPOSED AMENDED RULE 303. HEARING BOARD FEES

- (a) Filing and Appearance Fees
- (1) Every applicant or petitioner in a proceeding before the Hearing Board shall pay to the Clerk of the Board, at the time of filing, a filing fee for each petition in accordance with the schedule set forth in Table III.
 - (2) If the hearing runs more than one day, supplemental appearance fees shall be assessed pursuant to Table III for each additional day of the hearing, unless otherwise ordered by the Hearing Board.
- (b) Filing Fee Refunds
- (1) In the event the Hearing Board reverses in total an appealed decision of the Executive Officer, the filing fee specified in subdivision (a) shall be refunded to the petitioner.
 - (2) In the event that the petition is withdrawn, and the petitioner notifies the Clerk of the Board in writing not less than four (4) days prior to the scheduled appearance, or the hearing is not held for any other reason, the petitioner shall be entitled to a refund of fifty percent (50%) of the filing fees.
- (c) Publication Fees
- Every petitioner for relief which requires published notice shall pay to the Clerk of the Board a fee to cover the actual cost of publication of notice(s) of hearing. The fee shall be due and payable within fifteen (15) days of the notification in writing of the amount due.

(d) Excess Emission Fee

- (1) Each applicant or petitioner for a variance from these Rules and Regulations shall pay to the Clerk of the Board, in addition to the filing fees required in subdivision (a) an emission fee in accordance with the schedule set forth in Table I, based on the total emissions discharged during the variance period in excess of that allowed by these rules or permit conditions, other than those described in subdivision (e) below. If the amount of the excess emission fee is less than that specified in subdivision (f), the applicant or petitioner shall pay the higher amount, unless otherwise ordered by the Hearing Board.
- (2) In cases where the Hearing Board determines that calculations or estimations of excess emissions cannot be made, the petitioner shall pay the amount set forth in subdivision (f), unless otherwise ordered by the Hearing Board.
- (3) In the event that more than one rule and/or permit condition limiting the discharge of the same contaminant is violated, the excess emission fee shall be based on the excess emissions resulting from the violation of the most stringent rule or permit condition. For the purposes of this subdivision, opacity rules and particulate mass emissions shall not be considered rules limiting the discharge of the same contaminant.

(e) Excess Visible Emission Fee

Each applicant or petitioner for a variance from Rule 401 and/or Health and Safety Code Section 41701 shall pay to the Clerk of the Board, in addition to the filing fees required in subdivision (a) above, and the excess emission fees required in (d) above (if any), an emission fee based on the difference between the percent opacity allowed by Rule 401 and/or Health and Safety Code Section 41701 and the percent opacity of the emissions allowed under the variance. Such fees shall be calculated in accordance with the schedule set forth in Table II.

(f) Minimum Excess Emission Fees

The excess emission fee remitted, regardless of calculations, shall be no less than ~~\$181.49~~ 186.03 for each day on which the excess emissions occur or are expected to occur at each facility during the variance period, unless otherwise ordered by the Hearing Board.

- (g) Adjustment of Excess Emission Fees
The Hearing Board may adjust the excess emission fee required by subdivisions (d), (e), and (f) of this rule, at the request of the petitioner or upon motion of the Hearing Board, based on evidence regarding emissions presented at the time of the hearing.
- (h) Eligibility as a Small Business and Eligibility for Table III Schedule A Fees
- (1) Petitioners that are individuals or that meet the definition of Small Business as set forth in Rule 102- Small Business or that meet the gross annual receipts criterion for small businesses shall be assessed twenty percent (20%) of the fees required by subdivisions (d), (e), or (f), whichever is applicable.
 - (2) A request for eligibility as a small business, individual, or entity that meets the total annual gross receipts criterion for small businesses in Rule 102 shall be made by the petitioner under penalty of perjury on a declaration form provided by the Executive Officer, which shall be submitted to the Clerk of the Board at the time of filing of a petition for a variance.
- (i) Group Variance Fees
- (1) Petitioners filing as a group for a variance shall jointly pay the total filing fee specified in Table III. Each petitioner shall individually pay excess emission fees for their facility or product(s), as specified in subdivisions (d), and (e), or (f) whichever is applicable.
 - (2) The Publication Fee required by subdivision (c) shall be totaled and divided equally among the petitioners.
- (j) Adjustment of Fees
If, after the term of a variance for which emission fees have been paid, petitioner can establish, to the satisfaction of the Executive Officer, that (1) emissions were less than those upon which the fee was based, or (2) excess emission fee calculations are otherwise incorrect, a pro rata refund shall be made. If the amount of the excess emissions fee is less than that specified in subdivision (f), the applicant or petitioner shall pay the higher amount, unless otherwise ordered by the Hearing Board.

(k) Fee Payment/Variance Revocation

- (1) Excess emission fees required by subdivisions (d), (e), and (f) shall be due and payable to the Clerk of the Board within fifteen (15) days of notification in writing that the fees are due, unless otherwise ordered by the Hearing Board.
- (2) Failure to pay any assessed fees within fifteen (15) days of written notification that fees are due may be cause for the Hearing Board to issue further orders as may be appropriate, including but not limited to revocation of a variance. Such notification may be given by personal service or by deposit, postpaid, in the United States mail, and shall be due fifteen (15) days from the date of personal service or mailing. For the purpose of this rule, the fee payment shall be considered to be received by the District if it is postmarked by the United States Postal Service on or before the expiration date stated on the fee billing notice. If the expiration date falls on a Saturday, Sunday, or a state holiday, the fee payment may be postmarked on the next business day with the same effect as if it had been postmarked on the expiration date.

(l) Request for Time Extension of Payment Due

Whenever this rule requires fees to be paid by a certain date, the petitioner may, for good cause, request the Executive Officer to grant an extension of time, not to exceed ninety (90) days, within which the fees shall be paid. Any request for extension of time shall be presented in writing, and accompanied by a statement of reasons demonstrating good cause as to why the extension should be granted.

(m) Discretionary Powers

Any person may allege that payment of any of the fees within this rule, excluding publication fees, will cause an unreasonable hardship or is otherwise inequitable. Such petitioner may be excused from payment of such fees or a portion thereof by order of the Hearing Board if the Board, in its discretion, determines after hearing evidence thereon that payment of such fees would cause financial or other unreasonable hardship to the petitioner or is otherwise inequitable. The Hearing Board, on its own motion, may also waive all or any portion of any fee(s) except the Publication Fee.

(n) Transcript Fees

Any person requesting a transcript of the hearing shall pay the cost of such transcript. The parties to hearings and pre-hearing proceedings may be directed by the Hearing Board to pay the cost of transcripts necessary for the Hearing Board's determination of the matter, in such proportion as the Hearing Board may order.

(o) Government Agencies

- (1) This rule shall not apply to petitions filed by the Executive Officer.
- (2) Federal, state or local government agencies or public districts shall pay all fees.

(p) Waiver of Fees

All fees associated with this rule shall be waived for any petition for a variance filed as the direct and proximate result of any event declared to be a "state of emergency" by local, state, or federal authorities.

(q) Service Charge for Returned Check

Any person who submits a check to the District that is returned due to insufficient funds, or for which that person issues instructions to stop payment on the check, absent an overcharge or other legal entitlement to withhold payment, shall be subject to a \$25.00 service charge.

(r) Effective Date of Fee Schedules

Appearance and excess emission fees shall be those in effect at the time of the hearing dates.

TABLE I
SCHEDULE OF EXCESS EMISSIONS FEES

| <u>Air Contaminants</u> | <u>Dollars Per Ton</u> |
|---|---------------------------------------|
| Organic gases, except methane and those containing sulfur | \$5,730.46 <u>5873.72</u> |
| Carbon Monoxide | \$56.10 <u>57.50</u> |
| Oxides of nitrogen (expressed as nitrogen dioxide) | \$3,437.82 <u>3,523.77</u> |
| Gaseous sulfur compounds (expressed as sulfur dioxide) | \$4,009.02 <u>4,109.25</u> |
| Particulate matter | \$4,009.02 <u>4,109.25</u> |
| Ammonia | \$0.11 |
| Asbestos | \$25.29 <u>25.92</u> |
| Benzene | \$8.44 <u>8.65</u> |
| Cadmium | \$25.29 <u>25.92</u> |
| Carbon tetrachloride | \$8.44 <u>8.65</u> |
| Chlorinated dioxins and dibenzofurans (26 species) | \$42.10 <u>43.15</u> |
| Ethylene dibromide | \$8.44 <u>8.65</u> |
| Ethylene dichloride | \$8.44 <u>8.65</u> |
| Ethylene oxide | \$8.44 <u>8.65</u> |
| Formaldehyde | \$1.77 <u>1.81</u> |
| Hexavalent chromium | \$33.66 <u>34.50</u> |
| Methylene chloride | \$0.40 <u>0.41</u> |
| Nickel | \$16.73 <u>17.15</u> |
| Perchloroethylene | \$1.77 <u>1.81</u> |
| 1,3-Butadiene | \$25.29 <u>25.92</u> |
| Inorganic arsenic | \$25.29 <u>25.92</u> |
| Beryllium | \$25.29 <u>25.92</u> |
| Polynuclear aromatic hydrocarbons (PAHs) | \$25.29 <u>25.92</u> |
| Vinyl chloride | \$8.44 <u>8.65</u> |
| Lead | \$8.44 <u>8.65</u> |
| 1,4-Dioxane | \$1.77 <u>1.81</u> |
| Trichloroethylene | \$0.72 <u>0.74</u> |

TABLE II
SCHEDULE OF EXCESS VISIBLE EMISSION FEE

For each source with opacity emissions in excess of twenty percent (20%), the fee is calculated as follows:

$$\text{Fee} = (\text{Opacity* equivalent} - 20) \times \text{number of days on which the violation is expected to occur} \times \$9.489.72$$

For each source with opacity emissions in excess of forty percent (40%) (where the source is exempt from Rule 401 and in violation of California Health and Safety Code Section 41701), the fee is calculated as follows:

$$\text{Fee} = (\text{Opacity* equivalent} - 40) \times \text{number of days on which the violation is expected to occur} \times \$9.489.72$$

* Where "Opacity" equals maximum opacity of emissions in percent (not decimal equivalent) allowed by the variance. Where the emissions are darker than the degree of darkness equivalent to the allowed Ringelmann number, the percentage equivalent of the excess degree of darkness shall be used as "opacity."

TABLE III - FILING FEE SCHEDULE

Filing and supplemental fees shall be paid by the petitioner as follows:

Schedule A shall apply to -

- (1) small businesses as defined by Rule 102,
- (2) individual persons, and
- (3) entities that meet the total annual gross receipts criterion for small businesses in Rule 102.

Schedule B - shall apply to - all others.

| | Schedule B | Schedule A |
|--|---------------------------------------|-----------------------------------|
| VARIANCE (Interim, Short, Regular, Emergency) and Alternate Operating Condition(s) | | |
| <input type="checkbox"/> Interim and Short or Interim and Regular | \$1,485.42 <u>1,522.56</u> | \$266.40 <u>273.06</u> |
| <input type="checkbox"/> Short (without interim) | \$1,188.35 <u>1,218.06</u> | \$266.40 <u>273.06</u> |
| <input type="checkbox"/> Regular (without interim) | \$1,188.35 <u>1,218.06</u> | \$266.40 <u>273.06</u> |
| <input type="checkbox"/> Emergency or Ex Parte Emergency | \$1,188.35 <u>1,218.06</u> | \$266.40 <u>273.06</u> |
| <input type="checkbox"/> Variance plus Alternate Operating Condition(s) | \$1,782.51 <u>1,827.07</u> | \$266.40 <u>273.06</u> |
| <input type="checkbox"/> Plus, for each hearing day in addition to the first hearing day necessary to dispose of the petition, the additional sum of | \$665.38 <u>682.00</u> | \$132.96 <u>136.28</u> |

| | | |
|---|---------------------------------------|-----------------------------------|
| PRODUCT VARIANCE | | |
| Filing Fee | \$1,782.51 <u>1,827.07</u> | \$266.40 <u>273.06</u> |
| Plus, for each hearing day in addition to the first hearing day necessary to dispose of the petition, the additional sum of | \$665.37 <u>682.00</u> | \$132.96 <u>136.28</u> |

| | | |
|---|---------------------------------------|--|
| GROUP VARIANCE | | |
| Two | \$1,336.90 <u>1,370.32</u> | |
| Three | \$2,079.60 <u>2,131.59</u> | |
| Four or More | \$2,970.88 <u>3,045.15</u> | |
| Plus, for each hearing day in addition to the first hearing day necessary to dispose of the petition, the additional sum of | \$998.11 <u>1,023.06</u> | |

Proposed Amended Rule 303 (Cont.) (~~Updated~~ Amended July 1, 2016 June 2, 2017)

| | Schedule B | Schedule A |
|---|---------------------------------------|-----------------------------------|
| MODIFICATION OF EXISTING ORDERS INCLUDING FINAL COMPLIANCE DATE | | |
| <input type="checkbox"/> Modification of a Final Compliance Date and Extension of a Variance | \$1,188.35 <u>1,218.06</u> | \$266.40 <u>273.06</u> |
| <input type="checkbox"/> Modification of Order for Abatement (requested by respondent) | \$1,188.35 <u>1,218.06</u> | \$266.40 <u>273.06</u> |
| Plus, for each hearing day in addition to the first hearing day necessary to dispose of the petition, the additional of | \$665.37 <u>682.00</u> | \$132.96 <u>136.28</u> |

| | | |
|---|-----------------------------------|-----------------------------------|
| MODIFICATION OF EXISTING ORDERS EXCLUDING FINAL COMPLIANCE DATE | | |
| <input type="checkbox"/> Modification of Variance (Increments of Progress and Conditions) | \$887.55 <u>909.74</u> | \$266.40 <u>273.06</u> |
| <input type="checkbox"/> Interim Authorization (Increments of Progress) | \$887.55 <u>909.74</u> | \$266.40 <u>273.06</u> |
| Plus, for each hearing day in addition to the first hearing day necessary to dispose of the petition, the additional sum of | \$286.64 <u>293.81</u> | |

| | | |
|--|-----------------------------------|-----------------------------------|
| ADMINISTRATIVE TYPE OF HEARINGS | | |
| <input type="checkbox"/> Administrative Hearings (issuance of subpoenas, waiver of fees, etc.) | \$887.55 <u>909.74</u> | \$266.40 <u>273.06</u> |
| Plus, for each hearing day in in addition to the first hearing day necessary to dispose of the petition, the additional sum of | \$297.10 <u>304.53</u> | \$132.96 <u>136.28</u> |

| | | |
|---|---------------------------------------|-----------------------------------|
| APPEAL | | |
| Filing fee | \$1,782.51 <u>1,827.07</u> | \$266.40 <u>273.06</u> |
| Plus, for each hearing day in addition to the first hearing day necessary to dispose of the petition, the additional sum of | \$998.11 <u>1,023.06</u> | \$195.31 <u>200.19</u> |

| | | |
|---|-----------------------------------|-----------------------------------|
| CONSENT CALENDAR | | |
| Filing Fee | \$410.69 <u>420.96</u> | \$132.96 <u>136.28</u> |
| Plus, for each hearing day in addition to the first hearing day necessary to dispose of the petition, the additional sum of | \$259.96 <u>266.46</u> | \$132.96 <u>136.28</u> |
| <input type="checkbox"/> In the event that the Board determines that there was insufficient documentation to consider the matter on the Consent Calendar, and the matter is scheduled for a hearing before the Board, petitioner shall pay an additional sum of | \$742.72 <u>761.29</u> | \$266.40 <u>273.06</u> |
| Plus, for each hearing day in addition to the first hearing day necessary to dispose of the petition, the additional sum of | \$665.37 <u>682.00</u> | \$132.96 <u>136.28</u> |

(Adopted October 7, 1977)(Amended March 5, 1982)(Amended January 14, 1983)
(Amended September 16, 1983)(Amended April 5, 1985)(Amended May 1, 1987)
(Amended June 5, 1987)(Amended June 3, 1988)(Amended December 2, 1988)
(Amended January 6, 1989)(Amended July 6, 1990)(Amended December 6, 1991)
(Amended June 6, 1992)(Amended October 2, 1992)(Amended June 11, 1993)
(Amended June 10, 1994)(Amended May 10, 1996)(Amended May 9, 1997)
(Amended May 8, 1998)(Amended May 14, 1999)(Amended May 19, 2000)
(Amended May 11, 2001)(Amended May 3, 2002)(Amended June 6, 2003)
(Amended July 9, 2004)(Amended June 3, 2005)(Amended June 9, 2006)
(Amended May 4, 2007)(Amended May 2, 2008)(Amended June 5, 2009)
(Amended May 7, 2010)(Amended May 6, 2011)(Updated July 1, 2012)
(Updated July 1, 2013)(Amended June 6, 2014)(Amended May 1, 2015)
(Updated July 1, 2016)([Amended June 2, 2017](#))

~~Changes to the fees are effective July 1, 2016~~[Effective July 1, 2017](#)

**PROPOSED AMENDED RULE 304. EQUIPMENT, MATERIALS, AND
AMBIENT AIR ANALYSES**

- (a) Whenever the Executive Officer finds that an analysis of the materials used by, or the emissions from, any source is necessary to determine the extent and amount of pollutants being discharged to the atmosphere, he may order the testing of such sources.
- (b) Whenever the Executive Officer has reasonable cause to believe that air pollutants being discharged into the atmosphere from any source may be contrary to any permit condition or any state or local law, order, rule, or regulation relating to air pollution, or may be endangering the comfort, repose, health, or safety of a considerable number of persons, or the public, he may order the testing of the ambient air which may be affected.
- (c) After the Executive Officer determines that ambient air testing should be conducted and that the source should be assessed fees to pay for such testing, and that the test has begun, he shall within two working days advise the source of the basis upon which the finding of reasonable cause was made, the pollutants being tested for, the duration of testing, and the estimated fees.
- (d) Testing will be accomplished by the collection of samples and the analyses of such samples by qualified personnel of the South Coast Air Quality Management District, continuous automatic recording ambient monitoring by a District van,

device, facility or an independent testing laboratory under contract to the District. Alternatively, the Executive Officer may require (or the owner/operator of the source may, with the approval of the Executive Officer, elect) that testing be performed by an approved independent testing laboratory, that meets the criteria in subdivision (k). Such testing shall be done using procedures and methods and under conditions prescribed by the Executive Officer. Where tests are performed by an approved independent testing laboratory, the Executive Officer may require that sampling and/or testing be witnessed by qualified District personnel at the fee rate of \$~~128.11~~131.31 per person per hour or prorated portion thereof. The owner/operator of the source shall provide to the Executive Officer a copy of all test reports, including all test data, description of test methods, analyses, and results.

- (e) The owner/operator of a source tested by District personnel or an independent testing laboratory under contract to the District shall not pay a fee for the initial test/analysis which is conducted to determine compliance with a permit condition, or any state or local law, order, rule, or regulation relating to air pollution, unless the result of such testing indicates a violation of any state or local law, order, rule, permit condition or regulation relating to air pollution in which case the fee shall be charged to the owner/operator in accordance with the fee specified in Rule 304.1. If the initial test/analysis indicates that the source is or may be in violation of a permit condition, or any state or local law, order, rule, or regulation relating to air pollution, any subsequent test/analysis conducted in order to verify the compliance status shall also result in a fee charged to the owner/operator in accordance with the fee specified in Rule 304.1. Tests scheduled of one or more permit units to be operated under prearranged conditions, which are canceled due to a change in the permit units' prearranged operating conditions, shall result in a fee charged to the owner/operator in accordance with the fee specified in Rule 304.1. Such a fee shall not be charged if the owner/operator notifies the District of the cancellation at least 24 hours prior to the scheduled test date and time.
- (f) Fees for any test not listed in Rule 304.1 shall be determined by the Executive Officer.
- (g) Federal, state, or local government agencies or public districts shall pay all fees.
- (h) Should the estimated fees for conducting any ambient air monitoring program as described in subdivision (b) of this Rule exceed \$~~16,302.91~~16,710.48, the affected

owner/operator may, within 30 days of notification, request that the program be approved by the District Board at a public hearing.

- (i) After completion of testing, the owner/operator of the source shall be notified by the District accounting office of the fees to be paid. Such fees shall be assessed for all non-compliant samples, as described in subdivision (e), which indicates that if, a source is or may be in violation of a permit condition or of any state or local law, order, rule, or regulation relating to air pollution, or when there may be any endangerment of the comfort, repose, health, or safety of a considerable number of persons or the public then, ~~and~~ a subsequent verification is required. Failure to pay any such fees within sixty (60) days after the date shown on the notice of fees due shall constitute grounds for the denial, revocation or suspension of the permits to operate at sources subject to permit requirements and shall constitute a violation of this Rule for any source, whether or not subject to permit requirements.
- (j) A small business shall pay twenty percent (20%) of the fees listed in Rule 304.1. Small business is defined in Rule 102 as "Small Business."
- (k) For the purposes of this Rule, when an independent testing laboratory is used for the purposes of establishing compliance with District rules or to obtain a District permit to operate, it must meet all of the following criteria:
 - (1) The testing laboratory shall have no financial interest in the company or facility being tested, or in the parent company or any subsidiary thereof;
 - (2) The company or facility being tested, or parent company or any subsidiary thereof, shall have no financial interest in the testing laboratory;
 - (3) Any company or facility responsible for the emission of significant quantities of pollutants to the atmosphere, or parent company or any subsidiary thereof, shall have no financial interest in the testing laboratory; and
 - (4) The testing laboratory shall not be in partnership with, own or be owned by, in part or in full, the contractor who has provided or installed equipment (basic or control), or monitoring systems, or is providing maintenance for installed equipment or monitoring systems, for the company being tested.The testing laboratory shall submit a statement certifying that it meets the above criteria with respect to the company or facility being tested.

- (l) Notwithstanding the provisions of subdivision (k), the Executive Officer, by written approval, may allow the operator of a publicly owned treatment works to conduct testing in connection with wastewater treatment or reclamation operation pursuant to this rule, if the Executive Officer determines the following:
 - (1) the operator complies with all requirements of this rule, other than subdivision (k);
 - (2) the operator submits a written self-testing plan request to the Executive Officer for certification on a method-by-method basis, in accordance with the requirements of guidelines established by the Executive Officer; and
 - (3) the operator pays a fee for the processing of the self-testing plan request at a rate of ~~\$128.11~~ 131.31 per person per hour, pursuant to Rule 306(d), so as not to exceed the amount necessary to recover the District costs.

- (m) The District may approve independent testing firms to perform specified analyses and tests required for compliance with District rules, regulations and permit conditions.
 - (1) Approval fees (for each method required for approval) will be assessed to cover the costs of processing the laboratory approval application and subsequent District validation of the independent firm's expertise and reliability.
 - (2) For firms located outside District boundaries, reasonable travel charges will be assessed for site visits as required as part of the approval process.
 - (3) An approved facility may renew its status by paying an annual fee per method and by complying with the original approval requirements as well as any additional approval requirements or any additional conditions.
Fees are based on actual costs at the staff hour rate specified in paragraph (d) above and as shown in Table I.

**TABLE I
LABORATORY APPROVAL PROGRAM
FEE STRUCTURE
(per method)**

| | |
|--------------------------------------|--|
| Application Review | \$170.77 <u>175.04</u> |
| Facility Inspection (if required) | \$128.11 <u>131.31</u> / hour up to \$375.48 <u>384.87</u> additional |
| Audit Sample (if required) | \$170.77 <u>175.04</u> / hour up to \$500.60 <u>513.12</u> additional |
| Annual Renewal | \$170.77 <u>175.04</u> |
| Method Equivalence | \$170.77 <u>175.04</u> / hour up to \$815.07 <u>835.45</u> additional |

(Adopted May 1, 1987)(Amended June 7, 1991)(Amended June 6, 1992)
 (Amended June 10, 1994)(Amended May 10, 1996)(Amended May 9, 1997)
 (Amended May 8, 1998)(Amended May 14, 1999)(Amended May 19, 2000)
 (Amended May 11, 2001)(Amended May 3, 2002)(Amended June 6, 2003)
 (Amended July 9, 2004)(Amended June 3, 2005)(Amended June 9, 2006)
 (Amended May 4, 2007)(Amended May 2, 2008)(Amended May 7, 2010)
 (Amended May 6, 2011)(Updated July 1, 2012)(Updated July 1, 2013)
 (Amended June 6, 2014)(Amended May 1, 2015)(Updated July 1, 2016)
[\(Amended June 2, 2017\)](#)

~~Changes to the fees are effective July 1, 2016~~[Effective July 1, 2017](#)

PROPOSED AMENDED RULE 304.1 ANALYSES FEES

Analyses fees for testing pursuant to Rule 304.

(a) Laboratory Analyses Fees

| | <u>Type of Test</u> | <u>Fee</u> |
|------|---|--|
| (1) | Particle Analysis | |
| (A) | Microscopic Identification | \$128.11 131.31 / hour of analysis |
| (B) | Micro-Fourier Transform Infrared Spectroscopy | \$189.89 194.64 / particle |
| (C) | X-Ray Diffraction | \$189.89 194.64 / sample |
| (D) | Particle Size Determination | |
| (i) | by microscopy | \$128.11 131.31 / hour of analysis |
| (ii) | by sieve | \$128.11 131.31 / sample |
| (E) | Energy Dispersive X-Ray - microprobe | As charged by outside laboratory (charge pass through) |
| (2) | Asbestos (Bulk Samples) | |
| (A) | PLM | \$128.11 131.31 / sub-sample |
| (B) | Point Counting | \$128.11 131.31 / sub-sample |
| (C) | TEM, Quantitative | As charged by outside laboratory (charge pass through) |
| (D) | TEM, Qualitative | As charged by outside laboratory (charge pass through) |
| (E) | X-Ray Diffraction | \$283.05 290.13 / sub-sample and/or layer |

Proposed Amended Rule 304.1 (Cont.) (~~Updated July 1, 2016~~ Amended June 2, 2017)

| | Type of Test | Fee |
|-----|---|---|
| (3) | Asbestos (Bulk Samples) | |
| | (A) TEM - 12-hour turnaround | As charged by outside laboratory (charge pass through) |
| | (B) TEM - 1-day turnaround | As charged by outside laboratory (charge pass through) |
| | (C) TEM - 2-day turnaround | As charged by outside laboratory (charge pass through) |
| (4) | Vapor Pressure Tests | |
| | (A) Reid Vapor Pressure | \$85.22 <u>87.35</u> / sample |
| | (B) Isoteniscope | As charged by outside laboratory (charge pass through) |
| | (C) Speciation of Components in each sample | \$358.62 <u>367.59</u> for five or fewer compounds \$42.55 <u>43.61</u> for each additional compound |
| | (D) Calculation | \$250.23 <u>256.49</u> / sample |
| (5) | Fuel Analysis | |
| | (A) Metals (Pb in gasoline) | \$256.17 <u>262.57</u> / sample \$33.82 <u>34.67</u> for each additional sample |
| | (B) Ash | As charged by outside laboratory (charge pass through) |
| | (C) Water and Sediment | As charged by outside laboratory (charge pass through) |
| | (D) Density | \$128.11 <u>131.31</u> / sample |
| | (E) Heat Content | As charged by outside laboratory (charge pass through) |
| | (F) Water | As charged by outside laboratory (charge pass through) |
| | (G) Bromine Number | As charged by outside laboratory (charge pass through) |
| | (H) Sulfur | |
| | (i) In Fuel Gas | \$298.99 <u>306.46</u> / sample |
| | (ii) In Fuel Oil (by XRF) | \$102.12 <u>104.67</u> / sample |

Proposed Amended Rule 304.1 (Cont.) (~~Updated July 1, 2016~~ Amended June 2, 2017)

| | Type of Test | Fee |
|------|---|---|
| (I) | Engler Distillation | As charged by outside laboratory (charge pass through) |
| (J) | Initial Boiling Point | As charged by outside laboratory (charge pass through) |
| (6) | VOC (Regulation XI) | |
| (A) | Gravimetric Test | \$128.11 <u>131.31</u> / sample |
| (B) | Density of Coating or Distillate | \$128.11 <u>131.31</u> / sample |
| (C) | Gloss Testing | \$128.11 <u>131.31</u> / sample |
| (D) | Gas Chromatograph Analysis | \$358.62 <u>367.59</u> for five or fewer com- pounds \$42.55 <u>43.61</u> for each additional com- pound |
| (E) | Photochemical Reactivity - | |
| (i) | Unknown | \$512.67 <u>525.49</u> / sample |
| (ii) | Known | \$358.62 <u>367.59</u> / sample |
| (F) | Distillation - | |
| (i) | Normal | \$102.13 <u>104.68</u> / sample |
| (ii) | Heavy Ink | \$144.98 <u>148.60</u> / sample |
| (G) | Water by Karl Fischer Titration | \$170.77 <u>175.04</u> / sample |
| (H) | Emission Spectrograph Analysis | \$128.11 <u>131.31</u> / sample |
| (I) | Gas Chromatograph/Mass Spectrometry | \$341.71 <u>350.25</u> for five or fewer com- pounds \$33.79 <u>34.63</u> for each additional com- pound |
| (J) | VOC in pipe cements | \$876.26 <u>898.17</u> / sample |
| (K) | VOC in adhesives contain- ing cyanoacrylates | \$250.23 <u>256.49</u> / sample |

Proposed Amended Rule 304.1 (Cont.) (~~Updated July 1, 2016~~ Amended June 2, 2017)

- (7) For Certification Tests and Analyses not listed above, the fee shall be assessed at a rate of ~~\$128.11~~ \$131.31 per person per hour or a prorated portion thereof.
- (8) In addition to the regular analysis fee, all expedite samples which require overtime work by staff shall be charged an additional time and a half fee based on the normal hourly rate of staff performing such work beyond the normal work schedule.
- (9) Time and material fees shall be charged for all samples sent to outside laboratories.

(b) Emissions Testing and Analyses Fees

| | <u>Type of Test</u> | <u>Fee</u> |
|-----|--|---|
| (1) | Accuracy Confirmation Test of Continuous Emission Monitor | \$1,298.97 <u>1,331.44</u> |
| (2) | Continuous Gaseous Emission Testing with Mobile Source Testing Vehicle | \$1,692.47 <u>1,734.78</u> plus \$145.26 <u>148.89</u> / hour |
| (3) | Non-Continuous Emission Testing | \$1,589.71 <u>1,629.45</u> plus fee listed below: |
| | | <u>Cost Per Sample</u> |
| | | Specific* Surcharge** |
| (A) | Moisture | \$230.51 <u>236.27</u> \$170.77 <u>175.04</u> |
| (B) | Particulate Matter | \$888.61 <u>910.83</u> \$444.17 <u>455.27</u> |
| (C) | Sulfur Dioxide | \$789.63 <u>809.37</u> \$394.57 <u>404.43</u> |
| (D) | Oxides of Nitrogen | \$393.00 <u>402.83</u> \$119.34 <u>122.32</u> |
| (E) | Carbon Monoxide | \$328.11 <u>336.31</u> \$163.91 <u>168.01</u> |

* charge for first sample.

** charge for each additional sample, whether at the same or a different sampling location.

Proposed Amended Rule 304.1 (Cont.) (~~Updated July 1, 2016~~ Amended June 2, 2017)

| Type of Test | | Fee | |
|--------------|---|---|-----------------------------------|
| (F) | Total Hydrocarbons | \$820.29 <u>840.80</u> | \$589.46 <u>604.20</u> |
| | | <u>Cost Per Sample</u> | |
| | | Specific* | Surcharge** |
| (i) | Hydrogen Sulfide | \$789.63 <u>809.37</u> | \$394.57 <u>404.43</u> |
| (ii) | Vinyl Chloride | \$341.71 <u>350.25</u> | \$251.01 <u>257.29</u> |
| (G) | Gas Chromatograph / Mass Spectrometry for Unknown | \$341.71 <u>350.25</u> for five or fewer compounds \$33.79 <u>34.63</u> for each additional compound | |
| (H) | High Volume Sampler (Fugitive Dust) | \$697.36 <u>714.79</u> | \$348.60 <u>357.32</u> |
| (I) | Total Reduced Sulfur Compounds*** | \$548.77 <u>562.49</u> | \$84.31 <u>86.42</u> |
| (J) | Sample Preparation | \$42.55 <u>43.61</u> | \$25.34 <u>25.97</u> |

(c) Ambient Air Analyses Fees

(1) Automatic-Recording Ambient Air or Atmospheric Monitoring at a Fixed Site

| Type of Test | | Fee |
|--------------|---|-----------------------------------|
| (A) | Installation of One (1) Wind-Monitoring System at One (1) Site. | \$854.53 <u>875.89</u> |
| (B) | Installation of Each Additional Wind-Monitoring System at the Same Site as (A). | \$256.18 <u>262.58</u> |

* charge for first sample.

** charge for each additional sample, whether at the same or a different sampling location.

*** The Non-Continuous Emission Testing Fee will only be charged if SCAQMD personnel perform the sampling. In the case where the samples are taken by contractor personnel (for compliance) or facility staff (for information only), only the sample analysis fee is applicable.

Proposed Amended Rule 304.1 (Cont.) (~~Updated July 1, 2016~~ Amended June 2, 2017)

- (C) Operation of One (1) Wind-Monitoring System At One (1) Site, Including Data Reduction. ~~\$170.77~~ 175.04 / day
- (D) Operation of Each Additional Wind-Monitoring System at Same Site as (C), Including Data Reduction. ~~\$59.74~~ 61.23 / day
- (2) Continuous Automatic-Recording Ambient Monitoring In Mobile Mode
 - (A) Installation of One (1) Instrument and Wind Monitoring System in Mobile Van. ~~\$1,196.71~~ 1,226.63
 - (B) Installation of Additional Instrument in Mobile Van. ~~\$427.11~~ 437.79
 - (C) Operation of One (1) Instrument and Wind-Monitoring System in Mobile Mode, 10 Hours Per Day, Weekdays Only. ~~\$649.51~~ 665.75 / day
 - (D) Operation of One (1) Instrument and Wind-Monitoring System In Mobile Mode, 10 Hours Per Day, Weekends and Holidays. ~~\$974.34~~ 998.70 / day
 - (E) Operation of Each Additional Instrument, Other Than Those Already Installed, in Mobile Van. ~~\$59.74~~ 61.23 / day
- (3) Continuous Non-Recording Ambient Sampling With Laboratory Analysis of Sample Collected (Weekdays Only).
 - (A) Installation of One (1) 24-Hour Sampler (Bag- or Sequential-Impinger). ~~\$854.53~~ 875.89 plus lab analysis
 - (B) Installation of Each Additional 24-Hour Sampler. ~~\$683.59~~ 700.68 plus lab analysis
 - (C) Operation of One (1) 24-Hour Sampler and Analysis for One (1) Contaminant Per Sample. ~~\$299.03~~ 306.51 / day
~~\$68.02~~ 69.72 for each additional contaminant
 - (D) Operation of Each Additional 24-Hour Sampler and Analysis for Same Contaminant in (C). ~~\$110.90~~ 113.67 / day
~~\$50.98~~ 52.25 for each additional contaminant
 - (E) Operation of 24-Hour, Sequential-Impinger Sampler and Spectrophometric Analysis. ~~\$598.19~~ 613.14 / day for up to 12 samples
~~\$256.18~~ 262.58 for each additional set of 12 samples

Proposed Amended Rule 304.1 (Cont.) (~~Updated July 1, 2016~~ Amended June 2, 2017)

- | | | |
|-----|--|---|
| (F) | Installation of One (1) Non-Sequential Sampler to Collect Less-Than-24-Hour-Samples. | \$1,025.46 <u>1,051.10</u> |
| (G) | Operation of One (1) Non-Sequential Sampler to Collect Less-Than-24-Hour Samples For One Contaminant. | \$512.81 <u>525.63</u> / day |
| (H) | Sample Preparation or Extraction Prior to Analysis. | \$170.77 <u>175.04</u> / day for up to 12 samples |
| (I) | Spectrophometric Analysis of Each Sample Collected in (G) From Any Number of Samplers Operated for Same Project on Same Day. | \$85.22 <u>87.35</u> for first sample or contaminant \$33.79 <u>34.63</u> for each additional sample or contaminant |
| (K) | Analysis of Each Sample Collected in (G) For Particulates. | \$102.12 <u>104.67</u> for first sample \$59.64 <u>61.13</u> for each additional sample |
| (L) | Gas Chromatograph/Mass Spectrometry Identification For Any Sample Collected Above. | \$170.77 <u>175.04</u> for five or fewer contaminants \$16.89 <u>17.31</u> for each additional contaminant |
| (M) | Additional Fees for Sample Pick-up and Analysis After Normal Weekday Working Hours. | \$85.22 <u>87.35</u> additional / hour for each hour exceeding 8-hour normal week day for sample pick-up or collection \$1,367.49 <u>1,401.68</u> additional / day for weekends and holidays requiring sample pick-up and analysis same day \$1,709.53 <u>1,752.27</u> additional / day for weekends and holidays requiring manual sample collection and analysis same day |
| (4) | Meteorological Monitoring | |
| (A) | Conduct Upper-Air Observation via Radio or Airsonde. | \$598.21 <u>613.17</u> |

Proposed Amended Rule 304.1 (Cont.) (~~Updated July 1, 2016~~ Amended June 2, 2017)

- (B) Conduct Low-Level Air Observation via Tethersonde (8 Hour Program). \$~~3,422.35~~3,507.91
- (C) Conduct Pilot Balloon Observation (Pibal). \$~~3,422.35~~3,507.91 / release
- (5) Landfill Integrated Surface Sampling Program, per Rule 1150.1 Guidelines
 - (A) Conduct Less-Than 24-Hour, Integrated-Surface-Sampling Program Over three (3) 50,000 Square-Foot Grids. Program Includes: Installation and Operation of Wind-Monitoring System; Set-Up of Sample Grid Areas; Conduct of Sampling Sweeps; and Analysis for One (1) Contaminant Per Sample Bag. \$~~2,564.35~~2,628.46 / grid
 - (B) Conduct Less-Than-24-Hour, Integrated-Landfill-Surface-Sampling Program Over Each Additional 50,000 Square-Foot Grid At The Same Site as (A). \$~~555.34~~569.22
- (6) SF6 Gas-Tracer Study
 - (A) Conduct SF6 Gas-Tracer Study With Up to Sixty (60) Samples, Including Installation and Operation of a Wind-Monitoring System and Tethersonde Observations. \$~~18,806.44~~19,276.60
 - (B) Collection and Analysis of Each Additional Sample for (A). \$~~85.22~~87.35

(Adopted January 4, 1985)(Amended June 5, 1987)(Amended June 3, 1988)
(Amended January 6, 1989)(Amended November 3, 1989)(Amended July 6, 1990)
(Amended June 11, 1993)(Amended June 10, 1994)(Amended May 12, 1995)
(Amended May 10, 1996)(Amended May 9, 1997)(Amended May 8, 1998)
(Amended May 14, 1999)(Amended May 19, 2000)(Amended May 11, 2001)
(Amended May 3, 2002)(Amended June 6, 2003)(Amended July 9, 2004)
(Amended June 3, 2005)(Amended June 9, 2006)(Amended May 4, 2007)
(Amended May 2, 2008)(Amended June 5, 2009)(Amended May 7, 2010)
(Updated July 1, 2011)(Updated July 1, 2012)(Updated July 1, 2013)
(Amended June 6, 2014)(Amended May 1, 2015)(Amended May 6, 2016)
(Updated July 1, 2016)([Amended June 2, 2017](#))

~~Changes to the fees are effective July 1, 2016~~[Effective July 1, 2017](#)

PROPOSED AMENDED RULE 306. PLAN FEES

(a) Summary

California Health and Safety Code Section 40522 provides authority for the South Coast Air Quality Management District to adopt a fee schedule for the approval of plans to cover the costs of review, planning, inspection, and monitoring related to activities conducted pursuant to the plans. An annual fee may also be charged to cover the costs of annual review, inspection, and monitoring related thereto. This rule establishes such a fee schedule, and requires that fees be paid for:

- (1) Filing of plans;
- (2) Evaluation of the above plans;
- (3) Inspections to verify compliance with the plans;
- (4) Duplicate plans;
- (5) Change of condition; and
- (6) Annual review/renewal of plans, if applicable.

(b) Definitions

For the purpose of this rule, a plan is any data and/or test report (including equipment certification source tests) required by federal or state law, or District Rules and Regulations to be submitted to the District. A plan may be a description of a method to control or measure emissions of air contaminants required by the Rules and Regulations. Plans include, but are not limited to, the following: Demonstration Plan; Application Test Plan; Implementation Plan; Compliance Plan; Management Plan; Control Plan; CEQA Mitigation Monitoring Plan; Acid Rain Repowering Extension Plan and Compliance Plan; Acid Rain Continuous

Proposed Amended Rule 306 (Cont.) (~~Updated July 1, 2016~~Amended June 2, 2017)

Emission Monitoring System Plan; Acid Rain Protocol/Report Evaluation; VOC Excavation Mitigation Plans (Site Specific and Various Locations); Reduction of Refrigerant Emissions from Stationary Refrigeration and Air Conditioning Systems Plan; Title V Exclusion Requests; Rule 109.1; Smoke Management Plans; Burn Management Plans; Emergency Burn Plans; Post Burn Evaluation Reports; Alternative Recordkeeping System Plan and Solid Waste Air Quality Assessment Test Reports (Health and Safety Code Section 41805.5); Compliance Assurance Monitoring Plan (40CFR64); Maximum Achievable Control Technology MACT Exemption Requests; Equipment Certification Source Test Reports; and MACT Case-by-Case Analysis.

(c) Plan Filing Fee

The filing fee for a plan or change of condition shall be ~~\$135.91~~ as follows:

| <u>Facility Type</u> | <u>Non-Title V</u> | <u>Title V</u> |
|----------------------------------|--------------------|-----------------|
| <u>FY 2017 -18</u> | <u>\$144.88</u> | <u>\$161.60</u> |
| <u>FY 2018-19 and thereafter</u> | <u>\$150.68</u> | <u>\$187.46</u> |

(d) Plan Evaluation Fee

The plan evaluation fee shall be an amount equal to the total actual and reasonable time incurred by the District for evaluation of a plan, assessed at the rate ~~of \$135.91~~ per person per hour or prorated portion thereof ~~;~~ as follows:

| <u>Facility Type</u> | <u>Non-Title V</u> | <u>Title V</u> |
|----------------------------------|--------------------|-----------------|
| <u>FY 2017 -18</u> | <u>\$144.88</u> | <u>\$161.60</u> |
| <u>FY 2018-19 and thereafter</u> | <u>\$150.68</u> | <u>\$187.46</u> |

(e) Duplicate Plan Fee

A request for a duplicate plan shall be made in writing by the applicant. The applicant shall pay ~~\$22.06~~ the fee as shown in the table below in this subdivision for each plan requested.;

| <u>Facility Type</u> | <u>Non-Title V</u> | <u>Title V</u> |
|----------------------------------|--------------------|----------------|
| <u>FY 2017 -18</u> | <u>\$23.52</u> | <u>\$26.23</u> |
| <u>FY 2018-19 and thereafter</u> | <u>\$24.46</u> | <u>\$30.43</u> |

(f) Inspection Fee

The inspection fee for plan verification shall be an amount equal to the total actual and reasonable time incurred by the District for inspection and verification of the plan, assessed at the hourly rate ~~of \$108.68~~ per inspection staff or prorated portion thereof as shown in the table below in this subdivision. For inspections conducted outside of regular District working hours, the fee shall be assessed at the rate of 150% of the above hourly rate. This subdivision shall not apply to plans subject to ~~subdivision~~ Rule 306(h).

| <u>Facility Type</u> | <u>Non-Title V</u> | <u>Title V</u> |
|----------------------------------|--------------------|-----------------|
| <u>FY 2017 -18</u> | <u>\$115.85</u> | <u>\$129.22</u> |
| <u>FY 2018-19 and thereafter</u> | <u>\$120.48</u> | <u>\$149.90</u> |

(g) Change of Condition Fee

Any request for a change of condition on a VOC Excavation Mitigation Plan shall be made in writing by the applicant. A request submitted after thirty (30) days of the issuance of the plan shall be subject to additional fees assessed at the hourly rate ~~of \$135.91 per hour~~ shown in the table below in this subdivision for time spent ~~in evaluating~~ on of the plan. Such fees shall be imposed at the time the review is completed.

| <u>Facility Type</u> | <u>Non-Title V</u> | <u>Title V</u> |
|----------------------------------|--------------------|-----------------|
| <u>FY 2017 -18</u> | <u>\$144.88</u> | <u>\$161.60</u> |
| <u>FY 2018-19 and thereafter</u> | <u>\$150.68</u> | <u>\$187.46</u> |

(h) Annual Review/Renewal Fee

An annual review/renewal fee shall be charged for plans listed in the following table in this subdivision. The annual review/renewal fee shall be an amount equal to the Rule 301(d)(2) Schedule A fee. In addition, annual reviews/renewals shall meet all relevant and applicable requirements of Rule 301(d) and 301(g), and be paid on an annual renewal date set by the Executive Officer.

Annual Review/Renewal Plan Fee by Rule Number

| <u>Rule/Reference</u> | <u>Plan Type</u> |
|-----------------------|--|
| <u>410</u> | <u>Odor Monitoring</u> |
| <u>431.1</u> | <u>Sulfur Content of Gaseous Fuels</u> |

Proposed Amended Rule 306 (Cont.) (~~Updated July 1, 2016~~ Amended June 2, 2017)

| <u>Rule/Reference</u> | <u>Plan Type</u> |
|-----------------------|---|
| <u>462</u> | <u>Organic Liquid Loading Continuous Monitoring System (CMS) Plan</u> |
| <u>463(e)(1)(A)</u> | <u>Organic Liquid Storage - Self-Inspection of Floating Roof Tanks</u> |
| <u>1118</u> | <u>Control of Emissions from Refinery Flares - Flare Minimization Plan</u> |
| <u>1132</u> | <u>Further Control of VOC Emissions from High-Emitting Spray Booth Facilities</u> |
| <u>1150</u> | <u>Excavation Management</u> |
| <u>1150.1.</u> | <u>Active Landfill Control of Gaseous Emissions</u> |
| <u>1158</u> | <u>Storage, Handling, and Transport of Coke, Coal and Sulfur - Open Pile Control Plan</u> |
| <u>1166</u> | <ul style="list-style-type: none"> • <u>Volatile Organic Compound Emissions from Decontamination of Soil – Fixed Site</u> • <u>Volatile Organic Compound Emissions from Decontamination of Soil - Various locations</u> |
| <u>1173</u> | <u>Control of Volatile Organic Compound Leaks and Releases from Components at Petroleum Facilities and Chemical Plants (h)(2)</u> |
| <u>1176</u> | <u>VOC Emissions Waste Water System</u> |
| <u>1407</u> | <u>Non Ferrous Metal Melting</u> |
| <u>1420</u> | <u>Emissions of Lead</u> |
| <u>1420.1</u> | <ul style="list-style-type: none"> • <u>Rule– Compliance Plan</u> • <u>Continuous Furnace Pressure Monitoring Plan</u> • <u>Compliance Plan for Closure Activities</u> |
| <u>1469</u> | <u>Chrome Plating Operations</u> |
| <u>1469.1</u> | <u>Spray Coating Chromium</u> |
| <u>1470</u> | <u>Requirements for Stationary Diesel-Fueled Internal Combustion and Other Compression Ignition Engines</u> |
| <u>40 CFR 64.7</u> | <u>Compliance Assurance Monitoring Plan</u> |

| <u>Plan type</u> |
|---|
| Rule 1166—Volatile Organic Compound Emissions from Decontamination of Soil—Various locations |
| Rule 1166—Volatile Organic Compound Emissions from Decontamination of Soil—Fixed Site |

| |
|--|
| Rule 1407— Non Ferrous Metal Melting |
| Rule 1420— Emissions of Lead |
| Rule 1176— VOC Emissions Waste Water System |
| Rule 1469.1— Spray Coating Chromium |
| Rule 1469— Chrome Plating Operations |
| Rule 1470— Requirements for Stationary Diesel Fueled Internal Combustion and Other Compression Ignition Engines |
| Compliance Assurance Monitoring Plan |
| Rule 1150— Excavation Management Plan |
| Rule 1150.1. Active Landfill Control of Gaseous Emissions |
| Rule 431.1— Sulfur Content of Gaseous Fuels |
| Rule 463 (e)(1)(A)— Organic Liquid Storage— Self Inspection of Floating Roof Tanks |
| Rule 462— Organic Liquid Loading Continuous Monitoring System (CMS) Plan |
| Rule 1118— Control of Emissions from Refinery Flares— Flare Minimization Plan |
| Rule 1173— Control of Volatile Organic Compound Leaks and Releases from Components at Petroleum Facilities and Chemical Plants (h)(2) |
| Rule 1176— VOC Emissions from Wastewater Systems (d)(2) |
| Rule 1158— Storage, Handling, and Transport of Coke, Coal and Sulfur— Open Pile Control Plan |
| Rule 1132— Further Control of VOC Emissions from High Emitting Spray Booth Facilities |
| Rule 410— Odor Monitoring Plan |
| Rule 1420.1— Compliance Plan |
| Rule 1420.1— Continuous Furnace Pressure Monitoring Plan |
| Rule 1420.1— Compliance Plan for Closure Activities |

(i) Payment of Fees

(1) Plan Filing or Submittal Fee

In addition to payment of the filing fee, the initial payment for plan evaluation fees shall be ~~\$475.67~~ as shown in the table below in this subparagraph and paid at the time of filing. ~~This fee shall not apply to plans pursuant to Rule 403— Fugitive Dust, Rule 461(i), and Rule 1166— Various Location Plans issued pursuant to the Decontamination of VOC Soil, for which the initial payment for plan evaluation fees will be in the table below in this section~~ \$135.91. ~~This fee shall also not apply to Rule 1133 registration and annual updates, Rule 444— Open Burning, or Rule 1415— Reduction of Refrigerant Emissions from Stationary Refrigerant for which the plan submittal fee will be charged solely in accordance with subdivision (e) of this rule.~~ The adjustment to plan evaluation fees will be determined

at the time a plan is approved or rejected and notification of the amount due or refund will be ~~made~~ provided to the applicant.

| | | |
|--|-------------------------|-------------------------|
| <u>A – Rule 403, 461 and 1166 Plans</u> | <u>Non-Title V</u> | <u>Title V</u> |
| <u>FY 2017 -18</u> | <u>\$144.88</u> | <u>\$161.60</u> |
| <u>FY 2018-19 and thereafter</u> | <u>\$150.68</u> | <u>\$187.46</u> |
| <u>B – Rule 444, 1133 and 1415 Plans</u> | <u>See Rule 306 (c)</u> | <u>See Rule 306 (c)</u> |
| <u>C – All Other Plans</u> | <u>Non-Title V</u> | <u>Title V</u> |
| <u>FY 2017 -18</u> | <u>\$507.06</u> | <u>\$565.57</u> |
| <u>FY 2018-19 and thereafter</u> | <u>\$527.34</u> | <u>\$656.06</u> |

(2) Independent Consultant Fees

In the case that the Executive Officer requires a qualified independent consultant, engaged by the District under a contract, to review the plan, the fees charged by the consultant will be in addition to all other fees required.

(3) Payment Due Date

Payment of all applicable fees, including annual review/renewal fee, shall be due in sixty (60) days from the date of personal service or mailing of the notification of the amount due. Non-payment of the fee within this time period will result in expiration of the plan. For the purpose of this paragraph, the fee payment will be considered to be received by the District if it is postmarked by the United States Postal Service on or before the expiration date stated on the billing notice. If the expiration date falls on a Saturday, Sunday, or a state holiday, the fee payment may be postmarked on the business day following the Saturday, Sunday, or the state holiday with the same effect as if it had been postmarked on the expiration date. No further plan applications will be accepted until such time as all overdue fees have been fully paid.

(4) Fee Due Date Exception

Whenever the Executive Officer has reasonable cause to believe that the plan evaluation fee will be less than the fee for one hour's work, the fee need not be paid at the time of filing and notification of amount due, if any, shall be sent at the time the plan is approved or rejected.

(5) Expedited Processing

Fees for expedited processing of plan evaluation will be an additional fifty percent (50%) of the applicable plan evaluation fee, and shall be submitted at the time that the expedited processing is requested.

(j) Small Business Discount

For small businesses filing plans, the fees assessed shall be fifty percent (50%) of the amounts specified in subdivisions (c), (d), (f), and (g).

(k) Alternative Recordkeeping System Plan Discount

For alternative recordkeeping system plan filed pursuant to Rule 109.1, the fee assessed shall be fifty percent (50%) of the amount specified in subdivisions (d), (f), and (g).

(l) Plan Application Cancellation Fee

The plan application cancellation fee shall be ~~\$181.16~~ as shown in the table below in this subdivision. The cancellation fee shall not apply when the application was filed based on an erroneous District request.

| <u>Facility Type</u> | <u>Non-Title V</u> | <u>Title V</u> |
|----------------------------------|--------------------|-----------------|
| <u>FY 2017 -18</u> | <u>\$193.12</u> | <u>\$215.40</u> |
| <u>FY 2018-19 and thereafter</u> | <u>\$200.854</u> | <u>\$249.86</u> |

(m) Protocol/Report Evaluation Fees

Fees for the evaluation of source test protocols and reports consist of a ~~A~~ minimum fee, plus an additional fee for time spent on the evaluation in excess of 5 hours of ~~\$357.19 will be charged for the evaluation of source test protocols and reports. Additional fees for time spent in the evaluation in excess of 5 hours will be~~ assessed at ~~the an~~ hourly rate of \$135.91 per hour ~~as follows:~~ as follows:

| <u>A – Minimum Fee</u> | <u>Non-Title V</u> | <u>Title V</u> |
|---|--------------------|--------------------|
| <u>FY 2017 -18</u> | <u>\$380.76</u> | <u>\$424.70</u> |
| <u>FY 2018-19 and thereafter</u> | <u>\$395.99</u> | <u>\$492.65</u> |
| <u>B – Hourly Rate for Additional Fee</u> | <u>Non-Title V</u> | <u>Non-Title V</u> |
| <u>FY 2017 -18</u> | <u>\$144.88</u> | <u>\$161.60</u> |
| <u>FY 2018-19 and thereafter</u> | <u>\$150.68</u> | <u>\$187.46</u> |

- (n) Exemptions
Mobile Source Emission Reduction Credit (MSERC) Applications, Compliance Plans required under Regulation XVI and Rule 2449 – Control of Oxides of Nitrogen from Off-Road Diesel Vehicles and Technical Infeasibility Certification Requests as cited in District Fleet Rules under Regulation XI shall be exempt from the provisions of this rule. Fees for Regulation XVI MSERC Applications and Compliance Plans shall be assessed in accordance with District Rule 309.
- (o) Government Agencies
Federal, state, or local government agencies or public districts shall pay all fees.
- (p) Air Quality Investment Program (AQIP)
Effective July 1, 1996, all Air Quality Investment Program (AQIP) fees shall be subject to Rule 311 and all other Rule 2202 registration fees shall be subject to Rule 308.
- (q) Optional Expedited Protocol/Report Evaluation Processing Fee
Fees for requested expedited processing of Protocol/Report Evaluations, will be an additional fee based upon actual review and work time billed at a rate for staff overtime which is equal to one half of staff’s hourly rate plus mileage~~the staff’s hourly rate of \$135.91 plus \$70.50 per hour (one half of hourly rate plus mileage)~~. The established “minimum fee” found in Rule 306(m) shall be paid at the time of filing with the additional overtime fee billed following project completion (adjustments to the final bill will be made accordingly for the processing time which is included in the minimum fee). Fees are due at the time specified in the bill which will allow a reasonable time for payment. Request for expedited Protocol/Report Evaluation work can only be made upon initial work submittal, and approval of such a request is contingent upon the ability of the District to implement the necessary policies and procedures and the availability of qualified staff for overtime work.

| <u>Hourly Rate in Addition to Rule 301 (m) Fee</u> | <u>Non-Title V</u> | <u>Title V</u> |
|--|--------------------|-----------------|
| <u>FY 2017 -18</u> | <u>\$220.03</u> | <u>\$228.83</u> |
| <u>FY 2018-19 and thereafter</u> | <u>\$245.42</u> | <u>\$284.69</u> |

- (r) Regulation XXVII Fees
 - (1) Fees for Rule 2701 – SoCal Climate Solutions Exchange

- (A) Entities submitting a plan will be assessed a filing fee of ~~\$128.11~~ 131.31.
 - (B) The fee for review and verification of Certified Greenhouse Gas Emission Reductions by SCAQMD staff shall be assessed at ~~\$132.59~~ 135.90 per hour or a prorated portion thereof.
- (2) Fees for Rule 2702 – Greenhouse Gas Reduction Program
- (A) Upon submitting a completed Greenhouse Gas Reduction Program Request to the Executive Officer for certified emission reductions an entity shall pay a fee of ~~\$128.11~~ 131.31.
 - (B) Individuals or households wishing to participate are exempt from the plan fees for reductions used to offset personal, household or event GHG emissions.

(Adopted May 10, 1996)(Amended May 14, 1999)(Amended May 19, 2000)
(Amended May 11, 2001)(Amended May 3, 2002) (Amended June 6, 2003)
(Amended July 9, 2004)(Amended June 3, 2005)(Amended June 9, 2006)
(Amended May 4, 2007)(Amended May 2, 2008)(Amended June 5, 2009)
(Amended May 7, 2010)(Updated July 1, 2011)(Updated July 1, 2012)
(Updated July 1, 2013)(Amended June 6, 2014)(Amended May 1, 2015)
(Updated July 1, 2016)(Amended October 7, 2016)([Amended June 2, 2017](#))

[Effective July 1, 2017](#)

**PROPOSED AMENDED RULE 307.1 ALTERNATIVE FEES FOR AIR
TOXICS EMISSIONS INVENTORY**

(a) Purpose

California Health and Safety Code Section 44300 et seq. provides authority for the District to adopt a fee schedule to recover the cost of implementing and administering the Air Toxics “Hot Spots” Information and Assessment Act of 1987. The District will annually collect from the owner/operator of each facility meeting the criteria set forth in paragraph (b)(1), (b)(2), and (b)(3), and each owner/operator shall pay, fees which shall provide for the following:

- (1) Recovery of anticipated costs to be incurred by the California Air Resources Board (CARB) and Office of Environmental Health Hazard Assessment (OEHHA) to implement and administer the Act, and any costs incurred by OEHHA or its independent contractor for review of facility risk assessments submitted to the State after March 31, 1995 under Health and Safety Code Section 44361(c).
- (2) Recovery of anticipated costs to be incurred by the District to implement and administer the Act, including but not limited to the cost incurred to review emission inventory plans, emission inventory data, air toxics inventory reports, risk assessments, to verify plans and data, and to administer this rule, Rule 1402 – Control of Toxic Air Contaminants from Existing Sources, and the Air Toxics “Hot Spots” program.

(b) Applicability

Except for facilities exempted by Health and Safety Code Sections 44324, 44344.4(a), or 44380.1, this rule applies to any facility that operates in any portion of the fiscal year for which the fee is assessed and which:

- (1) Manufactures, formulates, uses, or releases any of the substances listed by the State Board pursuant to Health and Safety Code Section 44321 and contained in Appendix A of the Guidelines Report, or any other substance which reacts to form a substance so listed, and releases ten (10) tons per year or greater of any criteria pollutant;
- (2) Manufactures, formulates, uses or releases any listed substance or any other substance which reacts to form any listed substance, and which releases less than ten (10) tons per year of any criteria pollutant and falls in any class listed in Appendix E of the Guidelines Report;
- (3) Is reinstated under Health and Safety Code Section 44344.7; or
- (4) Is subject to Rule 1402.

(c) Definitions

For the purpose of this rule, the following definitions shall apply:

- (1) COMPLEX FACILITY means a facility that has more than five (5) processes as determined by six-digit Source Classification Codes (SCC).
- (2) CRITERIA POLLUTANT means total organic gases, particulate matter, nitrogen oxides, or sulfur oxides.
- (3) DIESEL ENGINE means an internal combustion engine with operating characteristics similar to the theoretical diesel combustion cycle. The regulation of power by controlling fuel supply in lieu of a throttle is indicative of a diesel (or compression ignition) engine.
- (4) DIESEL ENGINE FACILITY means any facility which has a diesel engine and is not subject to any other Rule 307.1 fees.
- (5) DIESEL-FUELED as defined in Rule 1470 – Requirements for Stationary Diesel-Fueled Internal Combustion and Other Compression Ignition Engines (Rule 1470).
- (6) Diesel Particulate Matter (PM) as Defined In Rule 1470.
- (7) DISTRICT means South Coast Air Quality Management District.
- (8) DISTRICT TRACKING FACILITY means a facility:
 - (A) That has been prioritized by the District in accordance with Health and Safety Code Section 44360(a) using procedures that have undergone public review and that are consistent with the procedures presented in the most current version of the SCAQMD “Facility Prioritization Procedures For AB 2588 Program”, which is incorporated by reference herein;

- (B) That is required by the District to submit a quadrennial emissions inventory update pursuant to Health and Safety Code Section 44344 during the applicable fiscal year; and
 - (C) Whose prioritization scores for cancer and non-cancer health effects are both greater than 1.0 and equal to or less than 10.0.
- (9) FACILITY has the same meaning as defined in Section 44304 of the Health and Safety Code.
 - (10) FACILITY PROGRAM CATEGORY means a grouping of facilities, meeting the definitions in ~~sub~~paragraphs (c)(1), (c)(4), (c)(8), (c)(12), (c)(13), (c)(14), (c)(18), (c)(19), (c)(20), (c)(21), (c)(22), (c)(27), (c)(30), or (c)(31) of this rule.
 - (11) GUIDELINES REPORT (Air Toxics Hot Spots Emission Inventory Criteria and Guidelines Report) is the report incorporated by reference under Section 93300.5 of this title that contains regulatory requirements for the Air Toxics Hot Spots Emission Inventory Program.
 - (12) HRA TRACKING FACILITY means a facility that has been prioritized by the District in accordance with Health and Safety Code Section 44360(a) using procedures that have undergone public review and that are consistent with the procedures presented in the most current version of the SCAQMD “Facility Prioritization Procedures For AB 2588 Program”, which is incorporated by reference herein, and the greater of the facility’s prioritization scores for cancer and non-cancer health effects is greater than 10.0, and meets either one of the following criteria:
 - (A) The facility has had its health risk assessment approved by the District in accordance with Health and Safety Code Section 44362 and the risk assessment results show a total potential cancer risk, summed across all pathways of exposure and all compounds, of equal to or greater than 1.0 and less than ten (10) cases per million persons and a total hazard index for each toxicological endpoint, both acute and chronic, of less than or equal to 1.0; or
 - (B) The facility has had its health risk assessment approved by the District in accordance with Health and Safety Code Section 44362 and the risk assessment results show a total hazard index for each toxicological endpoint, either acute or chronic, of greater than or equal to 0.1, but less than or equal to 1.0, and a total potential cancer

risk, summed across all pathways of exposure and all compounds, of less than ten (10) cases per million persons.

- (13) **INDUSTRY-WIDE FACILITY** means a facility that qualifies to be included in an industry-wide emission inventory prepared by the District pursuant to Health and Safety Code Section 44232, or an individual facility which emits less than ten (10) tons per year of each criteria pollutant, falls within a class composed of primarily small businesses, and whose emissions inventory report was prepared by the District.
- (14) **MEDIUM FACILITY** means a facility that has three (3) to five (5) processes as determined by six-digit SCCs.
- (15) **NORTH AMERICAN INDUSTRY CLASSIFICATION SYSTEM (NAICS) CODE** is the standard used to classify business establishments developed under the auspices of the United States Office of Management and Budget, which is herein incorporated by reference.
- (16) **OEHHA** means the Office of Environmental Health Hazard Assessment, California Environmental Protection Agency.
- (17) **OPERATOR** means the person who owns or operates a facility or part of a facility.
- (18) **PRIORITIZATION SCORE GREATER THAN TEN (10.0) FACILITY** means a facility that does not have an approved health risk assessment and has been prioritized by the District in accordance with Health and Safety Code Section 44360(a) using procedures that have undergone public review and that are consistent with the procedures presented in the most current version of the SCAQMD “Facility Prioritization Procedures For AB 2588 Program”, which is incorporated by reference herein, and the greater of the facility’s prioritization scores for cancer and non-cancer effects is greater than 10.0.
- (19) **RISK OF 10.0 TO LESS THAN 50.0 PER MILLION FACILITY** means a facility that has had its health risk assessment approved by the District in accordance with Health and Safety Code Section 44362 and whose risk assessment results meet either of the following criteria:
 - (A) A total potential cancer risk, summed across all pathways of exposure and all compounds, of greater than or equal to 10.0, but less than 50.0 cases per million persons; or
 - (B) A total hazard index for each toxicological endpoint, either acute or chronic, of greater than 1.0 and a total potential cancer risk, summed

across all pathways of exposure and all compounds, of less than 50.0.

- (20) **RISK OF 50.0 TO LESS THAN 100.0 PER MILLION FACILITY** means a facility that has had its health risk assessment approved by the District in accordance with Health and Safety Code Section 44362 and whose risk assessment results show a total potential cancer risk, summed across all pathways of exposure and all compounds, of greater than or equal to 50.0, but less than 100.0 cases per million persons.
- (21) **RISK OF 100.0 PER MILLION OR GREATER FACILITY** means a facility that has had its health risk assessment approved by the District in accordance with Health and Safety Code Section 44362 and whose risk assessment results show a total potential cancer risk, summed across all pathways of exposure and all compounds, of greater than or equal to 100.0 cases per million persons.
- (22) **SIMPLE FACILITY** means a facility that has one (1) or two (2) processes as determined by six-digit SCC.
- (23) **SMALL BUSINESS** for the purpose of this rule, means a facility which is independently owned and operated and has met all of the following criteria in the preceding year:
 - (A) The facility has ten (10) or fewer (annual full-time equivalence) employees;
 - (B) The facility's total annual gross receipts are less than \$1,000,000; and
 - (C) The total annual gross receipts of the facility's California operations are less than \$5,000,000.
- (24) **SOURCE CLASSIFICATION CODES (SCC)** means number codes created by the United States Environmental Protection Agency used to identify processes associated with point sources that contribute emissions to the atmosphere.
- (25) **SPECIAL RISK ASSESSMENT FEE** means the fee charged to facilities to cover the cost of the qualified District personnel or a qualified consultant, as determined by the Executive Officer (EO), engaged by the District under contract, in the event that the EO determines that an existing health risk assessment should be revised and the owner/operator cannot perform this task without errors or delays.

- (26) STATE COSTS means the reasonable anticipated cost which will be incurred by the CARB and OEHHA to implement and administer the Act, as shown in the District staff report.
- (27) STATE INDUSTRY-WIDE FACILITY means a facility that (1) qualifies to be included in an industry-wide emission inventory prepared by the District pursuant to Health and Safety Code Section 44323, (2) releases, or has the potential to release, less than ten tons per year of each criteria pollutant, and (3) is either of the following:
 - (A) A facility in one of the following four classes of facilities: autobody shops, as described by NAICS Codes 441110 or 811121; gasoline stations, as described by NAICS Codes 447110 and 447190; dry cleaners, as described by NAICS Code 812320; and printing and publishing, as described by NAICS Codes 323111 through 323117 or 511110 through 511199; or
 - (B) A facility that has not prepared an Individual Plan and Report in accordance with sections 44340, 44341, and 44344 of the Health and Safety Code and for which the District submits documentation for approval by the Executive Officer of the CARB, verifying that the facility meets the requirements of Health and Safety Code Section 44323(a)-(d).
- (28) SUPPLEMENTAL FEE means the fee charged, pursuant to Section 44380.5 of the Health and Safety Code, to cover the costs of the District to review a health risk assessment containing supplemental information which was prepared in accordance with the provisions of Section 44360(b)(3) of the Health and Safety Code.
- (29) TOTAL ORGANIC GASES (TOG) means all gases containing carbon, except carbon monoxide, carbon dioxide, carbonic acid, metallic carbides or carbonates, and ammonium carbonate.
- (30) UNPRIORITIZED FACILITY means a facility that has not been prioritized by the District in accordance with Health and Safety Code Section 44360(a) using procedures that have undergone public review and that are consistent with the procedures presented in the most current version of the SCAQMD “Facility Prioritization Procedures For AB 2588 Program”, which is incorporated by reference herein.

(31) VOLUNTARY RISK REDUCTION FACILITY means a facility that elected to participate in the Voluntary Risk Reduction Program pursuant to Rule 1402.

(d) Fees

All sources subject to this rule shall be assessed an annual fee pursuant to Table I of this rule.

(1) Calculation of Fees

(A) The District will establish the fee applicable to each facility for the recovery of State and District costs. The District will use State costs and District costs to calculate fees, and will take into account and allow for the unanticipated closing of businesses, nonpayment of fees, and other circumstances which would result in a shortfall in anticipated revenue; and

(B) The District will calculate fees on the basis of the Facility Program Category as set forth by July 1 of the applicable fiscal year, except for facilities excluded under subparagraph (d)(7) of this rule.

(2) Flat Fees

(A) A facility in the State Industry-Wide Facility Program Category, as defined in this rule, shall be assessed the fee specified in Table I.

(B) A facility in the District Tracking Program Category, as defined in this rule, will be assessed the annual fee specified in Table I to cover the cost to the District to review the facility's quadrennial emission inventory update.

(C) A facility in the Diesel Engine Facility Program Category, as defined in this rule, shall be assessed the annual Flat Fee specified in Table I.

(D) The maximum fee that a small business as defined in this rule shall pay is ~~\$368.02~~ 377.22.

(E) The supplemental fee as defined in this rule, which may be assessed upon the operator of a facility, shall be no higher than ~~\$2,931.23~~ 3,004.51.

(3) Special Risk Assessment Fees

When a facility's health risk assessment was prepared or revised by District personnel or a contractor engaged by the District, the owner/operator of the facility for which a health risk assessment is performed shall pay the fees

equal to the total actual and reasonable time incurred by District, including actual contractor costs and District staff time, assessed at the hourly rate of ~~\$128.11~~ \$131.31 per person per hour or prorated portion thereof. When the health risk assessment is conducted or is evaluated and verified by a consultant engaged by the District or District personnel, the fees charged will be in addition to all other fees required.

(4) Voluntary Risk Reduction Facility Fees

A Voluntary Risk Reduction Facility, as defined in this rule, shall be assessed the fee specified in Table I until approval of the Final Implementation Report under Rule 1402 paragraph (j)(2). Once the Final Implementation Report is approved by the Executive Officer, the Voluntary Risk Reduction Fee shall be assessed the HRA Tracking Facility Program Category specified in Table I.

(5) Public Notifications and Meetings

When public notification is required pursuant to Rule 1402 subdivision (q), the facility owner/operator shall either directly pay or reimburse the District for costs of Public Meetings, including venue rental, audio visual rental equipment and personnel, mailing, translation services, parking, security, and equipment rental.

(6) Fee Payment and Collection; Effect of Failure to Pay

(A) The District will notify and assess the operator of each facility subject to this rule in writing of the fee due. The operator shall remit the fee to the District within sixty (60) days after the receipt of the fee assessment notice or the fee will be considered past due. For the purpose of this rule, the fee payment will be considered received by the District if it is postmarked by the United States Postal Service on or before the due date stated on the billing notice. If the due date falls on a Saturday, Sunday, or a state holiday, the fee payment may be postmarked on the next business day following the Saturday, Sunday, or state holiday with the same effect as if it had been postmarked on the due date.

(B) If an operator fails to pay the fee within sixty (60) days of this notice pursuant to subparagraph (d)(6)(A) of this rule, the District may assess a surcharge of not more than one hundred percent (100%) of the assessed fee, but in an amount sufficient, in the District's determination, to pay the District's additional expenses incurred by

the operator's non-compliance. If an operator fails to pay the fee within 120 days after receipt of this notice, the District may initiate permit revocation proceedings. If any permit is revoked it shall be reinstated only upon full payment of the overdue fees plus any surcharge as specified in this subparagraph.

(7) Payment to the State

The District will collect the fees assessed by or required to be assessed by this rule. After deducting the costs to the District to implement and administer the program, the District will transmit to the State Board the amount the District is required to collect for recovery of state costs as specified in Table I.

(8) Exemptions

A facility shall be exempt from paying fees if, by July 1 of the applicable Fiscal Year, any one or more of the following criteria are met:

(A) The facility has been prioritized by the District in accordance with Health and Safety Code Section 44360(a) using procedures that have undergone public review, and the facility's prioritization score is less than or equal to 1.0 for both cancer and non-cancer health effects. The procedure for estimating priority of facilities were developed based on the most current approved version of SCAQMD "Facility Prioritization Procedures For AB 2588 Program", which is incorporated by reference herein.

(B) The facility had its health risk assessment approved by the District in accordance with Health and Safety Code Section 44362 and the risk assessment results show a total potential cancer risk, summed across all pathways of exposure and all compounds, of less than one case per one million persons and a total hazard index for each toxicological endpoint, both acute and chronic, of less than 0.1. Some appropriate procedures for determining potential cancer risk and total hazard index are presented in the most current approved version of the OEHHA "Air Toxics Hot Spots Program Guidance Manual for Preparation of Health Risk Assessments" and SCAQMD "Supplemental Guidelines for Preparation of Health Risk Assessments for the Air Toxics "Hot Spots" Information and Assessment Act", which are incorporated by reference herein.

- (C) The facility primarily performs printing as described by NAICS Codes 323111 through 323117 or 511110 through 511199, and the facility uses an annualized average of two (2) gallons per day or less [or seventeen (17) pounds per day or less] of all graphic arts materials (deducting the amount of any water or acetone) unless the District required a health risk assessment and results show the facility would not qualify under subparagraph (d)(8)(A) of this rule.
- (D) The facility is a wastewater treatment plant as described by NACIS Code 221320, the facility does not have a sludge incinerator and the maximum throughput at the facility does not exceed 10,000,000 gallons per day of effluent unless the District required a health risk assessment and results show the facility would not qualify under subparagraph (d)(8)(A) of this rule.
- (E) The facility is a crematorium for humans, animals, or pets as described by NAICS Codes 812210, 812220, or any NAICS Code that describes a facility using an incinerator to burn biomedical waste (animal), the facility uses propane or natural gas as fuel, and the facility annually cremates no more than 300 cases (human) or 43,200 pounds (human or animal) unless the District required a health risk assessment and results show the facility would not qualify under subparagraph (d)(8)(A) of this rule. Facilities using incinerators that burn biomedical waste other than cremating animals do not qualify for this exemption.
- (F) The facility is primarily a boat building and repair facility or primarily a ship building and repair facility as described by NAICS Codes 336611, 336622, 488390 or 811490, and the facility uses twenty (20) gallons per year or less of coatings or is a coating operation using hand held non-refillable aerosol cans only unless the District required a health risk assessment and results show the facility would not qualify under subparagraph (d)(8)(A) of this rule.
- (G) The facility is a hospital or veterinary clinic building that is in compliance with the control requirements specified in the Ethylene Oxide Control Measure for Sterilizes and Aerators, section 93108 of this title and has an annual usage of ethylene oxide of less than 100 pounds per year if it is housed in a single story building, or has an annual usage of ethylene oxide of less than 600 pounds per year if it

is housed in a multi-story building unless the District required a health risk assessment and results show the facility would not qualify under subparagraph (d)(8)(A) of this rule.

- (H) The facility was not required to conduct a risk assessment under Health and Safety Code Section 44360(b), and the District, or the facility with the concurrence of the District, has conducted a worst-case, health conservative risk assessment using screening air dispersion modeling criteria set forth in Appendix F of the Guidelines Report and has demonstrated to the satisfaction of the District that the facility's screening risk levels meet the criteria set forth in subparagraph (d)(8)(A) of this rule.

TABLE I
FACILITY FEES BY PROGRAM CATEGORY

| FACILITY PROGRAM CATEGORY | COMPLEXITY | DISTRICT FEE | STATE FEE | TOTAL FACILITY FEE |
|--|------------------|---------------------------------------|-----------|---|
| <i>HRA Tracking*</i> | Simple Facility | \$416.25 <u>426.66</u> | \$67 | \$483.25 <u>493.66</u> |
| | Medium Facility | \$601.30 <u>616.33</u> | \$100 | \$701.30 <u>716.33</u> |
| | Complex Facility | \$786.35 <u>806.01</u> | \$134 | \$920.35 <u>940.01</u> |
| <i>Unprioritized</i> | Simple Facility | \$618.63 <u>634.10</u> | \$402 | \$1,020.63 <u>1,036.10</u> |
| | Medium Facility | \$3,390.07 <u>3,474.82</u> | \$603 | \$3,993.07 <u>4,077.82</u> |
| | Complex Facility | \$4,504.91 <u>4,617.53</u> | \$804 | \$5,308.91 <u>5,421.53</u> |
| <i>PS>10, No HRA</i> | Simple Facility | \$5,249.21 <u>5,380.44</u> | \$1,674 | \$6,923.21 <u>7,054.44</u> |
| | Medium Facility | \$5,622.20 <u>5,762.76</u> | \$2,009 | \$7,631.20 <u>7,771.76</u> |
| | Complex Facility | \$5,992.31 <u>6,142.12</u> | \$2,344 | \$8,336.31 <u>8,486.12</u> |
| <i>Risk ≥10 <50 in a million or HI>1</i> | Simple Facility | \$6,365.28 <u>6,524.41</u> | \$3,014 | \$9,379.28 <u>9,538.41</u> |
| | Medium Facility | \$6,736.81 <u>6,905.23</u> | \$3,349 | \$10,085.81 <u>10,254.23</u> |
| | Complex Facility | \$7,108.38 <u>7,286.09</u> | \$3,684 | \$10,792.38 <u>10,970.09</u> |
| <i>Risk ≥50 <100 in a million</i> | Simple Facility | \$7,481.36 <u>7,668.39</u> | \$4,353 | \$11,834.36 <u>12,021.39</u> |
| | Medium Facility | \$7,851.45 <u>8,047.74</u> | \$4,688 | \$12,539.45 <u>12,735.74</u> |
| | Complex Facility | \$8,224.42 <u>8,430.03</u> | \$5,023 | \$13,247.42 <u>13,453.03</u> |
| <i>Risk ≥100 in a million</i> | Simple Facility | \$8,597.44 <u>8,812.38</u> | \$5,693 | \$14,290.44 <u>14,505.38</u> |
| | Medium Facility | \$8,967.53 <u>9,191.72</u> | \$6,028 | \$14,995.53 <u>15,219.72</u> |
| | Complex Facility | \$9,344.19 <u>9,577.79</u> | \$6,363 | \$15,707.19 <u>15,940.79</u> |
| <i>Voluntary Risk Reduction</i> | Simple Facility | \$5,249.21 <u>5,380.44</u> | \$1,674 | \$6,923.21 <u>7,054.44</u> |
| | Medium Facility | \$5,622.20 <u>5,762.76</u> | \$2,009 | \$7,631.20 <u>7,771.76</u> |
| | Complex Facility | \$5,992.31 <u>6,142.12</u> | \$2,344 | \$8,336.31 <u>8,486.12</u> |
| <i>District Tracking**</i> | | \$230.11 <u>235.86</u> | | \$230.11 <u>235.86</u> |
| <i>State Industry-wide</i> | | \$167.57 <u>171.76</u> | \$35 | \$202.57 <u>206.76</u> |
| <i>Diesel Engine Facility</i> | - | \$125.47 <u>128.61</u> | - | \$125.47 <u>128.61</u> |

*HRA Tracking --- (PS>10 with HRA) Risk \geq 1, <10 in a million, or HI \geq 0.1, \leq 1
**District Tracking --- Priority Score greater than 1, and equal to or less than 10
HRA --- Health Risk Assessment
HI --- Hazard Index, Acute or Chronic

(Adopted November 3, 1989)(Amended June 6, 1992)(Amended June 11, 1993)
(Amended June 10, 1994)(Amended May 12, 1995)(Amended May 10, 1996)
(Amended May 9, 1997)(Amended May 8, 1998)(Amended May 14, 1999)
(Amended May 19, 2000)(Amended May 11, 2001)(Amended May 3, 2002)
(Amended June 6, 2003)(July 9, 2004)(Amended June 3, 2005)(Amended June 9, 2006)
(Amended May 4, 2007)(Amended May 2, 2008)(Amended June 5, 2009)
(Amended May 7, 2010)(Amended May 6, 2011)(Updated July 1, 2012)
(Updated July 1, 2013)(Amended June 6, 2014)(Amended May 1, 2015)
(Updated July 1, 2016)([Amended June 2, 2017](#))

~~Changes to the fees are effective July 1, 2016~~[Effective July 1, 2017](#)

**PROPOSED AMENDED RULE 308. ON-ROAD MOTOR VEHICLE
MITIGATION OPTIONS FEES**

(a) Applicability

Provisions of this rule shall apply to fees assessed for worksite registrations and filings pursuant to Rule 2202 On-Road Motor Vehicle Mitigation Options. Fees shall be paid for the submission or resubmission of Annual Registrations, Employee Commute Reduction Programs (ECRP), Annual Programs, strategy amendments, extension requests, Average Vehicle Ridership (AVR)/Creditable Commute Vehicle Reduction (CCVR) Certification, Software Certification, emission reduction project review, and transfer of emission reduction credits.

(b) Definitions

- (1) AMENDMENTS are changes to Rule 2202 registrations, and/or ECRP strategies which materially affect the implementation of the program or the addition or deletion of a worksite to a multi-site program.
- (2) ANNUAL PROGRAM is a program submitted to the District that contains AVR results and a plan to achieve the performance requirements for the worksite.
- (3) EVALUATION is the District's evaluation of a program resulting in approval or disapproval of that program.
- (4) PROGRAM is any data and/or report required by Rule 2202 On-Road Motor Vehicle Mitigation Options to be submitted to the District
- (5) RESUBMITTAL is any revised program or revised Annual Program submitted to the District to correct a disapproved program.
- (6) SUBMITTAL is any program provided to the District in accordance with Rule 2202 On-Road Motor Vehicle Mitigation Options.

(c) Program Fees

(1) Rule 2202 Registration Fees

All persons submitting a Rule 2202 registration to implement any compliance option in the rule, except for an ECRP or an AQIP, shall pay annually, the following fees at the time of registration.

(A) Single Site Registrations

Single site programs are subject to a ~~\$555.34~~569.22 per worksite annual registration fee.

(B) Multiple Site Registrations

Multiple site programs are subject to a fifteen percent (15%) discount of the fee established in subparagraph (c)(1)(A) per worksite annual registration fee.

(C) Resubmittals and Amendments

Resubmitted and amended registrations shall be subject to fifty percent (50%) of the fee established in subparagraph (c)(1)(A) and (c)(1)(B).

(2) Employee Commute Reduction Program (ECRP) Fees

All persons electing to submit an ECRP shall pay the following fees at the time of submittal. The Annual Program and ECRP Offset fees will become effective on June 7, 2004.

(A) Single Site Submittals

| <u>Per Worksite</u> | <u>Annual Program</u> | <u>ECRP Offset</u> |
|-----------------------|---------------------------------------|-----------------------------------|
| 500 or more employees | \$1,057.40 <u>1,083.84</u> | \$683.59 <u>700.68</u> |
| 250 to 499 employees | \$790.73 <u>810.50</u> | \$512.67 <u>525.49</u> |

(B) Multisite Program Submittals

Triennial program fees for multiple site program submittals are subject to a fifteen percent (15%) discount of the fee established in subparagraph (c)(2)(A).

(C) Resubmittals and Amendments

The single site resubmittal and amendment fee, excluding program strategy amendments fee shall be fifty percent (50%) of the single site submittal fee established in subparagraph (c)(2)(A). The

multisite resubmittal fee shall be fifty percent (50%) of the multisite program submittal fee established in subparagraph (c)(2)(B).

(D) Electronic Media Submittals

Persons submitting an ECRP using District-certified electronic media shall pay the appropriate fee established in paragraphs (c)(2)(A) and (B), less \$10~~58.13~~49 per submittal.

(E) Sites achieving (AVR) Targets

Any employer who achieves their Average Vehicle Ridership (AVR) target and chooses to file, a High AVR No-Fault Inspection, pursuant to Rule 2202 ECRP guidelines, in lieu of an Annual Program, shall submit the fee established in subparagraph (c)(1)(A) and (c)(1)(B).

(F) Program Strategy Amendments

A person submitting an amendment to program strategies consisting of the deletion or the replacement of any existing program strategies shall pay a fee of \$~~166.65~~170.82 for each submittal per worksite. This fee shall not apply when the amendment consists solely of additional or enhanced strategies to the program or when the strategy amendment is submitted at the same time as part of the Annual Program submittal. Furthermore, any employer adding or deleting a worksite to a multi-site or geographic program shall pay a fee of \$~~166.65~~170.82 per worksite being added or deleted, unless the worksite being deleted is no longer subject to Rule 2202.

(G) AVR/CCVR Certification Fees

Any person requesting District certification of AVR/CCVR verification methods, (including but not limited to random sampling, record-keeping or restructuring of the AVR survey form) pursuant to Rule 2202 ECRP guidelines, shall pay a fee of \$~~427.11~~437.79. No additional fee will be due after a first disapproval and resubmittal. A second fee of \$~~427.11~~437.79 shall be paid with a second resubmittal after a second disapproval.

(3) Late Submittal and Resubmittal Fees

A fifty percent (50%) increase in the applicable registration, or ECRP fee established in ~~sub~~paragraph (c)(1), or subparagraphs (c)(2)(A), (c)(2)(B) or (c)(2)(C) shall be paid as a surcharge where an applicable fee is not received in full on or before the due date for the registration, or ECRP.

(d) Determination of Applicability of Late Fees

The fee payment will be considered to be received by the District if it is postmarked by the United States Postal Service on or before the registration/ECRP due date and received in full. If the registration/ECRP due date falls on a Saturday, Sunday, or a state holiday, the fee payment may be postmarked on the business day following the Saturday, Sunday, or the state holiday with the same effect as if it had been postmarked on the registration/ECRP due date. No further program applications for a particular worksite will be accepted or approved until such time as all overdue fees have been fully paid.

(e) Government Agencies

Federal, state, or local government agencies or public districts shall pay all fees.

(f) Software Certification Fees

The District may certify independent computer software capable of reproducing registration/ECRP forms, thereby allowing employers to file registration/ECRP using electronic media.

(1) Fees for certification will be assessed to cover the costs of processing the certification application and for the testing and validation of the software's reliability and ability to meet District's software specifications and program requirements.

(2) Fees shall be paid at the time that the software is submitted for certification as follows:

| | | |
|-----|---------------------------|-----------------------------------|
| (A) | Initial Certification Fee | \$854.53 <u>875.89</u> |
| (B) | Recertification Fee | \$427.11 <u>437.79</u> |

(g) The District will certify ECRP training programs pursuant to Rule 2202 ECRP guidelines. Fees for certification will be assessed to cover the costs of processing the certification application, reviewing the proposed curriculum, and assessing the training provider's qualifications.

(1) Fees shall be paid at the time that the qualifications and/or the curriculum is submitted for certification as follows:

| | Provider Firm | Certification | Recertification |
|-----|---------------|-----------------------------------|-----------------------------------|
| (A) | Instructor | \$427.11 <u>437.79</u> | \$213.34 <u>218.67</u> |
| (B) | Curriculum | \$854.53 <u>875.89</u> | \$427.11 <u>437.79</u> |

- (2) Fee for the District's initial training program for new Employee Transportation Coordinators shall be ~~\$172.97~~177.29 per person.
 - (3) A fee in the amount of ~~\$105.49~~108.13 shall be assessed to cover the cost of staff time to process each replacement Employee Transportation Coordinator Certificate of training.
- (h) An employer who has declared bankruptcy, for the official business or governmental operations of its organization or company, through a judicial court filing and confirmation process, may request the Executive Officer to grant a temporary waiver from complying with the requirements of Rule 2202 and Rule 308. Upon demonstration of the filing and confirmation of bankruptcy, the Executive Officer will grant an exemption for the duration of bankruptcy, not to exceed two (2) years from the date of the waiver.
- (i) **Service Charge for Returned Check**
Any person who submits a check to the District on insufficient funds or on instructions to stop payment on the check, absent an overcharge or other legal entitlement to withhold payment, shall be subject to a \$25.00 service charge.
- (j) **Extensions to Surrender MSERC's**
Any person requesting an extension to surrender MSERC's to the District shall pay a fee of ~~\$84.31~~86.42 per worksite.
- (k) **Emission Reductions Project Review**
Any person requesting the approval of a project resulting in emission reductions, pursuant to the provisions of Rule 2202(f)(5), shall be assessed an evaluation fee of ~~\$421.32~~431.85 at the time of submittal. This fee will become effective on June 7, 2004. Additional evaluation fees may be assessed in accordance with Rule 309(c)(3) if necessary.
- (l) **Transfer of Emission Reduction Credits**
Any person requesting a transfer of emission reduction credits shall pay a fee of ~~\$83.52~~85.61 per transaction. Credit transactions shall be jointly registered with the District by the credit transferor and transferee. The transferee shall be assessed the transaction fee per transaction at the time the transaction is registered with the District, unless the transferee is surrendering credits to meet the registration requirements for the current compliance year.

(m) Failure to Notify Surcharge

Any employer who became subject to Rule 2202 (as defined in Rule 2202 (b) – Applicability) and failed to notify the District within 30 days when they became subject to the rule, shall pay a surcharge of \$~~1,226.72~~1257.39 for every worksite.

If the employer notifies the District more than 30 calendar days from the date when they became subject to Rule 2202, the surcharge shall be reduced by 30% of the applicable fee, as follows: \$~~858.71~~880.18 for every worksite.

(n) Rule 2202 Registration Time Extension

Any person requesting a time extension to submit a Rule 2202 registration shall refer to Rule 313.

(Adopted June 10, 1994)(Amended May 10, 1996)(Amended May 9,1997)
(Amended May 8, 1998)(Amended May 14, 1999)(Amended May 19, 2000)
(Amended May 11, 2001)(Amended May 3, 2002)(Amended June 6, 2003)
(Amended July 9, 2004)(Amended June 3, 2005)(Amended June 9, 2006)
(Amended May 4, 2007)(Amended May 2, 2008)(Amended May 7,2010)
(Updated July 1, 2011)(Updated July 1, 2012)(Updated July 1, 2013)
(Amended June 6, 2014)(Amended May 1, 2015)(Updated July 1, 2016)
[\(Amended June 2, 2017\)](#)

~~Changes to the fees are effective July 1, 2016~~[Effective July 1, 2017](#)

**PROPOSED AMENDED RULE 309. FEES FOR REGULATION XVI AND
REGULATION XXV**

(a) Applicability

Provisions of this rule shall apply to fees assessed for plans required by Regulation XVI and Regulation XXV, and for the transfer and acquisition of Mobile Source Emission Reduction Credits (MSERCs) generated pursuant to Regulation XVI and Regulation XXV rules. Fees shall be paid for:

- (1) Rule 1610 Scrapping Plans
- (2) Regulation XVI and Regulation XXV Mobile Source Emission Reduction Credit (MSERC) Applications and Compliance Plans
- (3) MSERC Transaction Registration

(b) Definitions

For the purpose of this rule the following definitions shall apply:

- (1) MSERC TRANSACTION is the trade or transfer of MSERC ownership between entities, or between MSERC accounts of the same entity. MSERCs shall be denominated in terms of one pound of MSERC pollutant.
- (2) PLAN is any data and/or test report required by federal or state law, or District rules and regulations to be submitted to the District. Plans include, but are not limited to, the following: Rule 1610 Scrapping Plans, Regulation XVI and Regulation XXV MSERC Applications, and Regulation XVI and Regulation XXV Compliance Plans.
- (3) SMALL BUSINESS is as defined in Rule 102.

(c) Fee Assessments

- (1) Rule 1610 Scrapping Plans shall be assessed a filing and evaluation fee of ~~\$1,689.19~~1,800.68 for FY 2017-18 and \$1,872.71 for FY 2018-19 and thereafter. The fee shall be paid at the time of plan submittal.
- (2) Regulation XVI and Regulation XXV Plans as defined in paragraph (b)(2), except Scrapping Plans, shall be assessed a filing fee of ~~\$128.11~~136.57 for FY 2017-18 and \$142.03 for FY 2018-19 and thereafter and an evaluation fee of ~~\$427.11~~455.30 for FY 2017-18 and \$473.51 for FY 2018-19 and thereafter at the time of submittal.
- (3) Additional evaluation fees for plans shall be assessed at the rate of ~~\$124.96~~133.21 for FY 2017-18 and \$138.54 for FY 2018-19 and thereafter per person per hour if necessary. Evaluation fees shall also be assessed at this rate for any amendments to Plans and Applications.
- (4) For small businesses filing scrapping plans, MSERC applications, and compliance plans, the fees assessed shall be fifty percent (50%) of the amounts specified in paragraphs (c)(1), (c)(2), and (c)(3).
- (5) MSERC transactions shall be jointly registered with the District by the MSERC transferor and transferee. The transferee shall be assessed a Transaction Registration Fee of ~~\$83.52~~89.03 for FY 2017-18 and \$92.59 for FY 2018-19 and thereafter, per transaction at the time the transaction is registered with the District.

(d) Inspection Fee

The inspection fee for Rule 1610 Scrapping Plan verification shall be an amount equal to the total actual and reasonable time incurred by the District for inspection and verification of the plan, assessed at the hourly rate of ~~\$102.43~~109.19 for FY 2017-18 and \$113.56 for FY 2018-19 and thereafter per inspection staff or prorated portion thereof. For inspections conducted outside of regular District working hours, the fee shall be assessed at a rate of 150% of the above hourly rate.

(e) Payment of Fees

- (1) Payment of all applicable fees, including annual review/renewal fee, shall be due in thirty (30) days from the date of personal service or mailing of the notification of the amount due. Non-payment of the fee within this time period will result in expiration of the plan. For the purpose of this paragraph, the fee payment will be considered to be received by the District

if it is postmarked by the United States Postal Service on or before the expiration date stated on the billing notice. If the expiration date falls on a Saturday, Sunday, or a state holiday, the fee payment may be postmarked on the business day following the Saturday, Sunday, or the state holiday with the same effect as if it had been postmarked on the expiration date. No further plan applications will be accepted until such time as all overdue fees have been fully paid.

- (2) Whenever the Executive Officer has reasonable cause to believe that the plan evaluation fee will be less than the fee for one hour's work, the fee need not be paid at the time of filing and notification of amount due, if any, shall be sent at the time the plan is approved or rejected.

(f) Refunds

- (1) If a plan or an application as defined in paragraph (b)(2) is canceled, plan filing and evaluation fees, less the plan cancellation fee, will be refunded:
 - (A) If it is determined that the plan was not required pursuant to District rules; or
 - (B) The plan evaluation procedure has not been initiated by District staff.
- (2) The plan cancellation fee will be ~~\$170.76~~ \$182.03 for FY 2017-18 and \$189.31 for FY 2018-19 and thereafter.
- (3) Claims for refund of any fee required by this rule shall be submitted in writing within one (1) year after the fee was paid.
- (4) The cancellation fee shall not apply when the plan was filed based on an erroneous District request.

(g) Government Agencies

Federal, state, or local government agencies or public districts shall pay all fees.

(Adopted May 10, 1996)(Amended May 9, 1997)(Amended May 8, 1998)
(Amended May 14, 1999)(Amended May 19, 2000)(Amended May 11, 2001)
(Amended May 3, 2002)(Amended June 6, 2003)(Amended July 9, 2004)
(Amended June 3, 2005) (Amended June 9, 2006)(Amended May 4, 2007)
(Amended May 2, 2008)(Amended May 7, 2010)(Amended May 6, 2011)
(Updated July 1, 2012)(Updated July 1, 2013)(Amended June 6, 2014)
(Amended May 1, 2015)(Updated July 1, 2016)([Amended June 2, 2017](#))

~~Changes to the fees are effective July 1, 2016~~[Effective July 1, 2017](#)

PROPOSED AMENDED RULE 311. AIR QUALITY INVESTMENT PROGRAM (AQIP) FEES

(a) Applicability

This rule shall apply to all employers who participate in the Air Quality Investment Program (AQIP) option provided under Rule 2202. The Air Quality Investment Fees established in this rule shall be adjusted periodically to reflect market conditions.

(b) Registration Fees

Any employer registering with the District to participate in the AQIP shall pay annually a registration fee of \$~~128.11~~[131.31](#) per worksite.

(c) AQIP Investment Fees

(1) Annual Compliance Option

At the time of registration any employer electing to participate in the annual AQIP compliance option shall annually invest in the restricted District fund \$46.73 for each employee reporting to work in the peak window; or,

(2) Triennial Compliance Option

At the time of registration any employer electing to participate in the triennial AQIP compliance option shall invest in the restricted District fund \$129.79 for each employee reporting to work in the peak window. Any increase in the number of employees in the window shall be accounted for during the second and third year registrations by investing \$46.73 per each additional employee for the remaining years in the triennial compliance option.

(d) Late fees

If the registration fee is not received by the established due date, the original amount of the registration fee shall be increased by fifty percent (50%).

(Adopted June 9, 2006)(Amended May 4, 2007)(Amended May 2, 2008)
(Amended June 5, 2009)(Amended May 7, 2010)(Updated July 1, 2011)
(Updated July 1, 2012)(Updated July 1, 2013)(Amended June 6, 2014)
(Amended May 1, 2015)(Updated July 1, 2016)([Amended July 2, 2017](#))

~~Changes to the fees are effective July 1, 2016~~[Effective July 1, 2017](#)

**PROPOSED AMENDED RULE 313. AUTHORITY TO ADJUST FEES AND
DUE DATES**

(a) Summary

This rule provides limited discretion to the Executive Officer to adjust fees or reinstate permits where there has been an administrative error by the District, to extend the due date for payment of certain fees for good cause, and to waive or refund fees under circumstances set forth in this rule. The Executive Officer may delegate all or some of the discretion granted under this rule to a Fee Review Committee comprised of the Chief Financial Officer, the Deputy Executive Officer for Engineering and ~~Compliance~~[Permitting](#), the Public Advisor, and the District Counsel, or their designees. This rule does not provide the Executive Officer authority to alter the substantive requirements contained in AQMD rules and regulations.

(b) Process

Any owner/operator seeking relief under this Rule shall obtain the appropriate fee review request form(s) from the Office of Public Affairs. Upon completion, the form(s), along with any supporting background documentation, must be filed within the appropriate time limits set forth in this rule. Where the Executive Officer has delegated authority under this rule to the Fee Review Committee, an owner/operator seeking relief may request a personal meeting with the Fee Review Committee. The Fee Review Committee will meet on a monthly basis, as necessary, to consider requests under this rule.

(c) Decisions

The Executive Officer shall seek to make a decision on any request for relief under this Rule in writing within 90 days unless the applicant is notified that additional time is needed to investigate the circumstances underlying the request. Where the decision is made by the Fee Review Committee, the applicant may seek reconsideration from the Fee Review Committee within 30 days where there is

substantial new information available. All decisions of the Fee Review Committee are final, except that they may be reviewed by the Executive Officer in his sole discretion to ensure compliance with this Rule. Decisions of the Executive Officer are final.

- (d) Reinstatement of Permits, Applications, Plans, Registrations, and Other District Approvals
 - (1) The Executive Officer may reinstate a permit, application, registration, plan, or any other District issued approval upon finding of administrative error by District staff regarding the calculation, imposition, noticing, handling, invoicing, and/or collection of any fee set forth in this Regulation.
 - (2) The Executive Officer may reinstate any permit, application, registration, plan, variance (issued by the hearing board), or any other District issued approval that was determined by the Executive Officer to have been inadvertently canceled by the District.

- (e) Adjustment of Fees
 - (1) The Executive Officer may, upon finding of administrative error by District staff regarding the calculation, imposition, noticing, handling, invoicing, and/or collection of any fee set forth in this Regulation, rescind, reduce, increase or modify such fee. In no case may the Executive Officer reduce the amount of the excess emission fee below that specified in Rule 306(f), unless otherwise ordered by the Hearing Board.
 - (2) Any request for relief under paragraph (e)(1) must be received within 3 years of the administrative error or from the time the applicant should have reasonably known that the error was made, as determined by the Executive Officer.

- (f) Time Extension of Payment Due Dates
 - (1) Whenever this Regulation requires a fee to be paid by a certain date, the Executive Officer may, for good cause, grant an extension of time, not to exceed one hundred eighty days (180), within which the fee payment shall be made. The Executive Officer may require partial fee payments to be made on set dates during the extension period.
 - (2) Where an extension of time is requested due to a financial hardship, such request must be accompanied by sufficient background documentation to allow the Executive Officer to determine the applicant's financial ability to

- pay the fee. Examples of such documentation include not less than three (3) months of financial data, written statement from a certified accountant, or a written statement from a bank representative.
- (3) Any request for relief under paragraph (f)(1) must be received before the final due date of the fee.
 - (4) Any person requesting a due date extension, or a change in the permanent due date, for any fee under Rule 308 shall pay a surcharge of ~~-\$84.31~~86.42 per worksite.
 - (5) The provisions of this subdivision shall not apply to any fee incurred under Rules 307 or 307.1.
- (g) Specific Fee Waivers and Reductions
- (1) On or after January 1, 1996, the Executive Officer shall, from the date the first application is received, waive annual operating permit renewal fees required under Rule 301(d) for the first two annual renewals of a new manufacturing facility that locates within the South Coast Air Basin and creates five hundred (500) or more new full-time jobs with total facility NO_x, SO_x, VOC, or PM₁₀ emissions per full-time employee equal to or less than one-half (1/2) of any emission per employee target ratio for the industry class for the Year 2010 stated in the Air Quality Management Plan. After the first two annual renewal fee waiver time periods, the owner/operator shall be liable for all applicable fees set forth in subdivision (d) of Rule 301.
 - (2) The Executive Officer may, for good cause may waive the permit processing fee when there is an event declared to be a “state of emergency,” as defined in Rule 118, for any application filed to replace currently permitted equipment destroyed, or for the relocation of currently permitted equipment residing within a condemned building.
 - (3) If it can be established to the satisfaction of the Executive Officer that a facility is operating pursuant to a license issued by the Department of Rehabilitation under the State of California’s Business Enterprise Program, the owner/operator, upon request, shall be granted an annual waiver of any fee under this Regulation in accordance with California Welfare & Institutions Code Section 19633. Such owner/operator is entitled to this waiver of fees so long as an annual request is made in writing and the applicant demonstrates that an agreement is maintained to operate the

facility under the supervision of the State of California Department of Rehabilitation.

- (4) A request for any waiver or fee reduction under paragraphs (g)(1) or (2) must be received before the final due date of the fee in question, and must be in the manner prescribed on forms provided under this rule. The Executive Officer may request any supporting documentation needed to evaluate the request.
- (5) Except for fee waivers granted under ~~sub~~paragraph (g)(3), if the owner/operator, at any time during the applicable fee waiver or reduction time period, does not operate the facility or equipment in a manner consistent with all applicable District rules, the Executive Officer may rescind the fee waiver or reduction.

(h) Refunds

- (1) If an application for a permit to construct is canceled, permit processing fees, less the application cancellation fee, will be refunded if the permit evaluation has not been initiated by the District. The application cancellation fee will be ~~\$203.93~~209.03, or the permit fee set forth in the Summary Permit Fee Rates tables in Rule 301, whichever is less.
- (2) Any fee paid to the District pursuant to process a permit application, equipment registration, or plan shall be refunded upon finding by the Executive Officer that the District erroneously requested filing of the application, registration, or plan. The cancellation fee required in ~~sub~~paragraph (h)(1) shall not apply when the application for a permit to construct was filed based on an erroneous District request.
- (3) If a facility or equipment is operated in violation of District Rules or Regulations during any portion of the time period for which the fee was assessed, there shall be no refund.
- (4) Applications filed for a Permit to Operate for equipment which has been operating without a required District permit will not receive a refund.

(i) Service Charge for Returned Checks.

Unless waived for good cause by the Executive Officer, any person who submits a check to the District on insufficient funds or on instructions to stop payment, absent an overcharge or other legal entitlement to withhold payment, shall be subject to a \$25.00 service charge.

(Adopted June 6, 2008)(Amended January 9, 2009)(Amended May 7, 2010)
(Updated July 1, 2011)(Updated July 1, 2012)(Updated July 1, 2013)
(Amended September 6, 2013)(Amended June 6, 2014)(Amended May 1, 2015)
(Updated July 1, 2016)([Amended June 2, 2017](#))

~~Changes to the fees are effective July 1, 2016~~[Effective July 1, 2017](#)

PROPOSED AMENDED RULE 314. FEES FOR ARCHITECTURAL COATINGS

(a) Purpose

The purpose of this rule is to recover the District's cost of implementing the architectural coatings program and programs related to architectural coatings, and the revenues shall only be used for such purposes. California Health and Safety Code Section 40522.5 provides authority for the District to adopt a fee schedule on areawide or indirect sources of emissions which are regulated, but for which permits are not issued by the District, to recover the costs of programs related to these sources.

(b) Applicability

This rule applies to architectural coatings manufacturers who distribute or sell their manufactured architectural coatings into or within the District for use in the District and are subject to Rule 1113 - Architectural Coatings. This rule also applies to private labelers and big box retailers who distribute or sell architectural coatings into or within the District for use in the District and are subject to Rule 1113 – Architectural Coatings. This includes products sold through big box retailers with distribution centers located within or outside the District. This rule does not apply to architectural coatings sold in this District for shipment and application outside of this District or to aerosol coating products.

(c) Definitions

For the purpose of this rule, the following definitions shall apply:

- (1) AEROSOL COATING PRODUCT means a pressurized coating product containing pigments, resins, and/or other coatings solids that dispenses product ingredients by means of a propellant, and is packaged in a disposable aerosol container for hand-held application, or for use in specialized equipment for ground marking and traffic marking applications.

- (2) ANNUAL QUANTITY AND EMISSIONS REPORT includes the quantity of each architectural coating distributed or sold into or within the District for use in the District during each calendar year, reported as gallons and their associated VOC content, as supplied, reported in grams per liter, for each product in all container sizes.
- (3) APPURTENANCES are accessories to a stationary structure, including, but not limited to: hand railings, cabinets, bathroom and kitchen fixtures, fences, rain-gutters and down-spouts, window screens, lamp-posts, heating and air conditioning equipment, other mechanical equipment, large fixed stationary tools, signs, motion picture and television production sets, and concrete forms.
- (4) ARCHITECTURAL COATINGS are any coatings applied to stationary structures or their appurtenances, or to fields or lawns.
- (5) ARCHITECTURAL COATINGS MANUFACTURER is any person, company, firm, or establishment who imports, blends, assembles, produces, packages, repackages, or re-labels an architectural coating, excluding retail outlets where labels or stickers may be affixed to containers or where colorant is added at the point of sales. For the purpose of this rule, a private labeler is an architectural coatings manufacturer.
- (6) AUTHORIZED REPRESENTATIVE is the person authorized by the Responsible Party to prepare and submit the Annual Quantity and Emissions Report on behalf of an architectural coatings manufacturer.
- (7) BIG BOX RETAILER is a physically large-chain retail outlet that is classified by the U.S. Department of Labor under Standard Industrial Classification code 5211: Lumber and Other Building Materials Dealers, and listed by the Executive Officer as such prior to end of each calendar year.
- (8) COATING is a material which is applied to a surface in order to beautify, protect, or provide a barrier to such surface.
- (9) CONCENTRATES are coatings supplied in a form that must be diluted with water or an exempt compound, prior to application, according to the architectural coatings manufacturer's application instructions in order to yield the desired coating properties.
- (10) EXEMPT COMPOUNDS are as defined in Rule 102 - Definition of Terms.
- (11) FORMULATION DATA is the actual product recipe which itemizes all the ingredients contained in a product including VOCs and the quantities

thereof used by the architectural coatings manufacturer to create the product. Material Safety Data Sheets (MSDS) are not considered formulation data.

- (12) GRAMS OF VOC PER LITER OF COATING, LESS WATER AND LESS EXEMPT COMPOUNDS, is the weight of VOC per combined volume of VOC and coating solids and can be calculated by the following equation:

$$\text{Grams of VOC per Liter of Coating, Less Water and Less Exempt Compounds} = \frac{W_s - W_w - W_{es}}{V_m - V_w - V_{es}}$$

Where: W_s = weight of volatile compounds in grams
 W_w = weight of water in grams
 W_{es} = weight of exempt compounds in grams
 V_m = volume of material in liters
 V_w = volume of water in liters
 V_{es} = volume of exempt compounds in liters

For coatings that contain reactive diluents, the Grams of VOC per Liter of Coating, Less Water and Less Exempt Compounds, shall be calculated by the following equation:

$$\text{Grams of VOC per Liter of Coating, Less Water and Less Exempt Compounds} = \frac{W_s - W_w - W_{es}}{V_m - V_w - V_{es}}$$

Where: W_s = weight of volatile compounds emitted during curing, in grams
 W_w = weight of water emitted during curing, in grams
 W_{es} = weight of exempt compounds emitted during curing, in grams
 V_m = volume of the material prior to reaction, in liters
 V_w = volume of water emitted during curing, in liters
 V_{es} = volume of exempt compounds emitted during curing, in liters

- (13) GRAMS OF VOC PER LITER OF MATERIAL is the weight of VOC per volume of material and can be calculated by the following equation:

$$\text{Grams of VOC per Liter of Material} = \frac{W_s - W_w - W_{es}}{V_m}$$

Where: W_s = weight of volatile compounds in grams
 W_w = weight of water in grams
 W_{es} = weight of exempt compounds in grams
 V_m = volume of the material in liters

- (14) MULTI-COMPONENT COATINGS are reactive coatings requiring the addition of a separate catalyst or hardener before application to form an acceptable dry film.
- (15) POST-CONSUMER COATINGS are finished coatings that would have been disposed of in a landfill, having completed their usefulness to a consumer, and does not include manufacturing wastes.
- (16) PRODUCT is an architectural coating which is identified by means of a unique product code and product name or product line (if applicable), as written on the container label and that is subject to one of the coating category VOC limits specified in Rule 1113 paragraphs (c)(1) or (c)(2) Table of Standards.
- (17) PRIVATE LABELER is the person, company, firm, or establishment (other than the toll manufacturer) identified on the label of an architectural coating product.
- (18) RECYCLED COATINGS are coatings manufactured by a certified recycled paint manufacturer and formulated such that 50 percent or more of the total weight consists of secondary and post-consumer coatings and 10 percent or more of the total weight consists of post-consumer coatings.
- (19) RESPONSIBLE PARTY for a corporation is a corporate officer. A responsible party for a partnership or sole proprietorship is the general partner or proprietor, respectively.
- (20) SECONDARY (REWORK) COATINGS are fragments of finished coatings or finished coatings from a manufacturing process that has converted resources into a commodity of real economic value, but does not include excess virgin resources of the manufacturing process.

- (21) STATIONARY STRUCTURES include but are not limited to, homes, office buildings, factories, mobile homes, pavements, curbs, roadways, racetracks, and bridges.
 - (22) TOLL MANUFACTURER is an architectural coatings manufacturer who produces coatings for a private labeler.
 - (23) VOLATILE ORGANIC COMPOUND (VOC) is as defined in Rule 1113 – Architectural Coatings.
- (d) Requirement to Obtain a Manufacturer Identification (ID) Number
- (1) An architectural coatings manufacturer subject to this rule at any time during the calendar year 2008 shall apply to the District for a manufacturer ID number on or before December 31, 2008. An architectural coatings manufacturer that becomes subject to this rule in any year subsequent to calendar year 2008 shall apply to the District for a manufacturer ID number on or before December 31 of that year.
 - (2) Change or Acquisition of an Architectural Coatings Manufacturer
 - (A) When there is a change or acquisition of an architectural coatings manufacturer with a District issued manufacturer ID number, the successor architectural coatings manufacturer shall apply for a manufacturer ID number on or before December 31 of the calendar year of the change or acquisition, unless the successor architectural coatings manufacturer already has a District issued manufacturer ID number. The successor architectural coatings manufacturer shall include the previous manufacturer ID number in their Annual Quantity and Emissions Report for the first year after the change or acquisition.
 - (B) Acquisition of an architectural coatings manufacturer shall not be considered a change in ownership for the purposes of this rule if the architectural coatings manufacturer who is acquired continues to file Annual Quantity and Emissions Reports and pay fees under its District issued ID number.
 - (3) Delegation or Change of Responsible Party and/or Authorized Representative

Application for a manufacturer ID number pursuant to (d)(1), as submitted by the Responsible Party for an architectural coatings manufacturer, shall designate the Authorized Representative. The designating Responsible

Party is responsible for and may act in lieu of the Authorized Representative. A change to either the designating Responsible Party or Authorized Representative shall be made in writing using the same application form.

- (e) Requirement to Submit an Annual Quantity and Emissions Report
- (1) For each calendar year (January 1 through December 31) beginning with 2008 and continuing with each subsequent calendar year, an architectural coatings manufacturer shall, in a format determined by the Executive Officer, submit to the District by April 1 of the following calendar year (the official reporting due date) an Annual Quantity and Emissions Report electronically submitted by the Authorized Representative certifying that all information submitted (including electronic submittal) is true and correct. Information included in the Annual Quantity and Emission Report that was obtained from a company not owned or controlled by the reporting architectural coatings manufacturer shall be certified as true and correct to the best knowledge of the Authorized Representative submitting the report. The Annual Quantity and Emissions Report shall include, but not be limited to, the following:
- (A) Architectural coatings manufacturer information including the manufacturer ID number issued by the District;
 - (B) Each architectural coating brand name, product code and product name;
 - (C) Whether the coatings are waterborne or solvent-based;
 - (D) Whether the coatings are for interior, exterior, or dual use;
 - (E) The applicable coating category listed in the Table of Standards in Rule 1113 – Architectural Coatings;
 - (F) The grams of VOC per liter of coating, less water and less exempt compounds, and excluding any colorant added to the tint base for each product as follows:
 - (i) For coatings packaged in a single container, as supplied;
 - (ii) For multi-component coatings, after mixing the components, as recommended for use by the architectural coatings manufacturer;-
 - (iii) For concentrates, at the minimum dilution recommended for use by the architectural coatings manufacturer;-

- (G) The grams of VOC per liter of material for each product as follows:
 - (i) For coatings packaged in a single container, as supplied;-
 - (ii) For multi-component coatings, after mixing the components, as recommended for use by the architectural coatings manufacturer;-
 - (iii) For concentrates, at the minimum dilution recommended for use by the architectural coatings manufacturer;-
 - (H) In addition to (e)(1)(F) and (G), for solvent-based coatings, grams of VOC per liter of material for each product including the maximum thinning as recommended by the architectural coatings manufacturer;
 - (I) Total annual quantity of each product distributed or sold into or within the District for use in the District, as supplied or for a concentrate, at the minimal dilution recommended for use by the architectural coatings manufacturer, and reported in gallons for all container sizes. The annual quantity of each product shall include products sold through big box retailers with distribution centers located within or outside the District. Architectural coatings manufacturers shall use the list of big box retailers maintained by the Executive Officer as of the end of the calendar year for purposes of reporting quantities of products distributed or sold in the District through big box retailers; and
 - (J) For any product with VOC content higher than the applicable limit in Rule 1113, an indication of whether the product has been sold under any of the following provisions of Rule 1113 – Architectural Coatings:
 - (i) Sell-through provisions
 - (ii) Averaging Compliance Option
 - (iii) Small container exemption
 - (iv) Low Solids
 - (v) Stains or Lacquers sold above 4,000 feet.
- (2) If the architectural coatings manufacturer had no distribution or sales for the prior calendar year, the Authorized Representative must either certify that fact in a letter, on company letterhead, or indicate that fact in the online reporting program. If an architectural coatings manufacturer does not intend to sell coatings into or within the District in future years, the

Authorized Representative should indicate that intention in writing, so as to be removed from future outreach efforts.

- (3) An architectural coatings manufacturer that acquires another architectural coatings manufacturer shall provide the information specified in subparagraph (e)(1)(A) through (e)(1)(J) for the acquired architectural coatings manufacturer for the entire calendar year.
 - (4) By January 30, 2009, and every year thereafter, a big box retailer shall report to the District and the architectural coatings manufacturer of that product the total annual quantity of each coating product distributed through its distribution centers for sale or sold in the District for the previous calendar year (January 1 through December 31), as supplied, in a format determined by the Executive Officer. The big box retailer shall also include a list of the store, address, city and ZIP code where the products contained in the report were sold. Big box retailers shall use the list maintained by the Executive Officer as of the end of the calendar year of big box retailers for purposes of reporting to the appropriate architectural coatings manufacturer the quantities of products distributed or sold in the District. The report submitted to the District and to each architectural coatings manufacturer shall be electronically submitted by a corporate officer certifying that all information reported is true and correct. The report shall also be submitted to each architectural coatings manufacturer in an electronic spreadsheet format.
- (f) Recordkeeping
- Architectural Coatings Manufacturers shall:
- (1) Maintain a copy of the signed application form submitted to the District to obtain the manufacturers ID number, and the written response from the District issuing a manufacturer ID number. The copies shall be maintained for five (5) years beyond the date on each document, and made available upon request by the Executive Officer.
 - (2) Maintain records to verify data used to prepare the Annual Quantity and Emissions Report from architectural coatings distributed or sold into or within the District for use in the District and compliance with applicable rules and regulations. The records shall be maintained for five (5) years and made available upon request by the Executive Officer. Such records shall include but not be limited to:

- (A) Product formulation records (including both grams of VOC per liter of coating and grams of VOC per liter of material):
 - (i) Laboratory reports [including percent weight of non-volatiles, water, and exempts (if applicable); density of the coating; and raw laboratory data] of test methods conducted as specified in paragraph (m) or
 - (ii) Product formulation data or physical properties analyses, as applicable, with a VOC calculation demonstration; and
 - (B) Production records including, if applicable, batch tickets with the date of manufacture, batch weight and volume; and
 - (C) Distribution records:
 - (i) Customer lists or store distribution lists or both (as applicable) and
 - (ii) Shipping manifests or bills of lading or both (as applicable); and
 - (D) Sales records consisting of point of sale receipts or invoices to distributors or both, as applicable.
- (g) Fees
- (1) Manufacturer ID Number Fee
An architectural coatings manufacturer applying for a manufacturer ID number with the District as specified in paragraphs (d)(1) and (d)(2) shall pay a non-refundable application fee of ~~\$192.36~~197.17 at the time of submitting the application.
 - (2) Annual Quantity and Emissions Fees
 - (A) An architectural coatings manufacturer shall pay fees at the rates specified below (for the Annual Quantity Fee in clause (i) below, the actual final fee is based on the total number of gallons of paint shall be rounded to nearest whole cent), on or before April 1st (the official due date). Fees are based on the annual quantity and emissions of architectural coatings distributed or sold into or within the District for use in the District for the previous calendar year. The fee rate to be applied shall be the fee rate in effect for the year in which the sales and emissions are actually reported, and not the fee rate in effect for the year the sales actually occurred.

Fee Rate

- (i) Annual Quantity Fee: \$0.041 per gallon of paint.
 - (ii) Annual Emission Fee: ~~\$274.86~~281.73 per ton of VOC emissions.
 - (B) If an architectural coatings manufacturer submits the Annual Quantity and Emissions Report in such a manner that District staff has to manually enter the data into the District database, then the architectural coatings manufacturer shall pay at the time of submittal a non-refundable fee of ~~\$315.08~~322.96 for the first two hours of District time. The architectural coatings manufacturer shall be assessed additional fees at the rate of ~~\$157.55~~161.49 per hour for any additional time beyond the first two hours.
- (h) Request to Amend the Annual Quantity and Emissions Report and Refund Request of Emission Fees
- (1) An architectural coatings manufacturer shall submit a written request (referred to as an “Amendment Request”) for any proposed revisions to previously submitted Annual Quantity and Emissions Reports. Amendment requests submitted after one (1) year from the official due date of the subject Annual Quantity and Emissions Report shall include a non-refundable standard evaluation fee of ~~\$315.08~~322.96. In addition, evaluation time beyond two hours shall be assessed at the rate of ~~\$157.55~~161.49 per hour not to exceed 10 hours. Amendment requests received within one year (1) from the official due date of a previously submitted Annual Quantity and Emissions Report shall not incur any such evaluation fees. The Amendment Request shall include all supporting documentation and revised applicable reports.
 - (2) An architectural coatings manufacturer shall submit a written request (referred to as a “Refund Request”) to correct the previously submitted Annual Quantity and Emissions Report and request a refund of overpaid fees. Refund Requests must be submitted within one (1) year from the official due date of the subject Annual Quantity and Emissions Report to be considered valid. The Refund Request shall include a revised Annual Quantity and Emissions Report and all applicable supporting documentation. If the Refund Request submitted results in a refund, then the architectural coatings manufacturer shall incur no evaluation fee. If the refund request results in no refund, then the architectural coatings

manufacturer shall pay the standard evaluation fee and the hourly evaluation fees, as appropriate, specified in paragraph (h)(1).

(i) Fee Payments and Late Surcharge

- (1) Fee payments are the responsibility of the architectural coatings manufacturer.
- (2) If both the fee payments and the Annual Quantity and Emissions Report for the previous calendar year are not received by May 30th, they shall be considered late; and a surcharge for late payment shall be imposed for fees past due as set forth in paragraph (i)(3). Architectural coatings manufacturers subject to paragraph (d)(2) on or after July 1 of the reporting year shall have an additional 6 months, or any additional time approved by the Executive Officer, to submit the fee payments and the Annual Quantity and Emissions Report for the acquired architectural coatings manufacturer. For the purpose of this paragraph, the fee payments and the Annual Quantity and Emissions Report shall be considered to be timely received by the District if it is postmarked on or before May 30th. If May 30th falls on a Saturday, Sunday, or a state holiday, the fee payments and Annual Quantity and Emissions Report may be postmarked on the next business day following the Saturday, Sunday, or the state holiday with the same effect as if they had been postmarked on May 30th.
- (3) If fee payments for the Annual Quantity and Emissions Report (including any unreported quantity and emissions) are not received within the time prescribed by paragraph (i)(2), a late payment surcharge shall be assessed on the fees past due and added to the fee rate in subparagraph (g)(2)(A), according to the following schedule:

| | |
|---------------------|------------------------|
| Less than 30 days | 5% of past due amount |
| 30 to 90 days | 15% of past due amount |
| 91 days to one year | 25% of past due amount |
| More than one year | 50% of past due amount |

(4) Fee Payment Subject to Validation

Acceptance of a fee payment does not constitute validation of the emission data.

- (j) **Service Charge for Returned Checks**
Any person who submits a check to the District on insufficient funds or on instructions to stop payment, absent an overcharge or other legal entitlement to withhold payment, shall be subject to a \$25.00 service charge.
- (k) **Confidentiality of Information**
Subject to the provisions of the California Public Records Act (Govt. Code § 6250-6276.48) information submitted to the Executive Officer may be designated as confidential. The designation must be clearly indicated on the reporting form, identifying exactly which information is deemed confidential. District guidelines require a detailed and complete basis for such claim in the event of a public records request.
- (l) **Violation**
It shall be a violation of this rule for any architectural coatings manufacturer to distribute or sell their manufactured architectural coatings into or within the District for use in the District, without having a manufacturer ID number issued by the District, within the time specified in subdivision (d).
- (m) **Test Methods**
For the purpose of this rule, test methods are as specified in Rule 1113.
- (n) **Severability**
If any provision of this rule is held by judicial order to be invalid, ~~or invalid~~ or inapplicable to any person or circumstance, such order shall not affect the validity of the remainder of this rule, or the validity or applicability of such provision to other persons or circumstances. In the event any of the exceptions to this rule are held by judicial order to be invalid, the persons or circumstances covered by the exception shall instead be required to comply with the remainder of this rule.
- (o) **Distributor(s) List**
On or before January 31st, all architectural coatings manufacturers subject to this rule shall provide to the District a list of all U.S. distributors to whom they supply architectural coatings. The list shall be in a format determined by the Executive Officer and shall include the distributors name, address, contact person and phone number.

- (1) Once the initial list of all U.S. distributors has been submitted, the architectural coatings manufacturer shall provide any changes to that list for subsequent reporting years.
 - (2) If there are no changes to the list of all U.S. distributor(s), the architectural coatings manufacturer in subsequent reporting years shall report no changes.
- (p) Exemption
- (1) Fees pursuant to ~~sub~~paragraph (g)(2) shall not be assessed on coatings with 5 or less grams of VOC per liter of material provided the Annual Quantity and Emissions Report is received within the time prescribed by subparagraph (i)(2).
 - (2) Fees pursuant to ~~sub~~paragraph (g)(2) shall not be assessed on recycled coatings distributed or sold into or within the District by a certified recycled paint manufacturer provided the Annual Quantity and Emissions Report is received within the time prescribed by ~~sub~~paragraph (i)(2).
 - (3) Fees pursuant to ~~sub~~paragraph (g)(2) shall not be assessed on any architectural coatings manufacturer whose distribution or sale of coatings into or within the District for use in the District are less than 1,000 gallons and have potential annual VOC emissions of 0.5 tons or less in a calendar year, provided the Annual Quantity and Emissions Report is received within the time prescribed by ~~sub~~paragraph (i)(2).
 - (4) Architectural coatings offered for sale as a dry mix, containing no polymer, that are only mixed with water prior to use, including, but not limited to, stucco, clays, and plasters.

(Adopted May 7, 2010)(Amended May 6, 2011)(Updated July 1, 2011)
 (Updated July 1, 2012)(Updated July 1, 2013)(Amended June 6, 2014)
 (Amended May 1, 2015)(Updated July 1, 2016)([Amended June 2, 2017](#))

~~Changes to the fees are effective July 1, 2016~~[Effective July 1, 2017](#)

**PROPOSED AMENDED RULE 315. FEES FOR TRAINING CLASSES AND
 LICENSE RENEWAL**

(a) Fees for Rule Training Classes

| AQMD Training Class | Fee |
|---|--|
| Rules 403 & 403.1 | No Cost |
| Rule 461 Daily Self-Inspection Class | \$153.21 157.04 |
| Rule 461 Annual Periodic Inspection Class | \$167.68 171.87 |
| Rule 461 Tester Orientation Class | \$159.41 163.40 |
| Rule(s) 463/1178 | \$77.49 79.43 |
| Rule(s) 1110.2/1146/1146.1 | No Cost |
| Rule 1176 | \$59.88 61.38 |
| Rule 1403 | \$83.39 85.47 |
| Rule 1469 | \$33.11 33.94 |

(b) Certified Permitting Professional (CPP) License Fees

- (1) The fee for the CPP exam administered by SCAQMD is ~~\$158.24~~[162.20](#). This fee also covers the first year license fee for those who pass the exam.
- (2) The annual renewal fee for the CPP license fee is ~~\$158.24~~[162.20](#). The license shall expire if the license renewal fee is not received by the District or postmarked within 30 days after the mailing of invoices or June 30th, whichever is later.

- (3) A CPP license that has expired due to nonpayment of the annual renewal fee may be reinstated by submitting a request for reinstatement and payment in full of the amount due at the time the license expired. A reinstatement surcharge shall also be paid equivalent to fifty percent (50%) of the amount due. Such request and payment shall be made within six (6) months of the license expiration. A license shall not be reinstatable after December 31st of the year it has expired.

ATTACHMENT H

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

Final Staff Report Proposed Amended/Updated Regulation III – Fees

Including:

Proposed Amended Rule 301 - Permitting and Associated Fees
Proposed Amended Rule 303 - Hearing Board Fees (CPI Update Only)
Proposed Amended Rule 304 - Equipment, Materials, and Ambient Air Analyses (CPI Update Only)
Proposed Amended Rule 304.1 - Analyses Fees (CPI Update Only)
Proposed Amended Rule 306 - Plan Fees
Proposed Amended Rule 307.1 - Alternative Fees for Air Toxics Emissions Inventory (CPI Update Only)
Proposed Amended Rule 308 - On-Road Motor Vehicle Mitigation Options Fees (CPI Update Only)
Proposed Amended Rule 309 - Fees for Regulation XVI
Proposed Amended Rule 311 - Air Quality Investment Program (AQIP) Fees (CPI Update Only)
Proposed Amended Rule 313 - Authority to Adjust Fees and Due Dates (CPI Update Only)
Proposed Amended Rule 314 - Architectural Coatings (CPI Update Only)
Proposed Amended Rule 315 - Fees for Training Classes and License Renewal (CPI Update Only)

June 2, 2017

**Deputy Executive Officer
Planning, Rule Development and Area Sources**
Philip Fine, Ph.D.

**Assistant Deputy Executive Officer
Planning, Rule Development and Area Sources**
Susan Nakamura

Planning and Rules Manager
Carol Gomez

Authors: Donna Peterson - Financial Services Manager
Henry Pourzand – Air Quality Specialist

Contributors: John Kampa – Financial Analyst
Nancy Cole – Financial Analyst
Mary Leonard – Financial Analyst

Reviewed By: Barbara Baird – Chief Deputy Counsel
Michael O’Kelly – Chief Administrative Officer
Veera Tyagi – Principal Deputy District Counsel
Kathryn Higgins – Program Supervisor
Teresa Barrera - Senior Deputy District Counsel

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I. EXECUTIVE SUMMARY

Regulation III – Fees primarily establishes the fee rates and schedules to recover SCAQMD's reasonable costs of regulating and providing services to permitted sources. The Permitted Source Program is primarily supported by three types of fees that provide over 62% of the SCAQMD budget, namely permit processing fees, annual renewal (equipment-based) fees, and annual renewal (emissions-based) fees, all of which are contained in Rule 301. In addition, the Permitted Source Program includes certain activities for which separate fees are charged, such as Source Testing and Hearing Board variances and permit appeals. Also included in the permit-related fee program are Rule 222 registration fees and plan fees, since these are similar to permits for the sources to which they apply. Regulation III-Fees also establishes fees and rates for other fee programs, unrelated to the Permitted Source Program, such as Transportation Programs fees and Area Source fees (architectural coatings).

In the 1990's the SCAQMD began experiencing significant shortfalls in its budget due to declining revenues that threatened the continuity of many of its programs and services. Shortfalls continue to exist despite the significant budget reductions adopted, increasing vacancy rates due to unfilled positions and continuous improvements in performance and efficiency. Moreover, the SCAQMD faces a number of challenges in the upcoming years: changes in federal grant funding levels, increased retirement costs due to actuarial and investment adjustments, and one-time penalties and settlement revenue that varies annually. Deficits have been covered through use of reserves which have been primarily funded with one-time penalty revenue.

To keep pace with inflation and better address the remaining shortfall in revenues, staff recommends that fees be increased based on a three-tiered approach. First, for FY 2017-18, staff recommends that most current Regulation III fees be adjusted by the 2.5% change in the California Consumer Price Index (CPI) for calendar year (CY) 2016 via the automatic action of Rule 320 - Automatic Adjustment Based on Consumer Price Index for Regulation III Fees. Per Rule 320, this fee increase is effective automatically unless the Board affirmatively votes not to adopt it. Since this first component fee increase will be insufficient to recover costs for services provided by approximately \$7 million, staff proposes the following two cost recovery components to better recover costs from the Permitted Source Program. Staff recommends that, in response to a 2016 U.S. EPA Title V Program Review finding that Title V program fees do not cover program costs, as required by the Clean Air Act (CAA), that Title V operating permit-related fees (permitting and annual renewals) be adjusted by a further 16% increase in each of the next two fiscal years (FY 2017-18 and FY 2018-19). Finally, in order to more fully recover the cost of programs and services within the non-Title V Permitted Source Program staff proposes, permit processing and annual renewal (equipment-based) fees (also called "annual operating fees") including plan fees, be adjusted by 4% beyond the 2.5% increase in the CPI in each of the next two fiscal years (FY 2017-18 and FY 2018-19). These fees are not subject to the 16% fee increase.

The adjustment of specific Title V permit-related fees and non-Title V permit-related fees above the 2.5% increase in the CPI is necessary in order to better recover the reasonable regulatory costs of issuing these permits and carrying out mandated services and programs such as enforcement related activities. The proposed increases are also equitable because these mandated regulatory programs and services directly benefit those receiving permits. These permit-related services include but are not limited to providing permits to construct/operate source equipment, preparing notices and responding to comments, conducting compliance audits and inspections, and verifying compliance of all applicable rules. Further, costs are allocated based on the relative burden placed on the permitted source programs or the benefit provided. Staff's proposal has been incorporated into the FY 2017-2018 Draft Budget and Work Program.

Staff is also proposing other administrative amendments with no fiscal impact. These amendments would update, delete, clarify or correct typographical errors in selected provisions of the regulation. These include specific references in Regulation III to other rules that have been subsequently amended, obsolete language which is being deleted, extending due dates for certain emissions fees and general re-formatting.

The proposed fee increases were formulated to address cost recovery by refining the alignment of program revenue with program costs that have typically never been fully recovered. Without the proposed fee amendments, staff currently projects an approximate \$7 million deficit in revenues in the FY 2017-18 proposed budget for programs related to issuing permits and enforcement for permitted sources. Factors impacting budget shortfalls include legally mandated funding for the San Bernardino County Employee Retirement Association (SBCERA) which is significantly increasing retirement costs (and which translates into certain overhead costs) decreasing emissions fees revenues, and revenues remaining generally flat from annual permit renewal fees. The proposed FY 2017-18 Draft Budget and Work Program, including supporting documentation, are hereby incorporated by reference in this report. These documents are available at <http://www.aqmd.gov/home/about/finance> and the SCAQMD Public Information Center.

II. PROPOSED AMENDMENTS

For FY 2017-18, proposed amendments to Regulation III consist of the following four (4) components:

1. A fee increase for most fees by 2.5%, consistent with the change in the California Consumer Price Index (CPI) for 2016, and as mandated by District Rule 320 (see Appendix A);
2. An additional fee rate increase above the 2.5% increase in the CPI of 16% in each of the next two (2) FYs, in permit-related services (permit processing, annual renewals and plans, but excluding emissions based fees) for Title V facilities;
3. An additional fee rate increase above the 2.5% increase in the CPI of 4% in each of the next two (2) FYs, in permit-related services (permit processing,

annual renewals and plans, but excluding emissions based fees) for non-Title V facilities; and

4. Administrative amendments, with no fiscal impact, that delete, update, clarify or correct existing text in the regulation.

Staff proposes that emissions-related fees be increased by the 2.5% increase in the CPI only whether they are for Title V or non-Title V sources.

A. COMPONENT 1 – CPI ADJUSTMENT

For FY 2017-18, staff is recommending that most fees in Regulation III (excluding those specifically listed below as exempt) be allowed to adjust commensurate with the CY 2016 change in the CPI, pursuant to the automatic action of Rule 320 – Automatic Adjustment Based on Consumer Price Index for Regulation III – Fees. Pursuant to Rule 320(b) most fees as set forth in Regulation III “...shall be automatically adjusted by the change in the California Consumer Price Index for the preceding calendar year, as defined in H&SC §40500.1(a).” For the preceding calendar year (CY) 2016, the change in the CPI was equivalent to 2.5%. See Appendix B – Fee Rate Increases for Provisions in Regulation III for a list of specific fees in Regulation III that will be adjusted by the increase in the CPI only (column “1 CPI only”).

For the current proposal, the following fees in Regulation III are specifically excluded from any fee rate increase (i.e., Component 1, Component 2, and Component 3 fee increases):

- The returned check service fee in various rules (currently set by state law at \$25),
- Rule 301(w) – Enforcement Inspection Fees for Statewide Portable Equipment Registration Program (PERP) fees (these fees are set by the state),
- Rule 307.1 Table I – Facility Fees By Program Category; “State Fee” column figures only (these fees are set by the state), and
- Rule 311(c) Air Quality Investment Program Fees (these fees pay for programs to reduce emissions under Rule 2202 – On Road Vehicle Mitigation Options and do not support the SCAQMD Budget).

B. COMPONENT 2 – TITLE V PERMIT PROCESSING AND ANNUAL RENEWAL FEE ADJUSTMENT

In response to a U.S. EPA report¹, in order to more fully recover the costs of the Title V program, Title V permit processing (equipment-based) and annual renewal

¹ SCAQMD Title V Operating Permit Program Evaluation Final Report. USEPA. 9/30/2016. Finding that the SCAQMD Title V program is dependent on penalty monies and recommending that fees be increased to recover costs.

fees (also called “annual operating fees”), including plan fees in Regulation III would be increased by an additional 16% in each of the next two FYs. See Appendix B, column “3 CPI + TV”, for the list of rule provisions that will be adjusted by the increase in the CPI and a 16% increase in FY 2017-18 and again by 16% for FY 2018-19.

C. COMPONENT 3 – NON-TITLE V PERMIT PROCESSING AND ANNUAL RENEWAL FEE ADJUSTMENT

In order to better recover the costs of certain programs within the Permitted Source Program and better align program costs with revenues, permit processing (equipment-based) and annual renewal fees (also called “annual operating fees”), including plan fees for non-Title V sources in Regulation III would be increased by 4% beyond the increase in the CPI in each of the next two FYs. See Appendix B, column “2 CPI + Non-TV”, for the list of rule provisions that will be adjusted by the increase in the CPI and a 4% increase in FY 2017-18 and again by 4% for FY 2018-19.

D. COMPONENT 4 – ADMINISTRATIVE AMENDMENTS (NO FISCAL IMPACT)

The following proposed amendments to rules in Regulation III have no fee impact but would update, delete, clarify, or correct typographical errors in selected provisions of the regulation to:

- Update Rule 301 (a)(10), subdivision (j) heading and (j)(4) regarding Public Notification to align with prior amendments to Rule 212. This amendment updates references in Rule 301 to Rule 212 by removing the word “significant” from “significant project” in Rule 301 (a)(10), Subdivision (j) heading and (j)(4);
- Delete obsolete references in Rule 301 to the FY 2007-08 six-month transitional emissions fees;
- Clarify reference to the list of contaminants in Rule 301(e)(6) pertaining to clean fuels fee thresholds;
- Extend the due date for certain fees in Rule 301(e)(9), (10), (11) and (15) from sixty (60) to seventy-five (75) days;
- Delete obsolete Rule 301(l)(10)(E) reference to special operating fee for petroleum refineries for FY 2007-08 through FY 2008-09;
- Delete obsolete prior FY fees for initial and final Title V fees in Rule 301(m)(3)(A) and (B);
- Delete obsolete CPI rebate provision for FY 2010-11 in Rule 301(ab);
- Update the reference in Rule 301(v)(2) regarding fees for expedited CEQA work from 301(i) to 301(j);
- Correct a typographical error in Rule 301 Table IA for “Afterburner (< 1 MMBTU/hr, venting m.s.)” to “Afterburner (\leq 1 MMBTU/hr venting m.s.)”;

- Reformat the table in Rule 306(h) listing the types of plans subject to an annual renewal/review fee;
- Clarify that the published Rule 306(q) fee for optional expedited plan processing includes an amount for mileage;
- Update Rule 308(k) Emission Reductions Project Review to delete a reference to a past date and to correct the reference to Rule 2202; and
- Re-commence publishing fees in Rule 314(g) to three (3) decimal places (with a proviso that the actual amount remitted is rounded to the nearest penny).

Other miscellaneous text corrections have no fiscal impact but do correct references in the rule. For example, Rule 301, subdivision (a), Applicability serves as a table of contents for locating other subdivisions in the rule. Over several rule amendment cycles, with the insertion or deletion of various provisions, the actual location of such text has changed but the reference in subdivision (a) has not been concurrently updated. Table 1 provides examples of some of the changes and the necessity to update references, which have no effect on fees, but correct erroneous references.

Table 1 – Necessity for Administrative Updates to References in Rule 301

| Rule Provision Providing Current Reference | Current Rule Reference | Correct (Proposed Amended) Rule Reference | Current Referenced Subdivision Content |
|--|------------------------|---|--|
| 301(a)(1) – Facility Permits | 301(m) | 301(n) | Title V Facilities |
| 301(a)(11) – Asbestos Demolition and Renovation Activities | 301(n) | 301(o) | Facility Permits |
| 301(a)(12) – Lead Abatement Activities | 301(o) | 301(p) | Asbestos Fees |

III. IMPLEMENTATION

A. CALCULATING THE FEE INCREASE

The methodology for applying the 3 types of component fee increase, is as follows:

Component 1

A base (inflation-factor or cost of living) increase of 2.5% equivalent to the change in the CY 2016 California CPI to most FY 2016-17 fees in Regulation III, effective July 1 2017 (FY 2017-18).

Example: Rule 301(x) Rule 1149 and 1166 Notification Fees

Current FY 2016-17 Fee × CPI Rate Increase =

FY 2017-18 Fee =

\$59.37 × 1.025 =

\$60.85

Component 2

An additional fee rate increase above CPI of 16%, in each of the next two (2) FYs, in permit-related services for Title V facilities.

Example: Rule 301(m)(7) – Permit Revision Fee

For FY 2017-18:

Current FY 2016-17 Fee × CPI Rate Increase × 16% Rate Increase =

FY 2017-18 Fee =

\$1,021.20 × 1.025 × 1.16 =

\$1,214.21 (rounded to the nearest cent)

For FY 2018-19 and thereafter:

FY 2017-18 Fee × 16% Rate Increase =

FY 2018-19 Fee =

\$1,214.21 × 1.16 =

\$1,408.48²

Component 3

An additional fee rate increase above CPI of 4% in each of the next two (2) FYs, in permit-related services for non-Title V facilities.

Example: Rule 301(c)(1)(J) – Standard Streamline Permits

² This fee will likely be slightly higher due to the action of Rule 320, which will automatically increase most FY 2018-19 fees in Regulation III by the change in the CY 2017 California CPI (unless the Board elects to forgo or modify the rate). The amount of this change is unknown until January 2018 and therefore, cannot be included in this fee calculation.

For FY 2017-18:

$$\begin{aligned} & \text{Current FY 2016-17 Fee} \times \text{CPI Rate Increase} \times 4\% \text{ Rate Increase} = \\ & \text{FY 2017-18 Fee} = \\ & \$811.45 \times 1.025 \times 1.04 = \\ & \underline{\$865.01 \text{ (rounded to the nearest cent)}} \end{aligned}$$

For FY 2018-19 and thereafter:

$$\begin{aligned} & \text{FY 2017-18} \times 4\% \text{ Rate Increase} = \\ & \text{FY 2018-19 Fee} = \\ & \$865.01 \times 1.04 = \\ & \underline{\$899.61^3} \end{aligned}$$

B. APPLYING THE FEE INCREASE

For the purposes of these proposed amendments, permit-related services include: permit processing (new permits, modification/alteration/change of existing permits, annual renewals and plans). It does not include emissions or emissions-related fees, which are to be increased by the CPI only.

Certain fees are designed to better recover the cost of the specialized service provided regardless of the facility type. The fees typically include an hourly rate component or other mechanism to account for more time consuming, larger or complex cases. These fees are only being increased by CPI. Examples include emissions-related fees in Rule 301 Table IIA – Special Processing Fees – Air Quality Analysis/Health Risk Assessment; Rule 301 Table IIC – CEMS, FSMS & ACEMS Fee Schedule (hourly rates for more time consuming projects); and Rule 307.1- Table 1 District Fee column (fees are categorized based on Simple, Medium and Complex facility designations). Other specialized services include CEQA, Transportation Programs and Area Source programs.

Most fees in Rule 301(l) RECLAIM facilities are increased by 4% in each of the next two FYs since these are permit-related services. Most fees in Rule 301(m) Title V are increased by 16% in each of the next two years since these are specifically Title V permit-related services. Some sources are required to pay both a RECLAIM and Title V fee because of the amount of resources required expended in permit-related services. For prior FYs, the RECLAIM and Title V fees were equivalent and a source that was subject to Title V and RECLAIM paid a fee equivalent to double the RECLAIM (or Title V) facility fee. For FY 2017-18, in addition to CPI, the RECLAIM non-Title V portion of the fees is being increased by 4% and the Title V portion of the fees is being increased by 16%. Therefore the

³ See footnote 2 above.

new proposed fee for a source that is subject to both Title V and RECLAIM is less than double the Title V RECLAIM source fee but greater than double the RECLAIM fee and is calculated as shown in the following example for Rule 301(l)(5):

Pursuant to Rule 301(l)(5) for FY 2016-17, the Facility Amendment Fee for a RECLAIM source is \$1,021.20. If the source is both a RECLAIM facility and a Title V facility the fee is currently doubled (i.e., $\$1,021.20 \times 2 = \$2,042.40$). However, for FY 2017-18 the fee has been computed as the new RECLAIM fee (based on CPI and a 4% rate increase) plus, the new Title V fee (based on CPI and a 16% rate increase). Table 2A shows an example of how the proposed \$2,302.81 FY 2017-18 fee is computed for a source subject to both Title V and RECLAIM.

Table 2A – An Example of How to Compute the Cumulative Fee for a Source That Is Subject to Both RECLAIM and Title V in FY 2017-18

| Source Type | Current FY 2016-17 Fee | Fee Rate Increase for FY 2017-18 | Proposed FY 2017-18 Fee |
|---------------------------------|------------------------|----------------------------------|-------------------------|
| RECLAIM only source | \$1,021.20 | 2.5% and 4% | \$1,088.60 |
| Title V only source | \$1,021.20 | 2.5% and 16% | \$1,214.21 |
| Both RECLAIM and Title V source | \$2,042.40 | 2.5% and 4% plus 2.5% and 16% | \$2,302.81 |

Similarly, for the same scenario in Table 2A, the computation for the proposed subsequent FY (2018-19) fee of \$2,540.62 is shown in Table 2B.

Table 2B – Computing the Cumulative FY 2018-19 and Thereafter⁴ Fee for the Table 2A Example (Source Subject to Both RECLAIM and Title V)

| Source Type | FY 2017-18 Fee | Fee Rate Increase for FY 2018-19 | Proposed FY 2018-19 Fee |
|---------------------------------|----------------|----------------------------------|-------------------------|
| RECLAIM only source | \$1,088.60 | 2.5% and 4% | \$1,132.14 |
| Title V only source | \$1,214.21 | 2.5% and 16% | \$1,408.48 |
| Both RECLAIM and Title V source | \$2,302.81 | 2.5% and 4% plus 2.5% and 16% | \$2,540.62 |

⁴ See footnote 2 above.

IV. BACKGROUND

A. LEGAL AUTHORITY

The California Health and Safety Code (H&SC) provides the SCAQMD with the authority to adopt various fees to recover the costs of its programs. The Permitted Source Program is primarily funded through Section 40510(b) which authorizes the SCAQMD to adopt “a fee schedule for the issuance of variances and permits to cover the reasonable cost of permitting, planning, enforcement, and monitoring related thereto.” Thus, virtually every cost related to regulating permitted sources may be recovered under this type of fee. Entities regulated through the Permitted Source Program must receive two types of permits. The SCAQMD issues permits to construct for each permitted facility or piece of equipment. In addition, the SCAQMD issues annual operating permits to operate for each facility or piece of equipment (RECLAIM and Title V facilities receive a facility permit; other sources receive equipment-based permits.) Correspondingly, the SCAQMD has adopted two basic types of permit fees: a fee for permits to construct, and a fee for permits to operate. The fee for permits to construct is based on the type of equipment involved, with higher fees for more complicated equipment. Each type of basic and control equipment is assigned a fee schedule, A through H, as set forth in Rule 301, Tables IA and IB.

The fee for permits to operate is further divided into two components: an equipment-based fee, and an emissions-based fee. The equipment-based fee is based on the same equipment categories as are used in the permit to construct fee, i.e., the categories A through H, but there are only four fee schedules for the equipment-based permit to operate fee. Each permit to construct fee schedule is assigned to one of the four permit to operate fee schedules, based on complexity of inspection and compliance activities and emissions potential.

The annual emissions-based operating fee includes a flat fee paid by each facility, and a tiered fee for sources emitting four or more tons per year of criteria pollutants (e.g., VOC, NO_x, and PM) and smaller amounts for emissions of specified air toxics. State law authorizes the use of emissions-based fees. (H&SC Section 40510(c)(1)). RECLAIM and Title V facilities pay additional permit-related fees to recover the additional costs associated with these types of facilities.

The permit to construct fees and the annual operating equipment-based fees are proportional to the labor involved in permit processing and enforcement related activities. The emissions-based annual operating fee is used to cover indirect regulatory costs such as planning, rulemaking, outreach, and air monitoring, which are also necessary to regulate the permitted source. California courts have upheld the use of emissions-based fees to cover these types of costs, holding that such an allocation method is reasonably related to an air district’s costs of regulating a permit holder’s air pollution. *San Diego Gas & Electric Co. v. San Diego County APCD* (1988) 203 Cal. App. 3d 1132, 1148.

The SCAQMD has further subdivided certain permit-related activities and imposed fees to at least partially recover their costs, such as Source Testing, CEQA analysis, and newspaper noticing, rather than grouping these costs into the basic permit processing or operating fees. This enables the SCAQMD to more closely tie the costs of specific permit-related activities to the fees paid. While there are many sub-types of fees within the basic structure, such as special processing fees for CEQA analysis or health risk assessments, the three permit-related fees (permit processing, equipment based annual renewal and emissions based annual renewal) are the basic structure.

Plan fees and Rule 222 equipment registration fees are also proposed to be increased by 4% for the next two FYs as they operate in a similar manner to permit processing and annual renewal fees for the equipment and activities covered, and are included in the revenue categories “Permit Processing Fees” and “Annual Operating Permit Renewal Fees.”

As noted above, the code authorizes the imposition of fees for variances (H&SC Section 40510(b)). These are included in Rule 303. The code also authorizes the imposition of fees for the costs of programs related to indirect sources (such as Rule 2202 ridesharing program fees) and Area Wide sources (such as Rule 314 related to architectural coatings) to cover the costs of programs related to those sources. (H&SC Section 40522.5). It is not necessary to increase these types of fees this year, other than the automatic CPI based increase, to support their related programs.

If the SCAQMD proposes to increase the Permitted Source Program fees by more than the change in the CPI, the increase must be phased in over a period of at least two years. H&SC Section 40510.5(b). Also, if a fee increase greater than CPI is adopted, the SCAQMD Governing Board must make a finding, based on relevant information in the rulemaking record, that the increase is necessary and will result in an apportionment of fees that is equitable. This finding shall include an explanation of why the fee increase meets these requirements. (H&SC Sections 40510(a)(4) and 40510.5(a)). These findings will be included in the SCAQMD Governing Board Resolution presented for the Public Hearing on Regulation III.

Finally, the total amount of fees collected by the SCAQMD shall not be more than the total amount collected in the 1993-1994 fiscal year, except that this total may be adjusted by the change in the CPI from year to year (H&SC Section 40523). Also, this limitation does not apply to fees adopted pursuant to a new state or federal mandate imposed on and after January 1, 1994. (H&SC Section 40523). The SCAQMD has consistently complied with this limit. Total fees (other than mobile source fees which staff believes are not covered by this section) collected in 1993-1994 were \$64.9 million; adjusted by CPI since that time the cap would be \$101.0 million. Total projected fees (except mobile source fees) for FY 2017-18 are \$90.4 million, which remains below the CPI adjusted cap.

In addition to stationary source revenues, SCAQMD receives revenue from mobile sources. Mobile source revenues include the Clean Fuels Fee, Carl Moyer and Proposition 1B funds. These are special revenue funds outside of the General Fund

budget which pay for specific technology advancement or emission reduction projects approved by the SCAQMD Governing Board and are consistent with the specific limits on the use of those funds. Periodically, funds to reimburse SCAQMD for its administrative costs in carrying out these projects are transferred by SCAQMD Governing Board action into the General Fund SCAQMD budget.

A second type of mobile source revenue is provided by AB 2766 from the 1992 legislative session, which provides the SCAQMD with 30% of a four-dollar fee assessed on each motor vehicle registered in the SCAQMD. These funds must be used for the reduction of pollution from motor vehicles, and for related planning, monitoring, enforcement, and technical studies necessary for the implementation of the California Clean Air Act. H&SC Code §44223. Staff assigns specific mobile-source related programs to this revenue source, as well as a proportionate share of activities such as ambient air quality monitoring and regional modeling which are not specifically related to stationary or mobile sources individually. These fees are currently set at the statutory maximum. AB 2766 fees have not been increased in over 20 years. Thus, based on CPI, the real value of AB2766 fees has declined by about 59%. The remainder of the AB 2766 revenues is divided between a share that is subvented to cities and counties for mobile source emission reduction programs and a share that is used to fund mobile source emission reduction projects recommended by the Mobile Source Air Pollution Reduction Review Committee (MSRC) and approved by the SCAQMD Governing Board.

B. PROPOSITION 26 COMPLIANCE

On November 2, 2010, the voters of California enacted Proposition 26, which was intended to limit certain types of fees adopted by state and local governments. Proposition 26 broadly defines a tax to mean any charge imposed by a local government that does not fall within seven enumerated exceptions for valid fees. If a charge does not fall within an enumerated fee exception, it is considered a tax, and must be adopted by vote of the people. The SCAQMD does not have authority under state law to adopt a tax, so it may only impose a charge that is a valid fee under Proposition 26. In October 2010, the SCAQMD adopted Rule 320, which provides for an automatic adjustment of all SCAQMD fees by the change in the CPI from the previous year. Proposition 26 does not apply to fees adopted before its effective date. *Brooktrails Township County. Servs. Dist. v. Bd. of Supervisors of Mendocino County*, 218 Cal. App. 4th 195, 206 (2013). Therefore, the CPI adjustment is not subject to Proposition 26. Regardless, by design the CPI increase recovers only the reasonable increase in SCAQMD's costs as a result of inflation and the manner in which those increased costs are allocated bears a fair and reasonable relationship to the burdens on the District's activities as established by the underlying fee schedule.

This year's proposed fee increases are valid fees under at least one of the Proposition 26 fee exceptions. Cal. Const., art. XIIC, §1, subd.(e), par. (3). This section allows local agencies to adopt "[a] charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing

investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof.”

Proposition 26 provides that an agency must establish by a preponderance of the evidence that the fee fits within one of the fee exceptions. Cal. Const., art. XIII C, §1. For this reason, this staff report for this fee proposal contains a detailed explanation of the basis of the proposed fee increase to recover the SCAQMD’s reasonable regulatory costs for issuing permits and enforcement.

Finally, Proposition 26 requires that the local government prove by a preponderance of the evidence that the amount of the fee “[1] is no more than necessary to cover the reasonable costs of the governmental activity, and that [2] the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor’s burdens on, or benefits received from, the governmental activity.” Cal. Const. art. XIII C §1. In this report, staff has provided a detailed explanation of the Permitted Source Program and the method of allocating program costs to the permit processing and annual operating fee payors to satisfy this requirement.

C. SCAQMD FEES STRUCTURE

To fund its mandated programs, the SCAQMD utilizes a system of evaluation or permit processing fees, annual operating fees (equipment-based), emissions-based operating fees, Hearing Board fees, penalties/settlements, other fees (such as subscription fees) and investments that generate approximately 72% of its revenues. The remaining 28% of its revenue is from federal grants, California Air Resources Board subvention, California Clean Air Act Motor Vehicle fees, administrative costs for incentive programs, and miscellaneous income. The SCAQMD currently receives the bulk of its funding (62%) from stationary and some area sources and also relies on mobile source revenues, state subventions and federal grants to support a majority of the remaining costs not covered by stationary and area source fees, in such program areas as air monitoring, regional modeling, emissions inventory, planning, rule making, and emergency response. Costs of programs that are not directly related to stationary or mobile sources such as regional air monitoring, are supported by both stationary and mobile source revenues, in rough proportion to contribution to air pollution in the region by sources.

SCAQMD Regulation III – Fees describes activities for which fees are required and sets rates and schedules for the amount of fees to be charged. Since the adoption of Rule 320 in 2010, Regulation III is typically automatically updated (not amended) each year in support of SCAQMD’s annual budget. California H&S Code §§ 40510, 40510.5, and 40523 authorize the SCAQMD to increase fees consistent with an annual increase in the California CPI and allow increasing individual fees by a greater amount if the SCAQMD Governing Board makes the required findings of necessity and equitable apportionment.

Over the past twenty years the SCAQMD has in all but seven years held its general fee increases to the change in the California Consumer Price Index (CPI) and made significant reductions in its workforce and budget to offset declining revenues from emission fees. Federal and state law require the SCAQMD to regulate emissions from stationary sources, which it does through the issuance of various facility and equipment permits, as well as Rule 222 equipment registrations and plans, which operate similarly to permits for the sources covered by them. State law authorizes the SCAQMD to establish fees for issuing these permits to cover “the reasonable cost of permitting, planning, enforcement, and monitoring related thereto.” (H&SC §40510(b)).

These regulatory activities constitute the SCAQMD’s Permitted Source Program. The SCAQMD has adopted three basic types of Program fees: permit processing fees, annual renewal operating fees (equipment-based), and emissions-based operating fees. Traditionally, the SCAQMD has endeavored to recover its costs of permit processing from permit processing fees, its costs of inspection and enforcement from annual renewal operating fees, and its indirect costs related to the overall Permitted Source Program regulatory activities such as a proportional share of planning, monitoring, rule development and outreach programs, from emissions-based operating fees. In recent years, some of these indirect costs have been recovered from annual operating fees rather than emissions-based fees, since emissions fees are a declining source of revenue, without a corresponding reduction in rulemaking efforts and activities. These emissions fees allocate costs primarily based on the amount of emissions discharged and the greater regulatory burden those emissions impose.

The current structure for Permit Processing fees derives ultimately from a study of actual time spent processing permits, conducted by KPMG Peat Marwick for the 1990 fee amendments. Permit processing fee schedules were subsequently developed and updated based on actual time spent processing various types of equipment as gathered by permit processing staff.⁵ Annual renewal operating fees are based on four basic schedules [Rule 301 (d)(2)] which are based on the size and complexity of the equipment, which is proportional to the amount of work needed to inspect and enforce SCAQMD rules.

⁵ In November 1989, the consulting firm of Peat Marwick Main and Co. “...began a comprehensive study, in concert with SCAQMD staff to assess the status of District fee programs which are outlined in Regulation III.” The resulting “Recommendation Regarding Fee Assessment Study” report was presented to the SCAQMD Governing Board on March 28, 1990 (Agenda Item #10).

On August 11, 1994, the SCAQMD Governing Board authorized an independent study of the SCAQMD’s fee structure and authority. A panel composed of representatives from Chevron, LA County Sanitation District, Hughes Environmental Corporation, Orange County Transportation Authority and the SCAQMD recommended the firm of KPMG to perform the study. A final “Report on the Study of the AQMD’s Fee Structure and Authority” was presented to the SCAQMD Governing Board on March 10, 1995 (Agenda Item #11).

Both these documents are on file and available at the SCAQMD Library, 21865 East Copley Drive, Diamond Bar, CA 91765, (909-396-2600).

D. SCAQMD PERMITTED SOURCE PROGRAM

The SCAQMD's overall budget is supported by a number of revenue sources. Some are set by state law (e.g., AB 2766 motor vehicle fees) and others are established by CARB (e.g., portable equipment registration program (PERP) fees). State law generally authorizes the SCAQMD to establish fees to support programs related to permitted sources, area sources, and indirect sources. For FY 2017-18, estimated revenue from the permitted source fees will fall short of the estimated costs of the Permitted Source Program. Accordingly, for Title V facilities, staff proposes a 16% per year increase in each of the next two FYs for certain fees related to Title V permitted sources, in addition to the automatic CPI fee adjustment under Rule 320 to fully recover the costs of the Title V program. Since not all fees are being increased by more than the CPI, the overall percentage fee increase for a typical refinery would be in the 5% to 6% range.

Additionally, for non-Title V facilities, staff proposes a 4% fee increase for certain fees related to permitted sources, in addition to the automatic CPI fee adjustment under Rule 320, in FY 2017-18, to cover a portion of this shortfall. Staff also proposes adopting an additional 4% increase beyond CPI in FY 2018-19 to cover more of the expected shortfall next year.

The SCAQMD's regulatory program for permitted sources includes the following broad categories:

- processing permits to construct, modifications/alterations, change of condition, and permits to operate, including CEQA, health risk analysis, public notice, air quality modeling, etc.;
- enforcement/compliance activity related to permitted sources, including inspections, complaint investigations, legal actions and settlements, variances and abatement orders;
- small business assistance, source education, and customer service (fee review committee; questions related to fees; Public Records Act compliance);
- air quality planning and rule development for permitted sources, including CEQA for Planning and Rules, socioeconomic assessment; emissions inventory development and commenting on CARB and EPA permitted source programs;
- source testing and laboratory analysis; special source-related monitoring; CEMS (continuous emissions monitors) and other compliance-related equipment;
- a proportionate share of ambient air quality monitoring and other activities related to air pollution such as regional modeling; and
- a proportionate share of public outreach programs, interagency communications such as local government outreach; advisory committees, etc.

In addition, any government agency requires certain overhead programs such as personnel, payroll, risk management, financial services, general legal advice, and information management. Where this kind of work can be related to a specific program (e.g., developing computer systems for permit processing), these costs are allocated to the appropriate work program line. Otherwise, these costs are identified as “SCAQMD allocatable overhead” and allocated over all Work Program code lines, based on the percent of Full Time Equivalents (FTEs) assigned to that Work Program line compared to total agency FTEs excluding allocatable overhead. Accordingly, a proportionate share of the costs of general programs required to run the agency such as personnel, payroll, etc., which are allocated to overall program work programs, are supported by the Permitted Source Program. The total cost of the Permitted Source Program is derived by summing the costs allocated to permit processing fees [\$32.8 million], annual operating fees (equipment-based) [\$38.5 million], annual operating fees (emissions-based) [\$21.4 million], Source Testing [\$2.8 million] and Hearing Board [\$1.7 million], as shown in Appendix C 2. The sum of these costs is \$97.2 million. The above-described costs are considered reasonable based on the budgeted FTEs assigned for the next Fiscal Year to each Work Program code line item (see the FY 2017-2018 Draft Budget and Work Program.) The SCAQMD Governing Board may consider FY 2016-17 programs to be a reasonable proxy for FY 2017-18 programs based on its knowledge and experience, and the fact that the total of 825 FTEs is still well below the agency maximums of 1,167 FTEs in FY 1991-1992.⁶

The total revenues projected from these five fee categories prior to the proposed fee increases beyond the CPI adjustment is \$19.3 million, \$51.7 million, \$19.5 million, \$0.8 million and \$0.3 million; respectively. The total of these projected revenues is \$91.6 million. Therefore, the total costs of the Permitted Source Program are greater than total projected revenues by \$5.6 million. Of these revenue totals, \$6.4 million of permit processing overhead are offset by annual operating fees. Accordingly, it is necessary to increase the Permitted Source Program fees and/or supplement those fees with other revenue. For FY 2017-2018, staff proposes to increase permit processing fees and the annual operating fees for Title V 16% which would generate \$1.5 million in additional revenue. For non-Title V facilities those same fees would be increased by 4%, which would generate an additional \$2.1 million. The funds generated by this fee increase will enable the SCAQMD to recover more of its costs from the Permitted Source Program. Staff proposes to fund the remaining \$6.7 million shortfall in permit processing fees, with \$4.5 million of annual operating fees and \$2.2 million from the unrestricted “other” revenues to fully cover the costs of the permitted source related program (see Appendix C 2).

⁶ For additional details regarding revenues, expenditures, and the SCAQMD fee structure, see Sections VII and VIII of this report.

V. TITLE V FEE INCREASE COST ANALYSIS

In September 2016, the EPA Region IX issued a report on the South Coast Air Quality Management District's Title V Operating Permit Program Evaluation. One finding from the Title V program evaluation was that the program revenues do not adequately cover program costs as required by CAA Section 503(b)(3)(i) and 40 C.F.R. part 70 requirements. The EPA recommended that the SCAQMD prepare a plan to take measures over time to minimize the continued use of penalties and reserves to cover Title V program deficits.⁷

A cost allocation analysis was performed on the Fiscal Year 2017-18 Proposed Budget for the Title V Program to determine the extent of the shortfall going into the next fiscal year. Below is the result of the cost recovery analysis which projects that the Title V program for Fiscal Year 2017-18 will have a shortfall of \$3,300,151 or 32%. The 32% fee increase was analyzed with respect to FY 2017-18 alone. However, state law requires any increase in fees above the change in the CPI to be phased in over two or more years. Therefore, for Title V permit-related fees, staff is proposing to apply a 16% fee increase in each of the next two FYs. While this is slightly higher than a 32% fee increase over two years, it is nonetheless reasonable and equitable. In particular, since the District must forgo the benefits derived from realizing the full 32% fee increase in a single year, the delay in implementing the full 32% increase means that the District will need to compensate for deficits in FY 2017-18 with other General Fund monies or may need to delay implementation of certain programs. In addition, the value of a dollar in FY 2017-18 will be higher than the value of a dollar in FY 2018-19 so that a slight increase in the actual rate above 32% is justified. Finally, the actual 2017-18 budget uses 16% in the actual revenue projections. The practice will be the same in FY 2018-19.

⁷ In addition, other recommendations in the EPA report added increased SCAQMD requirements for Title V program activities.

Table 3 – FY 2017-18 Proposed Budget – Title V- Cost Allocation Summary

| Description | Annual Operating | Permit Processing | Total |
|---|-----------------------|-----------------------|-----------------------|
| Direct Expenditures | | | |
| Timely Review of Permits | \$ - | \$ 9,016,477 | \$ 9,016,477 |
| Ensure Compliance | 3,086,907 | - | 3,086,907 |
| Develop Rules | 55,200 | - | 55,200 |
| Total Direct Expenditures | 3,142,107 | 9,016,477 | 12,158,583 |
| Additional Expenditures | | | |
| Legal/Information Management | \$ 486,519 | \$ - | \$ 486,519 |
| Science Technology Advancement | 1,104,669 | - | 1,104,669 |
| Total Additional Expenditures | \$ 1,591,189 | \$ - | \$ 1,591,189 |
| Total Expenditures | \$ 4,733,295 | \$ 9,016,477 | \$ 13,749,772 |
| Revenues | | | |
| FY 2017-18 Projection with 2.5% CPI | \$ 7,781,260 | \$ 2,668,362 | \$ 10,449,621 |
| Total Revenues | \$ 7,781,260 | \$ 2,668,362 | \$ 10,449,621 |
| Surplus/(Deficit) | \$ 3,047,964 | \$ (6,348,115) | \$ (3,300,151) |
| (1) Annual Op to Permit OH | \$ (1,883,145) | \$ 1,883,145 | \$ - |
| Adjusted Surplus/(Deficit) | \$ 1,164,819 | \$ (4,464,970) | \$ (3,300,151) |
| Adjusted Fee Increase to Recover Costs | | | 32% |

Note: Table totals may be slightly off due to rounding errors.

The following discussion explains how the costs and revenues in Table 3 are derived:

A. EXPENDITURES

It was also noted in the EPA Region IX Title V program evaluation that “the SCAQMD has a clear accounting of its Title V program costs.” The following sections explain the basis for the expenditures reported in the FY 2017-18 Budget Request – Title V – Cost Allocation.

1. Title V Direct Program Expenditures:

Direct Title V expenditures were identified based on the Fiscal Year 2017-18 Proposed Budget Cost Allocation Schedule (CAS). The CAS identified eleven work programs that track expenditures directly related to Title V activities. The following chart reports that Fiscal Year 2017-18 Proposed Budget reflects total direct Title V expenditures of \$12,158,583.

Table 4 – Title V Direct Program Expenditures

| WP Code | Program Category | Project Description | Description | Program Expenditures | Total Overhead Allocated | FY 17-18 Budget Request |
|---------------|--------------------------|-----------------------------|------------------------------------|----------------------|--------------------------|-------------------------|
| 50773 | Develop Rules | Title V & NSR Rulemaking-Su | Title V Rules Dev/Amend/Impl | \$ 44,251 | \$ 10,949 | \$ 55,200 |
| 50377 | Ensure Compliance | Inspections/RECLAIM Audits | Audit/Compliance Assurance | 1,062,025 | 262,764 | 699,059 (a) |
| 60377 | Ensure Compliance | Inspections/RECLAIM Audits | Audit/Compliance Assurance | 2,480,831 | 656,911 | 1,655,709 (a) |
| 60771 | Ensure Compliance | Title V | Title V Compl/Inspect/Follow Up | 578,860 | 153,279 | 732,140 |
| 08770 | Timely Review of Permits | Title V | Leg Advice: Title V Prog/Perm Dev | 12,131 | 2,190 | 14,321 |
| 08772 | Timely Review of Permits | Title V Permits | Leg Advice: New Source Title V Per | 12,131 | 2,190 | 14,321 |
| 27770 | Timely Review of Permits | Title V | Dev/Maintain Title V Program | 414,660 | 65,691 | 480,351 |
| 50521 | Timely Review of Permits | Perm Proc/Expedited Permit | Proc Expedited Permits (301OT) | 708,017 | 175,176 | 229,630 (b) |
| 50607 | Timely Review of Permits | RECLAIM & Title V | Process RECLAIM & TV Permits | 3,276,877 | 805,811 | 4,082,687 |
| 50774 | Timely Review of Permits | TV/Non-RECLAIM | Process Title V Only Permits | 3,186,075 | 788,293 | 3,974,368 |
| 50775 | Timely Review of Permits | Title V – Admin | Title V Administration | 177,004 | 43,794 | 220,798 |
| Total Expense | | | | \$ 11,952,862 | \$ 2,967,048 | \$ 12,158,583 |

(a) Total costs are adjusted down by approximately 47% to reflect the percent of RECLAIM facilities that are both Title V/RECLAIM.

(b) Total costs are adjusted down by 74% to reflect the percent of Expedited Permits that are Title V.

Since approximately 53% of all RECLAIM facilities are both Title V/RECLAIM facilities, expenditures for work programs 50377 and 60377 were adjusted down by approximately 47% (Table 4 [reference (a)]) to get the share of those expenses attributed to Title V sources. Also, since 26% of the permits processed under the Expedited Permit work program are Title V permits, expenditures for work program 50521 were adjusted down by 74% (Table 4 [reference (b)]) to get the share of those expenses attributed to Title V sources.

2. Title V Additional Program Expenditures

Additional expenditures in the areas of Legal, Planning and Rule Development, Information Management and Science & Technology Advancement that support the Title V program were also included. Only the portion of these expenditures paid for by Annual Renewal Operating fees were included (Table 5).

The additional expenditures in Legal, Planning, Rule Development and Area Sources, and Information Management were adjusted to 15.5% of the total expenditures based on the ratio of Title V annual operating revenue to the total annual operating revenue. In addition, work programs 26068 and 26685 were included because state law allows for the SCAQMD to recover a proportionate share of these costs from Title V sources. The additional expenditures in Science and Technology Advancement were adjusted to the percentage of effort spent on major sources (Table 5).

Table 5 shows that the FY 2017-18 Proposed Budget reflects additional Title V expenditures beyond direct costs listed in Table 4 of \$1,591,188, which is the total of the listed stationary source program expenses attributable to the Title V sources in Legal, Information Management (IM), and Planning, Rule Development and Area Sources (PRA) (\$486,519) plus the total of the listed

stationary source program expenses in Science and Technology Advancement attributable to Title V sources (\$1,104,669). Total Title V program expenditures are therefore the sum of \$12,158,583 from Table 4 above plus \$1,591,188 (from the sum of the charts in Table 5 below). Total expenditures are therefore \$13,749,772.

Table 5 – Title V Additional Program Expenditures

| WP Code | Program Category | Project Description | Description | Program Expenditures | Total Overhead Allocated | FY 17-18 Annual Renewal Budget Request |
|---------------------------------------|---------------------|---------------------------|---------------------------------|----------------------|--------------------------|--|
| 08115 | Ensure Compliance | Case Disposition | Trial/Dispo-Civil Case/Injunct | \$ 291,145 | \$ 52,553 | \$ 343,698 |
| 08154 | Ensure Compliance | Compliance/NOV Administra | Review/Track/Prep NOVs/MSAs | 242,621 | 43,794 | 286,415 |
| 08465 | Ensure Compliance | Mutual Settlement | Mutual Settlement Program | 727,863 | 131,382 | 859,245 |
| Sub-total Legal | | | | \$ 1,261,629 | \$ 227,729 | \$ 1,489,358 |
| 26068 | Develop Programs | SCAQMD Projects | Prepare Environmental Assessmer | \$ 238,101 | \$ 44,013 | \$ 282,114 |
| 26685 | Develop Programs | Socio-Economic | Apply econ models/Socio-econ | 243,764 | 35,911 | 279,675 |
| Sub-total Planning & Rule Development | | | | \$ 481,866 | \$ 79,924 | \$ 561,790 |
| 27480 | Operational Support | New System Development | Dev sys for special oper needs | \$ 177,489 | \$ 32,846 | \$ 210,334 |
| 27735 | Operational Support | Systems Maintenance | Maintain Existing Software Prog | 352,330 | 49,268 | 401,598 |
| 27616 | Operational Support | Records Services | Records/Documents processing | 399,037 | 73,902 | 472,940 |
| Sub-total Information Management | | | | \$ 928,856 | \$ 156,016 | \$ 1,084,872 |
| Total Expense | | | | \$ 2,672,351 | \$ 463,670 | \$ 3,136,020 |

(c) State law authorizes SCAQMD to charge fees to recover the cost of these activities.

| | | |
|--|----|------------|
| Title V - Annual Renewal Revenue | \$ | 7,195,363 |
| Total Annual Renewal Revenue (less PERP) | \$ | 46,380,074 |
| Title V % | | 15.5% |
| Legal, IM and PRA - Title V Expense | \$ | 486,519 |

Additional Title V Expenditures - Science Technology & Advancement (STA)

| WP Code | Program Category | Project Description | Description | Program Expenditures | Total Overhead Allocated | FY 17-18 Annual Renewal Budget Request |
|-----------|--------------------------|---------------------------|--------------------------------|----------------------|--------------------------|--|
| 44064 | Monitoring Air Quality | Ambient Network | Air Monitoring/Toxics Network | \$ 518,413 | \$ 130,397 | \$ 648,809 |
| 44546 | Timely Review of Permits | Protocols/Reports/Plans | Eval Test Protocols/Compliance | 933,695 | 242,400 | 1,176,096 |
| 44707 | Ensure Compliance | VOC Sample Analysis/Compl | VOC Analysis & Rptg/Compliance | 1,132,578 | 285,099 | 1,417,677 |
| Sub-total | | | | | | \$ 3,242,582 |

| | |
|--|--------------------|
| % of TV | Title V Allocation |
| 25% of 44064 | \$ 162,202 |
| 50% of 44546 | \$ 588,048 |
| 25% of 44707 | \$ 354,419 |
| Title V - Science Technology Advancement Expense | \$ 1,104,669 |

Total Title V permit-program costs are thus \$12,158,583 (direct costs), plus \$486,519 (Legal, IM and PRA), plus \$1,104,669 (Science & Technology Advancement) for a grand total of \$13,749,772 (see Tables 4 and 5).

B. REVENUE

The EPA Region IX Title V Program Evaluation report noted that “SCAQMD tracks Title V revenue separately from the other revenue collected by the District.” The following sections explain the basis for the revenues reported in the FY 2017-18 Proposed Budget– Title V – Cost Allocation Summary (Table 9).

1. Annual Operating Title V Revenue:

The projection for the Annual Operating Renewal fees is based on active Title V facilities with equipment subject to annual billing based on billable permit renewals and billable permit application types. Staff applied the Rule 320 Automatic CPI fee increase of 2.5% to the FY 2016-17 fee schedules and multiplied the new fee to the billable permit renewals and applications to estimate the FY 2017-18 Annual Operating Title V revenue of \$7,781,260.

The following schedules are the proposed estimated Fiscal Year 2017-18 Annual Operating Renewal fees and the calculations for the estimated Fiscal Year 2017-18 Annual Operating Renewal Title V revenue.

Table 6 – FY 2017-18 Estimated Annual Operating Renewal Fee by Schedule

| Schedule | FY 16-17 Fee | FY 2017-18 Rule 320 2.5% CPI COLA | FY 2017-18 Proposed Budget Fee with 2.5% CPI |
|------------------|--------------|--------------------------------------|---|
| | (a) | (b) | (a) + (b) |
| A1 | \$177.09 | \$4.43 | \$181.52 |
| A, B, & B1 | \$354.86 | \$8.87 | \$363.73 |
| C & D | \$1,270.97 | \$31.77 | \$1,302.74 |
| E,F,G, & H | \$3,051.76 | \$76.29 | \$3,128.05 |
| Title V Flat Fee | \$514.49 | \$12.86 | \$527.35 |

Table 7 – FY 2017-18 Estimated Annual Operating Title V Revenue by Fee Schedule

| Schedule | # of Permits Subject to Billing | # of Applications Subject to Billing | Billable Permits & Apps | FY 2017-18 Proposed Budget Fee with 2.5% CPI | FY 2017-18 Proposed Title V Annual Renewal Revenue |
|--------------------|---------------------------------|--------------------------------------|-------------------------|--|--|
| | (a) | (b) | (a)+(b)=(c) | (d) | (c)*(d) |
| A | 935 | 19 | 954 | \$ 363.73 | \$ 347,000 |
| A1 | - | - | - | \$ 181.52 | \$ - |
| B | 3,330 | 141 | 3,471 | \$ 363.73 | \$ 1,262,512 |
| B1 | 14 | 4 | 18 | \$ 363.73 | \$ 6,547 |
| C | 2,375 | 105 | 2,480 | \$ 1,302.74 | \$ 3,230,806 |
| D | 715 | 33 | 748 | \$ 1,302.74 | \$ 974,453 |
| E | 390 | 29 | 419 | \$ 3,128.05 | \$ 1,310,655 |
| F | 44 | 3 | 47 | \$ 3,128.05 | \$ 147,019 |
| G | 31 | 9 | 40 | \$ 3,128.05 | \$ 125,122 |
| H | 54 | 2 | 56 | \$ 3,128.05 | \$ 175,171 |
| Title V Flat Fee * | 383 | | 383 | \$ 527.35 | \$ 201,976 |
| Sub-total | 8,271 | 345 | 8,616 | | \$ 7,781,260 |

* There are 383 Title V facilities.

2. Permit Processing Title V Revenue

Permit fees are paid for new equipment applications or permit modifications/alterations and will vary from year to year. The projection for Title V Permit Processing revenue is based on the data from Fiscal Year 2015-16 which was the last full fiscal year that permit processing fees were collected. From the base FY 2015-16 data, the 2.4% Rule 320 Automatic CPI fee increase for Fiscal Year 2016-17 was applied to approximately 67% of fees paid in FY 2015-16. Using the factor of 67% is based on the number of current fiscal year permits that were processed in Fiscal Year 2015-16. Once the base for FY 2016-17 was developed, the 2.5% Rule 320 Automatic CPI fee increase for FY 2017-18 was applied to 67% of the fees. Based on past experiences the remaining 33% of fees will be related to permits submitted in earlier years which will have already paid their fees and therefore will not experience the coming year's fee increases.

Table 8 shows the calculations for the projected FY 2017-18, Title V Permit Processing revenue.

Table 8 – FY 2017-18 Projected Permit Processing Title V Revenue

| Type | App Type | FY 2015-16 Permit Processing Fees Paid | FY 2016-17 2.4% CPI Fee Increase | FY 16-17 Revenue | FY 2017-18 2.5% CPI Fee Increase | Project FY 2017-18 Title V Permit Processing Fees |
|-----------------------|----------------------------|---|--|---------------------|--|---|
| PC & PO's | 10/20/30/60/63/80/85/86/87 | \$ 2,456,361 | \$ 39,688 | \$ 2,496,049 | \$ 42,010 | \$ 2,538,059 |
| C/O | 40 | \$ 3,323 | \$ 54 | \$ 3,377 | \$ 57 | \$ 3,433.60 |
| Plans | 25 | \$ 64,677 | \$ 1,045 | \$ 65,722 | \$ 1,106 | \$ 66,828.01 |
| Plans Annual Billable | 28 | \$ 15,743 | \$ 254 | \$ 15,997 | \$ 269 | \$ 16,266.48 |
| ERC New | 15 | \$ 11,988 | \$ 194 | \$ 12,182 | \$ 205 | \$ 12,386.84 |
| ERC C/O | 16 | \$ 15,256 | \$ 246 | \$ 15,502 | \$ 261 | \$ 15,763.08 |
| ERC Alteration | 17 | \$ 1,387 | \$ 22 | \$ 1,409 | \$ 24 | \$ 1,433.01 |
| R222 Apps | 22/23 | \$ 13,735 | \$ 222 | \$ 13,957 | \$ 235 | \$ 14,191.95 |
| Totals | | \$ 2,582,469 | \$ 41,726 | \$ 2,624,195 | \$ 44,167 | \$ 2,668,362 |

As highlighted in Table 3 and detailed in Appendix C 2, Title V program costs (\$13,749,772) exceed Title V revenues (\$10,449,624), even after increasing the fees by the 2.5% CPI-based fee adjustment. To eliminate the deficit, Title V fees must be increased by 32% (deficit divided by total revenues). Therefore, and in response to the EPA's recommendation, SCAQMD is proposing to raise Title V permit-related fees (annual operating renewal and permit processing) by 16% in each of the next two FYs to fully recover cost at the end of the two year period. To fully recover Title V program expenditures, the 16% fee increase for each of the next two FYs (2017-18 and 2018-19) is necessary and will generate an additional \$1,532,774 (See Appendix C2 in FY 2017-18).

VI. NON-TITLE V FEE INCREASE COST ANALYSIS

A. OVERVIEW

Staff is proposing to increase Permit Processing and Annual Operating permit fees for non-Title V facilities by 4% in both FY 2017-18 and FY 2018-19 for purposes of partially recovering the costs of the permitting program. As explained further below, full cost recovery is not recommended at this time because doing so would require fee increases at a level which would likely create additional compliance and enforcement issues for the District. Staff is proposing that the deficit created by the shortfall in FY 2017-18 continue to be covered by reserves which are ultimately based on penalties and settlements received.

B. COST ALLOCATION PROCEDURE

Appendix C 2 (FY 2017-18 Cost Allocation Summary) shows the distribution of SCAQMD annual operating revenues to cover expenditures. Details show that besides paying for direct compliance activities, annual operating renewal fees are used to pay for the following:

| | | |
|--|-------------|--------------------------|
| Permit Processing Overhead | \$6,358,199 | (Appendix C2 Transfer 1) |
| Source Testing Shortfall | \$2,027,364 | (Appendix C2 Transfer 2) |
| Hearing Board Shortfall | \$1,423,899 | (Appendix C2 Transfer 3) |
| Portion of Permit Processing Shortfall | \$2,717,108 | (Appendix C2 Transfer 6) |
| Portion of Emissions Shortfall | \$716,010 | (Appendix C2 Transfer 6) |

After taking into consideration the automatic increase of 2.5% for the change in the CPI, the Title V cost recovery fee increase of 16%, and the transfer of the annual operating renewal fees to cover a portion of the permit processing deficit, the total permit processing deficit remains at \$4,344,056. This deficit is attributable to the non-Title V facilities. A 15% increase to permit processing fees for non-Title V facilities would be required to fully recover these costs. Table 9 shows the FY 2017-18 SCAQMD Proposed Permit Processing Budget (see Appendix C2, Permit Processing Fees Column):

Table 9 – FY 2017-18 SCAQMD Proposed Budget and Permit Processing Analysis for Non-Title V Facilities

| | | |
|--|------------------------|------------------|
| FY 2017-18 Projected Revenue | \$ 18,700,534 | |
| 2.5 Rule 320 CPI Fee Increase | 357,221 | |
| 16% Title V Fee Increase | 287,488 | |
| | <u>\$ 19,345,243</u> | (a) |
| Expenditures | <u>\$ 32,764,606</u> | (b) |
| Projected Deficit | <u>\$ (13,419,363)</u> | (a)-(b)=(c) |
| <u>Transfers</u> | | |
| Annual Operating Renewal Revenue to Pay for Permit Processing Overhead | \$ 6,358,199 | (d) |
| Annual Operating Renewal Revenue to Pay for a Portion of the Remaining Permit Processing Deficit | \$ 2,717,108 | (e) |
| Adjusted Permit Processing Deficit for Non-Title V Facilities | <u>\$ (4,344,056)</u> | (c)+(d)+(e)=(f) |
| | | -15% (f)/(a+d+e) |

Since a 15% fee increase in permit processing fees is not recommended for these non-Title V facilities, staff is proposing an increase of 4% in each of the next two FYs to non-Title V annual operating and permit processing fees beyond the CPI increase. As reflected in Appendix C1, this additional 4% will generate \$2,069,952 (\$1,772,136 in non-Title V annual operating fees and \$297,816 in non-Title V permit processing fees) in FY 2017-18 and reduce the deficit of \$4,344,056 in permit processing activities for non-Title V facilities. The shortfall will continue to be covered with other revenue.

The additional 4% fee increase in each of the next two FYs in non-Title V annual operating and permit processing fees beyond CPI is based on the FY 2017-18 SCAQMD Proposed Budget Permit Processing deficit of \$4.3M (see Table 10).

Table 10 – FY 2017-18 SCAQMD Proposed Fee Increase Analysis for Non-Title V Facilities

| | |
|--|--------------------------|
| Permit Processing Deficit | \$ (4,344,056) (a) |
| <u>Non-Title V Revenue (prior to above CPI fee increase) *</u> | |
| Annual Operating Renewal Fees | \$ 44,302,698 |
| Permit Processing Fees | 11,059,393 |
| Total Non-Title V Revenue | <u>\$ 55,362,091 (b)</u> |
| Proposed Fee Increase Over the Next Two Fiscal | 8% -(a)/(b) |

* The projection for Non-Title V annual operating fees is based on active Non-Title V facilities with equipment subject to annual billing with billable permit application types. The projection for Non-Title V permit processing fees is based on data from FY 2015-16 which was the last full year that permit processing fees were collected.

C. COSTS SUPPORTED BY PERMIT AND ANNUAL OPERATING FEES

As reflected in Table 9, the total Permit Processing fee supported expenditures for FY 2017-2018 are projected to be \$32,764,606. Estimated permit fee revenue for FY 2017-2018 (with the 2.5% CPI and Title V 16% fee cost recovery increase, but not including the additional 4%) is \$19,345,243, resulting in an initial shortfall of \$13,419,363. Permit processing overhead costs (\$6,358,199) are supported by annual operating fees. Also, surplus annual operating fees (\$2,717,108) are being transferred to support permit processing expenditures. The additional proposed fee increase above CPI will recover an estimated additional \$297,816, leaving a shortfall of \$4,046,240 for FY 2017-2018 (see Appendix C 2 and the following discussion.)

As shown in Appendix C 2, the cost of Work Program activities identified as directly related to compliance activities and charged to the annual operating fee (equipment-based) category is lower than the total revenues from this fee. However, there are other

Permitted Source Program compliance activities that may be and traditionally have been supported by the annual operating permit fee. For example, permitted source testing is necessary for enforcement or compliance activity, yet the SCAQMD has traditionally charged a separate source-testing fee rather than including this expense in the overall annual operating fee, which would be allowed under H&SC Section 40510(b). But there is and traditionally has been a shortfall in source testing fee revenues. For FY 2017-18, the shortfall is estimated at \$2,027,364. Therefore, since the California H&SC would have allowed this entire program to be paid by the annual operating fee, Appendix C 2 shows a transfer of this amount from annual operating fees to support the shortfall in source testing fees.

Similarly, the SCAQMD charges a separate fee for variances and Hearing Board appeals, but these fees are not sufficient to support the entire cost of running the Hearing Board (as shown in Appendix C 2). In past years, concern has been expressed that to raise Hearing Board fees sufficiently to cover the entire costs of the Hearing Board would deter sources from seeking variances when needed and simply “drive them underground.” Yet, the Hearing Board and staff activity associated with hearings on variances is a part of enforcement activities and thus properly recovered by annual operating fees. As a compliance activity, the deficit in Hearing Board revenues is supported by annual operating permit fees, so a transfer of \$1,423,899 is shown from annual operating fees to Hearing Board fees.

Since emission expenditures are attributable to stationary sources, Appendix C 2 shows a transfer of \$716,010 from annual operating fees. This transfer is based on the remaining surplus annual operating fees and prorated by the remaining deficit in permit processing and emissions.

In addition, the SCAQMD has traditionally used annual operating fees to support the deficit in permit processing fees. This deficit is divided into two types. First, there is the proportional share of “allocatable overhead” (e.g., personnel, Finance, Legal, Information Management) that corresponds to the percent of total FTEs that are devoted to permit processing. Staff believes that it is proper to allocate these overhead costs among all District programs on a proportional basis. Also, Staff believes that the equipment-based fee is a proper source of revenue for these expenses, because the equipment-based fee is related both to emissions potential and to complexity of the equipment (i.e., labor associated with enforcement efforts) and is thus related to the burdens the source imposes on the District and the benefits it receives from being authorized to pollute in specified amounts. The allocation from annual operating to permit fees associated with “allocatable overhead” is \$6,358,199. Secondly, Appendix C 2 shows a transfer of \$2,717,108 to allocate the remaining surplus annual operating fees. This transfer is based on the remaining surplus annual operating fees and prorated by the remaining deficit in permit processing and emissions.

Finally, there still remains a deficit of \$4,344,056 in permit processing fees. After applying the proposed FY 2017-18, 4% fee increase that provides additional revenue of \$297,816, there still remains a \$4,046,240 deficit. This additional revenue of \$297,816 is smaller than 4% of the “total” of “permit processing” fees because some of the estimated revenue earned is from pending applications accepted at prior fiscal years’ fee

rates; additionally, the permit processing category also includes some fees which are not related to processing permits for stationary sources and thus were not increased by 4%, such as asbestos notification fees. Historically, the SCAQMD has used annual operating permit fees to cover the shortfall in permit processing fees. This is a fair and reasonable allocation of these Permitted Source Program Costs as described in that section of this report. It should be noted that even with the allocation of revenues from annual operating fees, there still remains a deficit in permit processing fee revenue, which the proposed budget supports with “other” revenue which may be spent on any SCAQMD program and is not limited to funding certain activities.

Section VI-D, below, sets forth the rationale for proposing not to recover the entire shortfall in permit processing fees from increasing these fees which would require a 15% increase.

Revenue (with the 2.5% CPI and Title V 16% fee cost recovery increase, but not including the additional 4%) from annual operating renewal fees in FY 2017-18 is projected to be \$51,721,280. Annual operating fees support directly related compliance and other regulatory activities. The annual operating fee-supported expenditures for enforcement and compliance activities for FY 2017-18 is \$38,478,700. In addition, annual operating fees cover the overhead portion of permit processing activities (\$6,358,199 in FY 2017-18). Annual operating fees also cover the shortfalls in Source Testing (approximately \$2,027,364) and the Hearing Board (approximately \$1,423,899) since these are both compliance related activities. Staff has projected, for FY 2017-18, the revenues to be generated from each revenue category. These expected revenues are shown in Appendix C 2. In addition, staff has projected the costs that will be incurred under the FY 2017-18 budget for each of the program categories identified in the proposed Work Program that accompanies the Budget. Using the methodology described in Section V, a preliminary allocation of costs to revenue categories is made. As shown in Appendix C 2 and described above, annual operating fees are also used to partially support deficits in three aspects of the Permitted Source Program: Hearing Board, Source Testing and Permit Processing overhead. Appendix C 2 shows “allocations” of revenues from annual operating fees to these categories.

D. WHY NOT INCREASE PERMIT PROCESSING FEES TO FULLY COVER THE SHORTFALL?

As described in section titled “Comparison of Costs Supported By Permit Processing and Annual Operating Fees Compared to Revenues,” after covering permit processing overhead costs and a portion permit processing expenditures with annual operating fees, there is still a projected \$4.3 million deficit in permit processing related revenues for the Permitted Source Program in FY 2017-18. Such deficits have existed for over 10 years and have historically been covered in large part by the Permitted Source Program’s annual operating fees, either equipment-based or emissions-based, as well as other revenues. As shown in Table 9, to fully fund permit processing related activities from permit processing fees alone would require an increase of 15%.

Staff does not recommend increasing permit processing fees by this amount, but instead a 4% increase beyond CPI in each of the next two years is proposed. Staff believes that a 15% increase in permit processing fees would likely have two adverse effects. First, these non-Title V sources are typically smaller than Title V sources. As a result staff believes that some sources would be more likely to construct/modify without seeking the required permit, which may be perceived as too expensive. This would result in illegal construction and potential violation of SCAQMD source-specific rules because there would be no SCAQMD review of some proposed projects. Also, it would create an uneven playing field to the disadvantage of sources that obtain required permits.

This will result in increased enforcement costs to bring sources into compliance once they are found. It would likely also result in increased and illegal emissions, contributing to the region's air quality problems. The net result would be an increased burden on the agency's compliance activities and costs, which are largely paid by annual operating fees. Accordingly, it is reasonable to apply some annual operating fee revenue to permit processing activities to avoid increased compliance costs in the future and the corresponding burden on annual operating fees.

Second, higher permit processing fees may deter facilities from replacing older, less-efficient and higher-emitting equipment with newer equipment that meets current "best available control technology" requirements but requires a permit and associated fees. As a result, total regional emissions will be greater than they would be if facilities were incentivized to modernize their equipment. Therefore, the SCAQMD's regulatory job to reduce emissions would be made more difficult, resulting in more stringent controls being needed for all sources. While more efficient, more modern equipment is generally more desirable from the facility's perspective, at some point the costs of modernization can outweigh the perceived benefits, and technologically feasible emission reductions would not occur. SCAQMD staff believes it is important to avoid disincentives to facility modernization that would result from rapid and significant permit processing fee increases. Moreover, a large increase in permit processing fees could hinder economic development. Because permit processing and enforcement activities are both necessary components of the Permitted Source Program, some permit processing costs may be supported with annual operating fees.

Finally, supporting permit processing programs with current annual operating fee revenues simply spreads the payment of permitting costs across time. New facilities obtain the immediate benefit of a lower permit processing fee but thereafter pay a higher annual operating fee than they otherwise would pay. Existing facilities obtain the immediate benefit of a lower permit processing fee but thereafter pay a higher annual operating fee than they otherwise would pay.

VII. METHODOLOGY

A. REVENUE CATEGORIES

The following describes the various revenue categories that support all of the SCAQMD's programs and its entire budget. The Roman numeral assigned below is a unique identification number used in the line item description in the Draft Budget and Work Program, "Work Program" tab and in the Draft Budget and Draft Work Program, Supporting Documentation:

I. ALLOCATABLE

A portion of SCAQMD revenue goes to offset the operational support costs of the SCAQMD. These costs include activities such as personnel, Payroll, and Information Management. These costs are allocated over the other revenue categories based on FTEs.

II. ANNUAL OPERATING EMISSIONS FEES

The Lewis-Presley Air Quality Management Act (H&SC Section 40400-40540) authorizes the SCAQMD to collect fees for permitted sources to recover the costs of District programs related to these sources. (H&SC 40410(b)). The SCAQMD initiated an annual operating emissions fees program in January 1978. As the program currently exists, all permitted facilities pay a flat fee for up to four tons of emissions. In addition to the flat fee, facilities that emit four tons or greater (from both permitted and unpermitted equipment) of any organic gases, specific organics, nitrogen oxides, sulfur oxides, or particulate matter, or 100 tons per year or greater of carbon monoxide, also pay fees based on the facility's total emissions. These facilities pay for emissions from permitted equipment as well as emissions from unpermitted equipment and processes which are regulated, but for which permits are not required, such as solvent use. In addition, a fee-per-pound is assessed on the following toxic air contaminants and ozone depleters: ammonia; asbestos; benzene; cadmium; carbon tetrachloride; chlorinated dioxins and dibenzofurans; ethylene dibromide; ethylene dichloride; ethylene oxide; formaldehyde; hexavalent chromium; methylene chloride; nickel; perchloroethylene; 1,3-butadiene; inorganic arsenic; beryllium; polynuclear aromatic hydrocarbons (PAHs); vinyl chloride; lead; 1,4-dioxane; trichloroethylene; chlorofluorocarbons (CFCs); and 1,1,1-trichloroethane. The rates are set forth in SCAQMD Rule 301.

Along with annual operating permit renewal fees, emissions fees are intended to recover the costs of SCAQMD's compliance, planning, rule making, monitoring, testing, source education, public outreach, civil enforcement, and stationary and area source research projects. Historically, compliance-related costs for permitted sources are supported by annual operating permit renewal (equipment-based) fees, while planning, rulemaking, and outreach are supplemented by annual operating emissions-based fees.

III. PERMIT PROCESSING FEES

Under the H&SC Section 42300, SCAQMD may adopt and implement a program requiring that before the construction or operation of any equipment which emits or controls air pollution in SCAQMD's jurisdictional boundaries, a permit to construct and to operate must be obtained from SCAQMD. SCAQMD has adopted rules requiring such permits to ensure that equipment in SCAQMD's jurisdictional boundaries is in compliance with SCAQMD Rules and Regulations, but exempts certain equipment which is deemed to have de minimis emissions (Rule 219). Permit processing fees are authorized by state law to recover the reasonable costs of the permit program, involving permitting, planning, enforcement and monitoring related thereto. H&SC Section 40510(b). Permit processing fees support the permit processing program and the fee rate schedules for the different equipment categories are based on the average time it takes to process and issue a permit. Each applicant, at the time of filing, pays a permit processing fee which partially recovers the costs for normal evaluation of the application and issuance of the permit to construct and permit modifications. This category also includes fees charged to partially recover the costs of evaluation of plans, including but not limited to Rule 403 dust control plans, and Rule 1118 flare monitoring plans. The permit processing fees also cover the administrative cost to process Change of Operator applications, applications for Emission Reduction Credits, and Administrative Changes to permits. This category also includes a number of specific fees such as Title V permit processing fees, CEQA and air quality modeling fees, and public noticing fees. Finally this category includes some fees that are related to specific activity such as asbestos notification and Rule 222 'registration in lieu of permit.'

IV. ANNUAL OPERATING PERMIT RENEWAL FEES

State law authorizes the SCAQMD to have an annual permit renewal program and authorizes fees to recover the costs of the program (H&SC Section 42300; 40510(b)). The annual operating permit renewal program, initiated by the SCAQMD in February 1977, requires that all active permits be renewed on an annual basis upon payment of annual renewal fees. The annual renewal rates are established in SCAQMD Rule 301 and are based on the type of equipment, which is related to the complexity of related compliance activity. These annual operating permit renewal fees (Category IV) are separate and distinct from the annual operating emission fees (Category II). For basic equipment (not control equipment) the operating fee schedule also corresponds to some extent to the emission potential of the equipment. Along with annual operating emissions fees, annual operating permit renewal fees are intended to recover the costs of programs such as SCAQMD's compliance program, planning, rule making, monitoring, testing, source education, public outreach, civil enforcement, including the SCAQMD's Hearing Board, and stationary and area source research projects. Historically, compliance-related costs for permitted sources are supported by annual operating permit renewal fees, while planning, rulemaking, and outreach are supported by annual operating emissions-based fees. Additional activities covered by these fees include stationary source technology assessments; and engineering support of other SCAQMD divisions such as planning and

rule development. As previously explained, these fees also support the shortfall in permit processing fees.

V. FEDERAL GRANTS/OTHER FEDERAL REVENUE

SCAQMD receives funding from EPA Section 103 and 105 grants to help support the SCAQMD in its administration of active air quality control and monitoring programs where the SCAQMD is required to perform specific agreed-upon activities. Other EPA and Department of Energy (DOE) grants provide funding for various air pollution reduction projects. A Department of Homeland Security (DHS) grant funds a special particulate monitoring program. When stipulated in the grant agreement, the General Fund is reimbursed for administrative costs associated with grant-funded projects. Most federal grants are limited to specific purposes but EPA Section 105 grants are available for the general support of air quality-related programs.

VI. SOURCE TEST/ANALYSIS FEES

Revenue in this category includes fees for source tests, test protocol and report reviews, continuous emissions monitoring systems (CEMS) evaluations and certifications, laboratory approval program (LAP) evaluations, and laboratory sample analyses. The revenue recovers a portion of the costs of performing source tests, technical evaluations, and laboratory analyses.

VII. HEARING BOARD FEES

Hearing Board revenue is from the filing of petitions for variances and appeals, excess emissions fees, and daily appearance fees. The revenue recovers a portion of the costs associated with these activities. Petitions for Orders of Abatement, which go before the Hearing Board, are filed by the District; therefore, there are no Hearing Board fees/revenue related to these proceedings.

VIII. CLEAN FUELS

Section 9250.11 of the Vehicle Code gives the DMV authority to collect and forward to SCAQMD money for clean fuels technology advancement programs and transportation control measures related to motor vehicles, according to the plan approved pursuant to H&SC Section 40448.5. One dollar is collected by the DMV for every vehicle registered in SCAQMD's jurisdictional boundaries, forwarded to SCAQMD, and deposited in the Clean Fuels Program Fund.

Clean fuels fees from stationary sources are authorized by H&SC Section 40512 and are recorded in a separate revenue account within the Clean Fuels Program Fund. Fees are collected from sources that emit 250 tons or more per year of Nitrogen Oxides (NOx), Sulfur Oxides (SOx), Reactive Organic Compounds (ROC), or Particulate Matter (PM). The fees collected are used to develop and implement stationary source activities that promote the use of clean-burning fuels. These activities include assessing the cost effectiveness of emission reductions associated with clean fuels development and use of

new clean fuels technologies, and other clean fuels related projects. The General Fund receives reimbursements from the Clean Fuels Program Fund for staff time and other program implementation/administration costs necessary to implement a Clean Fuels Program.

IX. MOBILE SOURCES

Mobile Sources revenue is composed of four components: AB2766 revenue and administrative/program cost reimbursements from three programs: Carl Moyer, Proposition 1B and MSRC.

AB2766: Section 9250.17 of the Vehicle Code gives the Department of Motor Vehicles (DMV) the authority and responsibility to collect and forward to the SCAQMD four dollars for every vehicle registered in SCAQMD's jurisdictional boundaries. Thirty percent of the money (\$1.20 per vehicle) collected is recognized in SCAQMD's General Fund as mobile sources revenue and is used for programs to reduce air pollution from motor vehicles and to carry out related planning, monitoring, enforcement, and technical studies authorized by, or necessary to implement, the California Clean Air Act of 1988, or the SCAQMD Air Quality Management Plan. A proportionate share of programs that are not associated with any individual type of source (e.g., air quality monitoring) is supported by these revenues. The remaining monies are used to pay for projects to reduce air pollution from mobile vehicles: 40% (\$1.60 per vehicle) to the Air Quality Improvement Special Revenue Fund to be passed through to local governments and 30% (\$1.20 per vehicle) to the Mobile Source Air Pollution Reduction Fund (MSRC) to pay for projects recommended by the MSRC and approved by the SCAQMD Governing Board (see MSRC below).

Carl Moyer Program: The Carl Moyer Memorial Air Quality Standards Attainment Program (Carl Moyer Program) provides funding from the state of California for the incremental cost of cleaner heavy-duty vehicles, off-road vehicles and equipment, marine, and locomotive engines. The General Fund receives reimbursements from the Carl Moyer Fund for staff time and other program implementation/administration costs, up to specified limits.

Proposition 1B: The Proposition 1B Program is a \$1 billion bond program approved by California voters in November 2006. This incentive program is designed to reduce diesel emissions and public health risks from goods movement activities along California's trade corridors. The General Fund receives reimbursements from the Proposition 1B Funds for staff time and other program implementation/administration costs up to specified limits.

MSRC: MSRC revenue reflects the reimbursement from the Mobile Source Air Pollution Reduction Special Revenue Fund for the cost of staff support provided to the MSRC in administering a mobile source program. These administrative costs are limited by state law to 6.25% and the MSRC adopts a budget for staff support each year.

X. TOXICS “Hot Spots” (AB2588)

H&SC Section 44380 requires the SCAQMD to assess and collect fees from facilities that emit toxic compounds. Fees collected are used to recover state and SCAQMD costs to collect and analyze data regarding air toxics and their effect on the public. Costs recovered include a portion of the administrative, outreach, plan processing, and enforcement costs to implement this program. These fees are specified by CARB unless SCAQMD adopts a specific AB 2588 fee.

XI. TRANSPORTATION PROGRAMS

In accordance with federal and state Clean Air Act requirements, SCAQMD’s Rule 2202 – On-Road Vehicle Mitigation Options provides employers with various options to either reduce mobile source emissions generated from employee commutes or implement mobile source emission reduction programs. Employers with 250 or more employees at a worksite are subject to Rule 2202 and are required to submit an annual registration to implement an emission reduction program that will obtain emission reductions equivalent to a worksite specific emission reduction target. The revenue from this category is used to recover a portion of the costs associated with filing, processing, reviewing, and auditing the registrations and the ridesharing programs. Fees for indirect sources, which are sources that attract mobile sources, such as the large employers covered by Rule 2201, are authorized by H&SC Section 40522.5.

XII. – XIV. REVENUE CATEGORIES ARE NO LONGER USED

XV. CALIFORNIA AIR RESOURCES BOARD (CARB) SUBVENTION

Under H&SC Section 39800-39811, the state appropriates monies each year to CARB to subvene to the air quality districts engaged in the reduction of contaminants pursuant to the basin wide air pollution control plan and related implementation programs. The SCAQMD received subvention funds, at its inception, beginning in 1977.

XVI. REVENUE CATEGORY IS NO LONGER USED

XVII. OTHER REVENUE

Miscellaneous revenue includes revenue attributable to penalties/settlements, interest income, lease income, professional services the SCAQMD renders to other agencies, reimbursements from special revenue funds (non-mobile source), vanpool revenue, fitness center memberships, Public Records Act requests and subscriptions.

XVIII. AREA SOURCES

Emissions fees from architectural coatings revenue covers architectural coatings fair share of emissions fee supported programs. Quantity-based fees on architectural coatings are also assessed and are designed to support specific architectural coatings programs (such as enforcement). Rule 314 – Fees for Architectural Coatings covers emission-

based fees and quantity-based fees. Beginning in FY 2008-09, annual assessments of architectural coatings, based on quantity (gallons) distributed or sold for use in SCAQMD's jurisdiction and the VOC emissions from subcategories, are included in revenue projections. This revenue allows SCAQMD to recover the costs of staff working on compliance, laboratory support, architectural coatings emissions data, rule development, and architectural coatings revenue collection.

XIX. PORTABLE EQUIPMENT REGISTRATION PROGRAM (PERP)

The California Air Resources Board (CARB) provides revenues to local air districts, to offset the costs of inspecting equipment registered under CARB's Portable Equipment Registration Program (PERP). Fees for inspection of PERP-registered engines by SCAQMD field staff are collected by CARB at the time of registration and passed through to the SCAQMD on an annual basis. Fees for inspection of all other PERP-registered equipment are billed at an hourly rate set forth in SCAQMD Rule 301, as determined by CARB and collected by SCAQMD at the time the inspection is conducted.

B. ALLOCATING FY 2017-18 COSTS TO REVENUE CATEGORIES

As part of the annual budget request process, managers from each SCAQMD Office review their Work Plan (Work Program code line items, which identify specific work activities associated with their office) and allocate Full Time Equivalent (FTEs) to each Work Program code, according to their knowledge of the amount of work being done in each Work Program code. One FTE corresponds to 2,080 employee hours. All SCAQMD staff are required to fill out bi-weekly time records, recording the amount of time spent on each Work Program activity code item. The Finance office maintains time records and keeps track of the total time recorded against each code line item.

To assist the managers in allocating their FTEs to Work Program lines when developing the annual budget, a report of actual FTEs for the previous fiscal year and actual FTEs year-to-date for the current year is provided to each office. Managers then compare their projected FTEs with actual FTEs expended on each Work Program line item and make any needed adjustments. Each Work Program code identifies the amount of labor (number of FTE's) budgeted to the activity as well as the dollar amount of labor and other direct costs (e.g., contracts, temporary services, capital outlays) and a prorated share of District General expenditures associated with that activity.

Certain expenditures are allocated over the relevant Work Program lines since they are needed to support the SCAQMD but are not directly related to any particular Work Program code. These include SCAQMD general expenses, office overhead and SCAQMD-wide allocatable costs.

SCAQMD District General expenditures are overhead costs and include utilities, building maintenance, household and insurance costs. SCAQMD District General costs are allocated to each Work Program line based on FTEs. These costs can be found in the Draft Budget and Draft Work Program, under the "District General" tab.

They are allocated over the entire Work Program listing in the “Work Program” tab of the budget, and are not shown separately.

Office overhead expenditures are for administrative activities that serve the office solely. These are prorated over Work Program codes within the specific office based on FTEs in that office. These costs are identified as “Allocatable Office Overhead” in Appendix C 1.

In addition, certain indirect costs of operating the SCAQMD are allocated proportionately over all SCAQMD programs. Many of these programs are identified in the Work Program as “Operational Support” and “Policy Support.” These costs include Personnel, Finance/Payroll, Information Management, Contracts Administration, SCAQMD Governing Board and Committee support, etc. The proportionate share of these costs to be borne by each program is determined by taking each program’s share of the total non-operational support budget and using that same share to determine apportioned costs of operational and policy support based on FTEs. These costs are identified as “Allocatable SCAQMD Overhead” in Appendix C 1. These costs could also be properly attributed to emissions fees. (*San Diego Gas & Electric Co. v. San Diego County APCD, supra.*)

As part of the budget process, an appropriate revenue category or category(ies) is proposed for each Work Program and then reviewed and approved jointly by Office management, Finance and Legal staff. Each Work Program line is “funded,” or assigned a revenue category based on a review of revenue sources that may be appropriate to cover that revenue activity.

A Work Program line may have more than one revenue category assigned to it and each category is evaluated to determine the relative percentage share to be allocated to it. Allocations to revenue source categories are based first on mandates and second on the appropriateness of a certain revenue source to pay for a specific activity. For example, the Finance office maintains a Work Program line item for Clean Fuels Contract Administration, which is funded entirely from Clean Fuels funds. Planning, Rule Development & Area Sources maintains several Work Program lines devoted entirely to Toxics AB2588 activities, including reviewing risk assessments that are paid for by air toxics fees. Other Work Program lines are funded by a combination of sources. For example, development of VOC rules is funded by a combination of emissions-based fees, annual operating fees, and CARB subvention. Some programs which are related to the total amount of emissions in the air, such as meteorology, and regional air quality modeling are allocated in part based on the percent of emissions contributed by mobile and stationary/area sources.

Appendix C 1, “Comparison of the FY 2017-18 Work Program to Cost Allocation Schedule” (as found in the Work Program section of the FY 2017-18 Draft Budget), is the basis for the Proposed Regulation III amendment presented in this report. The comparison identifies allocatable office and allocatable SCAQMD overheads by program category and shows the redistribution to the various program activities. Furthermore, the comparison describes how the Work Program in the FY 2017-18

Draft Budget relates to the FY 2017-18 Proposed Budget - Cost Allocation Summary (see Appendix C 2).

C. ESTIMATING THE COSTS OF THE PERMITTED SOURCE PROGRAM BY ALLOCATING INDIVIDUAL WORK PROGRAM CATEGORIES

The SCAQMD's Work Program is divided into 9 program categories:

- Advance Clean Air Technology,
- Customer Service and Business Assistance,
- Develop Programs,
- Develop Rules,
- Ensure Compliance,
- Monitoring Air Quality,
- Operational Support,
- Policy Support, and
- Timely Review of Permits

However, these functional categories do not represent single programs or revenue sources. For example, the category "Develop Rules" includes 435 individual Work Program codes. The costs of each Work Program line are allocated to one or more revenue categories based upon departmental managements evaluation of the burdens imposed or benefits received by the fee payors of the revenue categories, subject to review by the Finance and Legal departments. However, individual categories, such as the category "Develop Rules" are not all supported by a single revenue source. In the case of Rule Development, this is because multiple programs require rule development activities. Rule development programs include programs as varied as the following:

- 26661 - Rulemaking/RECLAIM (major stationary sources) - costs allocated 100% to emissions-based fees
- 44456 - Implement Fleet Rules – costs allocated 100% to Clean Fuels revenues
- 26460 - Modeling SCAQMD Regional – costs allocated 77% to mobile source revenues, 16% to emissions-based fees and 7% to EPA Grant

In the last case (regional modeling), the program costs are allocated based on the relative share of total pollution caused by mobile sources compared to stationary and area sources. Similar formulas are used in a number of Work Program categories.

Similarly, the Work Program category "permit" includes items that are funded by annual operating fees, such as 44546 "Evaluate Test Protocols Compliance."

Although the work is done by engineers (in the source test group), it is more closely related to compliance, and thus allocated to annual operating fees.

Total costs of the Permitted Source Program can be determined by looking at the individual Work Program codes discussed above. Staff has created Appendix C 4 which lists all the Work Programs funded by each revenue source. Because many Work Program codes are funded by more than one revenue source, they will appear more than once.

D. BASIS OF ALLOCATING PERMIT PROCESSING COSTS TO THE PERMIT FEE SCHEDULES

The SCAQMD has assessed fees for processing of permit applications for many years, and the fees have traditionally been based on the type of equipment and complexity of engineering review. The permit processing fee schedules were revised in 1990 as a result of a Fee Assessment Study performed by KPMG Peat Marwick. As stated in the May 1990 staff report for the fee rule amendments, the original permit processing fee schedule was established by the Los Angeles County APCD in 1957. It was modified in 1990 in response to the Fee Study, incorporating eight separate schedules, based on the complexity of evaluations to assure rule compliance.⁸ From time to time, new types of equipment are added to the fee schedules, or certain types of equipment may be moved from one fee schedule to another as staff experience with actual permit processing reveals that a different category is more appropriate. As of FY 2016-17, the fee schedules range from about \$1,600 to process a permit for a smaller source such as a dry cleaner (Schedule A) to about \$28,600 (Schedule H) for a complex source such as sulfur recovery equipment. For the largest three categories, a time and materials component (hourly rate) is added for hours worked over a specified number of hours (182 hours for Schedule H), with a specified maximum.

About 6% of the applications processed are eligible for a small business discount, which is 50% of the regular fee. A small business is defined in SCAQMD Rule 102 - Definitions.

The SCAQMD re-evaluated the accuracy of its permit processing fee schedules over a two-year period from CY 1999-2001. Engineering staff kept track of the number of permits processed in each fee schedule as well as the number of hours spent representing over 5,300 permits processed. Very few applications were processed for the larger schedules F, G, and H, so it is more difficult to be sure the time spent per application is representative, and it makes sense for those schedules to include a time and materials component, for actual hours spent in excess of the time assumed in the basic fee schedule.

Staff calculated the average number of hours for each fee schedule by type (initial permit, alteration, and change of condition) from Sept. 6, 1999 to Aug. 6, 2000 (see

⁸ May 24, 1990 staff report, p. 6

Figure 1). Staff then adjusted the actual hours spent on permit processing to account for the fact that some engineering hours are spent on other activities (see Figure 2).

Figure 1: Time Tracking Mean Hours Comparison – New Applications, Alteration/Modification and Combined Average (Sept. 6, 1999 to Aug. 6, 2000)

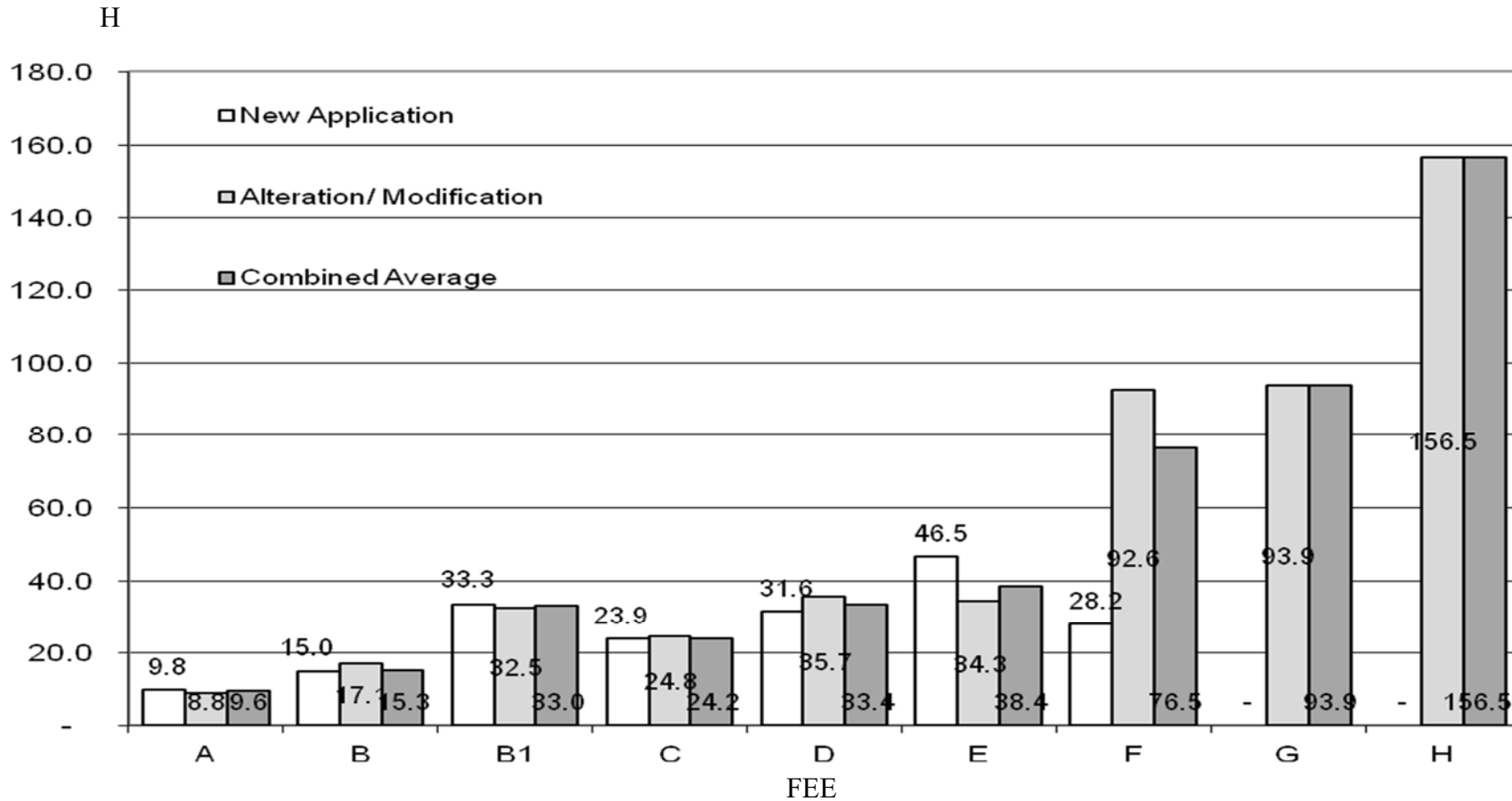


Figure 2: Permit Processing Payroll Hours (Sept. 6, 1999 to Aug. 6, 2000)

| Pay Code | Description | Hours | Percent |
|----------|---------------------------|-----------|---------|
| 50360 | GREEN CARPET PROGRAM | 127.25 | 0.08% |
| 50367 | HEARING BOARD/APPEALS | 889.75 | 0.54% |
| 50515 | Permt Proc/Compliance | 56,782.25 | 34.52% |
| 50517 | Permt Proc/NSR | 2,975.50 | 1.81% |
| 50518 | PERMIT PROCESSING/RECLAIM | 14,047.00 | 8.54% |
| 50519 | PERMIT PROCESSING/TITLE I | 473.50 | 0.29% |
| 50521 | PERMIT PROC/EXPEDITED PER | 6,799.25 | 4.13% |
| 50774 | TITLE III/ V PERMITS/COMP | 12,316.25 | 7.49% |
| 50775 | TITLE III/TITLE V PERMITS | 254.00 | 0.15% |
| | Total Permit Processing | 94,664.75 | 57.55% |

Figure 2 shows that during that time, 57.55% of engineering hours were spent actually permit processing. As shown, in Figure 3, the largest amount of time spent on an activity other than actual permit processing was “INTERNAL COMMUNICATIONS”, a category which at that time included activities such as staff meetings, meetings with supervisors and other staff on technical matters related to the initial application and other issues, etc. Additional time was spent on activities such as pre-application permit processing activities (e.g., meetings with companies before they submit an application), source education, supporting Information Management, RECLAIM implementation, and, in very small amounts, other activities.

Figure 3: All Engineering Payroll Hours (Sept. 6, 1999 to Aug. 6, 2000)

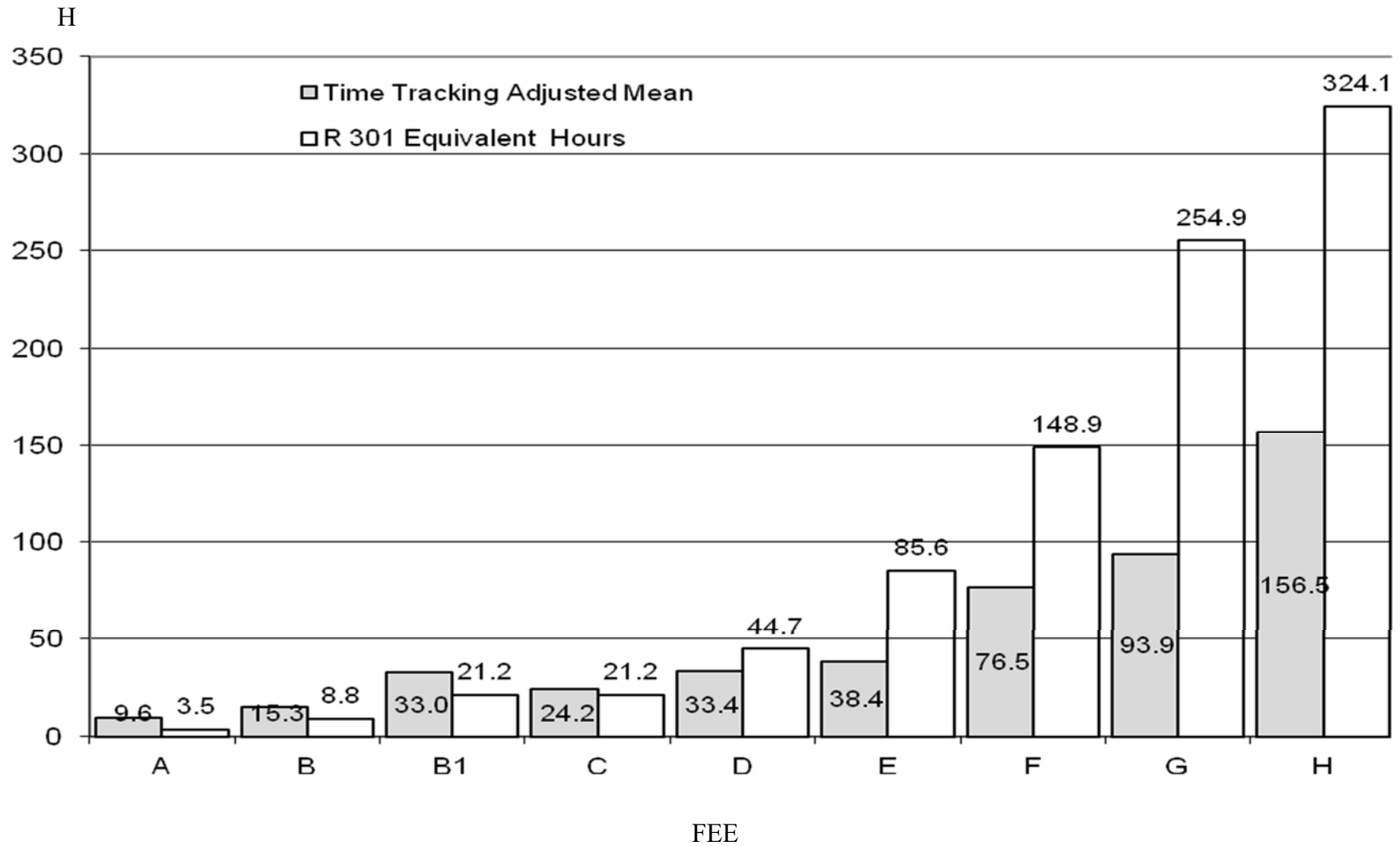
| Pay Code | Description | Hours | Percent |
|----------|------------------------------|------------|---------|
| | Total Permit Processing | 94,664.75 | 57.55% |
| 50805 | TRAINING | 1,244.00 | 0.76% |
| 50047 | ADMIN/RESOURCE MANAGEMENT | 871.00 | 0.53% |
| 50155 | COMPLIANCE GUIDELINES | 324.50 | 0.20% |
| 50156 | COMPLIANCE/SUPPORT | 3,845.25 | 2.34% |
| 50157 | COMPLIANCE/SPECIAL PROJEC | 3,535.50 | 2.15% |
| 50365 | HEARING BOARD | 1,223.25 | 0.74% |
| 50375 | INSPECTIONS | 200.00 | 0.12% |
| 50395 | INTERNAL COMMUNICATIONS | 27,300.25 | 16.60% |
| 50425 | Lobby Permit Services | 758.75 | 0.46% |
| 50475 | NSR Implementation | 1,588.50 | 0.97% |
| 50476 | NSR DATA CLEAN UP | 791.50 | 0.48% |
| 50520 | PERMIT PROC/PRE-APPLICATI | 8,294.00 | 5.04% |
| 50565 | Public Records Act | 1,130.25 | 0.69% |
| 50605 | RECLAIM/Implementation | 5,397.25 | 3.28% |
| 50650 | Rulemaking | 1,609.00 | 0.98% |
| 50657 | RULEMAKING SUPPORT | 600.25 | 0.36% |
| 50690 | Source Education | 5,834.00 | 3.55% |
| 50728 | SUPPORT IM | 4,944.50 | 3.01% |
| 50771 | TITLE V INSPECTIONS | 327.50 | 0.20% |
| | Total | 164,484.00 | 100.00% |

To make the permit processing fees large enough to recover the costs of these activities, staff then divided the mean hours by 57.5% to obtain the number of hours staff needed to recover costs for each fee schedule. Next, staff determined the average revenue per application in each fee schedule. A weighted average was used based on the percentage of applications in that fee schedule that were initial applications, alterations, and change of condition. Then, staff calculated the equivalent number of hours recovered by each weighted average fee, using the then-current average burdened cost (direct cost plus overhead) per engineering hour of \$87.40 (see Figure 4 which shows the average revenue compared to the average cost).

The 1999-2000 Fee Study came to the following conclusions:

- Figure 3 illustrates that alterations/modifications required about the same amount of time as a new application. This is due to the fact that alterations/modifications required the same amount of review and processing as a new permit because the same review is required: new source review, source specific rules, background of the source, toxics, and others. As such, alteration/modifications typically reflect process/equipment modifications and changes which require extensive engineering analysis.
- As shown in Figure 4, the SCAQMD significantly under collected revenue compared to program costs for Schedules A and B. For example, staff was spending approximately 9.6 hours processing an application in Schedule A and the permit processing fee only recovers 3.6 hours or 37.5% of actual time spent. Approximately 2,400 permits were processed annually in Schedule A, resulting in a shortfall of approximately \$1.2 million dollars. Similar discrepancies occur with Schedules B, B1 and to some extent with Schedule C applications that further exacerbated the cost under recovery. The cumulative cost under recovery was quite significant since Schedules A, A1 and B permit applications represented more than 90% of the permitting activity and more than 45% of the permit processing fees collected. In short, if Schedule A were to be adjusted to recover its full costs, it would have been necessary to be increased to a weighted average of nearly \$874 (10 hours x \$87.40) per application.
- Although not many permit applications were received in categories D through H, the data from the time tracking study indicated that the permit processing fees at that time may have exceeded the staff hours needed. As such, staff proposed reductions in the basic fee rates for those categories. The proposal included a capped time and material surcharge for especially difficult applications that require processing time above the norm. As the time and material surcharge is capped, the actual fee was designed so as to not exceed the then existing fee rate in CY 2001.

Figure 4: Time Tracking vs. Rule 301 Equivalent Hours for Combined New Applications and Alterations/Modifications (Sept. 6, 1999 to Aug. 6, 2000)



Accordingly, in the 2001 amendments to Rule 301, the SCAQMD began the implementation of a two-pronged approach to adjusting the fee schedules: the fees for the lower fee schedules (A-C) were raised, while the fees for the higher fee schedules (D-H) were lowered, to reflect the average hours per weighted average application in each fee schedule. Since any fee increase over CPI for permit fees needs to be phased in over two years, it was decided to phase in both the fee increases and the fee decreases over a period of two years. Importantly, the three largest fee schedules (F, G, and H) retained a time and materials component so that if the actual cost to process a particular permit exceeded the presumed average, it would still be recovered (subject to a “not to exceed” amount.) This T & M element helps to ensure that the relative proportions between the amounts charged for the larger and smaller permits remains appropriate. The changes adopted in 2001 were designed to recognize the actual program costs associated with processing certain applications and to provide a fair and equitable program.

E. ADDITIONAL RECOMMENDATIONS FROM THE 1999-2000 FEE STUDY

1. Consolidate fees charged to process new permits and alterations/modifications.

The internal time tracking study conducted by SCAQMD staff indicated that on the average an equivalent amount of time is spent to process a new permit and a modification/alteration typically involve a process change requiring engineering analysis (see Figure 2). Therefore the two different processing fees charged for each of the activities were no longer justified. The proposal consolidated the two fee rates for new permit processing and modification/alteration into one. The change of condition fee was increased by the consumer price index.

2. Adjust Title V and RECLAIM Fees.

Adjustments were made to more accurately reflect time required for processing RECLAIM and Title V activities. The data from the time tracking study indicated that on average an engineer spends 28% more time on processing RECLAIM/non-Title V, 44% more time on Title V/non-RECLAIM type applications and 89% more time on RECLAIM/Title V applications when compared to a non-RECLAIM/non-Title V application. A Facility Permit Amendment processing fee of \$550.00 for Title V facilities (\$1,100 for Title V facilities that are also RECLAIM facilities) was proposed to recover the permit processing costs. These fees were in addition to the sum of the applicable fees assessed for each affected equipment in the RECLAIM and/or Title permit. In addition, the administrative permit revision fee was revised to \$544.00 and the de minimis/significant permit revision fee was revised to \$320.00 to more accurately cover time and materials expenditures.

Since that time, the basic fee structure for permit processing has remained the same, and any increases have been made as a percentage increase across-the-board to reflect the relative burdens imposed by each fee schedule. However,

from time to time new equipment is added to a fee schedule, or equipment is moved from one schedule to another, based on permit processing experience. Staff presently has no reason to believe that the relative proportions of the various fee schedules is incorrect, since it was supported with ample data in 2001 and has only changed by across-the-board percentage increases since that time.

VIII. BASIS OF ALLOCATING PERMIT PROCESSING, ENFORCEMENT, AND OTHER REGULATORY COSTS TO ANNUAL OPERATING FEE SCHEDULE.

As described above, the SCAQMD implements two types of annual operating fees, the equipment-based fee and the emissions-based fee. As noted above, these fees are generally used for permitted-source related planning, rulemaking, enforcement, public outreach, and air monitoring activities. However, the H&SC does not require these Permitted Source Program activities be supported by different types of fees, so there is some overlap between the activities supported by emissions-based fees and those supported by the annual operating equipment-based fees. Finally, there are some area source emissions (e.g., use of solvents regulated by Rule 1171) for which facilities pay emission fees, so some area source related work can also be supported by emission fees. The Work Program codes that are generally supported by annual operating fees are those primarily related to compliance and enforcement related to permitted sources, including legal department enforcement work. Additional work that is imposed by permitted sources, such as implementing the Public Records Act, has been allocated to this fee because the majority of Public Records Act requests relate to existing permitted sources. The SCAQMD retained a consultant in 1990, KPMG Peat Marwick, to perform a Fee Assessment Study. Staff believes that the legislature intended that permit fees recover the reasonable costs of all activities related to permitted sources, since the legislature frequently imposed new state mandates, yet, as observed by a 1994-1995 SCAQMD Fee Study also performed by KPMG Peat Marwick, “each of these mandates stated that state funding was not required because the SCAQMD had the ability to raise fees to cover the costs of the increased mandates” (1995 Fee Study, p. 2-11).

One difficulty with the emissions-based fee is that, as emissions from permitted sources are reduced, the fees are reduced, even though the associated work has not been reduced or has even increased. Thus for example, according to the 1990 KPMG Peat Marwick Fee Study, emission fees in 1989-1990 amounted to \$30.5 million (Table IV-1, p. IV-2). In contrast, for FY 2017-18, it is projected that emissions-based fees will amount to about \$19.5 million, which is only about \$12.1 million in 1990 dollars. Because emissions are dropping, it is not feasible to increase this revenue source significantly without substantial increases in fee rates.

In contrast, the annual operating equipment-based fee represents a more stable source of income, because the total amount of permitted equipment remains more stable from year to year than the total amount of emissions. This fee was revised and established in largely its current form in 1990. The fee study consultant (KPMG Peat Marwick) advised staff

that the two most appropriate bases for assessing fees would be costs of service and emissions or emissions potential. Staff recommended that the annual operating fee continue to be divided into two parts, one part cost based and one part emissions-based.⁹ The proposed two-part annual operating fees were intended to pay the costs of all SCAQMD Permitted Source Program operations other than permit processing. SCAQMD actions related to mobile sources, and certain other programs that were otherwise funded (e.g., by USEPA grants) were not included. See 1990 KPMG Peat Marwick report, page 5.

Each type of equipment was assigned to one of three fee levels, to equitably assign operating fee rates. See 1990 KPMG Peat Marwick report, page 5. The annual operating fees were established based on equipment complexity and level of service (May 24, 1990 SCAQMD Governing Board Letter, p. 2). The fee rule as adopted made the initial assignments as follows: equipment assigned to permit processing fee Schedule A and B was to be charged \$150, equipment appearing in Schedules C and D was to be charged \$500, and equipment appearing in Schedules E, F, G, and H was to be charged \$1,200. A separate fee was provided for service stations. Since then, a new Schedule A1 was added but there are no longer any types of equipment assigned to that category.

The current proposed amendment would result in continuing the existing four categories of equipment, and adding separate fee schedules for non-Title V and Title V facilities as shown in Table 11:

Table 11 –SCAQMD FY 2017-18 PAR 301(d)(2) – Annual Operating Fees

| Equipment/Process Schedules in Tables IA and IB | Non-Title V Annual Operating Permit Renewal Fee | Title V Annual Operating Permit Renewal Fee |
|--|---|---|
| A1 | \$188.78 for FY 2017-18 and \$196.33 for FY 2018-19 and thereafter | \$210.56 for FY 2017-18 and \$244.25 for FY 2018-19 and thereafter |
| A, B, and B1 (excluding Rule 461 liquid fuel dispensing nozzles) | \$378.28 for FY2017-18 and \$393.41 for FY2018-19 and thereafter | \$421.93 for FY2017-18 and \$489.44 for FY2018-19 and thereafter |
| C and D | \$1,354.85 for FY2017-18 and | \$1,511.18 for FY2017-18 and |

⁹ May 1990 Staff Report, p.4

| Equipment/Process Schedules in Tables IA and IB | Non-Title V Annual Operating Permit Renewal Fee | Title V Annual Operating Permit Renewal Fee |
|--|---|---|
| | \$1,409.05 for FY2018-19 and thereafter | \$1,752.97 for FY2018-19 and thereafter |
| E, F, G, and H | \$3,253.18 for FY2017-18 and \$3,383.30 for FY2018-19 and thereafter | \$3,628.54 for FY2017-18 and \$4,209.11 for FY2018-19 and thereafter |

Note that there is a separate fee for service stations which is charged on a per product dispensed per nozzle basis as shown in the last row of the same table:

| | | |
|--|---|--|
| Rule 461 liquid fuel dispensing system | \$111.83 for FY2017-18 and \$116.31 for FY2018-19 and thereafter per product dispensed per nozzle | \$124.74 for FY2017-18 and \$144.70 for FY2018-19 and thereafter per product dispensed per nozzle |
|--|---|--|

The basic fee structure, with smaller fees charged to less complex equipment, and larger fees to more complex equipment, is reasonably related to the regulatory burdens imposed by the equipment. Staff believes it would not be feasible to determine each facility's proportional regulatory cost on an individual facility-by-facility basis. To actually charge each facility the burdened costs of enforcement, solely related to that facility, would be administratively infeasible as it would require keeping detailed data, regarding inspection time, preparing separate invoices and ensuring payment. This would result in a very unstable revenue stream, and could make the SCAQMD vulnerable to claims that it unnecessarily increased its enforcement activity related to a source in order to increase its revenue. These reasons have been held sufficient to allow a public agency to estimate flat fees for particular types of services within broad categories rather than keeping track of and billing the exact time spent on each project. *Griffith v. City of Santa Cruz* (2012) 207 Cal.App.4th 982, 997; *California Assoc. of Prof. Scientists v. Dept. of Fish & Game*, 79 Cal. App. 4th 935 (2000).

IX. IMPACT ASSESSMENT

A. SCAQMD

For FY 2017-18, the 2.5% across-the-board CPI adjustments in Regulation III fees, (other than fees excluded) commensurate with the change in the CY 2016 CPI, will result in \$2.1 million partial cost recovery for FY 2017-18 (see Appendix C 2 for detailed information).

Furthermore, the additional fee increase beyond CPI for Title V and non-Title V permit processing and annual operating fees would be increase would result in additional revenues as shown in Table 11.

Table 11 - Estimated Incremental Program Cost Recovery In Addition to 2.5% CPI (in 000's) for FY 2017-18 and FY 2018-19

| <u>Title V</u> | FY 2017-18 | FY 2018-19 ¹⁰ |
|--|----------------------------|----------------------------|
| Proposed Additional 16% Amendment | 1st Year | 2nd Year |
| Permit Processing Fees | \$287 | \$324 |
| Annual Renewal Fees | \$1,245 | \$1,483 |
| Total | \$1,532 | \$1,807 |
| <u>Non-Title V</u> | | |
| Proposed Additional 4% Amendment | 1st Year | 2nd Year |
| Permit Processing Fees | \$298 | \$311 |
| Annual Renewal Fees | \$1,772 | \$1,891 |
| Total | \$2,070 | \$2,202 |

In total, additional cost recovery beyond the CPI for FY 2017-18 is estimated to be \$3.6 million. The proposed fees for FY 2018-19 represent a 16% increase for Title V programs and a 4% increase for non-Title V programs from the proposed fees for FY 2017-18.

Overall, for a number of years, SCAQMD has reduced staffing, services and supplies, and capital outlay expenditures to reduce operating expenses, while continuing to meet the requirement for attainment of federal, state and local clean air program goals and objectives. The increased Permit Processing and Annual Renewal Fees together with revenues from the unrestricted “Other” revenue sources will allow the SCAQMD to more fully recover the costs of its Permitted

¹⁰ It is also expected that there will be an adjustment for the change in the CPI in FY 2018-19 pursuant to Rule 320, but that adjustment factor will not be known until mid-January 2018 when CY 2017 CPI information is typically available.

Source Program activities for SCAQMD’s Work Programs which is referenced in Section VII C.

B. INDUSTRY / SOCIO-ECONOMIC IMPACT

Draft socioeconomic assessments have been prepared as separate reports and provide an analysis of the impacts on industry of the proposed rule amendments increasing fees for Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314 and 315. The Rule 320 Resolution adopted by the SCAQMD Governing Board (SCAQMD) on October 29, 2010, requires staff by March 15th “...to annually prepare a socioeconomic impact analysis, of the effect of an automatic adjustment based on the California Consumer Price Index [CPI]...” This draft analysis was made available for the public on March 15, 2017 and can be located at <http://www.aqmd.gov/home/regulations/rules/proposed-rules#REG III>.

In addition, staff is proposing a fee increase for Title V facilities of 16% in FY 2017-18 and an additional 16% increase in FY 2018-19 for permit processing and annual operating fees and for non-Title V facilities, a 4% fee increase in FY 2017-18 and an additional 4% increase in FY 2018-19 for non-Title V permit processing and annual operating fees. This draft analysis was made available for the public on April 11, 2017 and a revised draft analysis was made available to the public on May 2, 2017 and these documents can also be located at <http://www.aqmd.gov/home/regulations/rules/proposed-rules#REG III>. The finalized version of these documents will be available on June 2, 2017.

C. CALIFORNIA ENVIRONMENTAL QUALITY ACT

SCAQMD staff has reviewed the proposed project, pursuant to CEQA Guidelines § 15002(k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA and CEQA Guidelines § 15061 – Review for Exemption, procedures for determining if a project is exempt from CEQA. With respect to the proposed amendments to Rules 301, 306, 308 and 314 which are identified as being strictly administrative in nature, it can be seen with certainty that there is no possibility that the proposed project may have a significant adverse effect on the environment. Thus, the project is considered to be exempt from CEQA pursuant to CEQA Guidelines § 15061(b)(3) – Activities Covered by General Rule. Additionally, the proposed amendments to Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315 reflect increases in fees, and the proposed administrative amendments to Rules 301, 306, 308, and 314 also involve fees charged by the District, such that the proposed project is statutorily exempt from CEQA requirements pursuant to CEQA Guidelines § 15273 – Rates, Tolls, Fares, and Charges, because the proposed amendments to Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314 and 315 involve charges by public agencies for the purpose of meeting operating expenses, purchasing supplies, equipment and materials, and meeting financial reserve requirements, all as specified in the Salary and Benefits, Services and Supplies, and Capital Outlays set forth in the Proposed Budget for FY 2017-18 and the budget forecast for FY 2018-

19. A Notice of Exemption has been prepared pursuant to CEQA Guidelines § 15062 – Notice of Exemption. If the project is approved, the Notice of Exemption will be filed with the county clerks of Los Angeles, Orange, Riverside and San Bernardino counties.

X. FINDINGS

Before adopting, amending or repealing a rule, the SCAQMD Governing Board shall make findings of necessity, equity, authority, clarity, consistency, non-duplication, and reference, as defined in H&SC Section 40727. The draft findings are as follows:

A. NECESSITY

The SCAQMD Governing Board has determined that a need exists in order to support necessary clean air programs, to amend Regulation III – Fees, including Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314 and 315 to fund the Fiscal Year 2017-18 Budget.

The large majority of the SCAQMD’s air quality programs are mandated by statute. Legal mandates for each item in the SCAQMD’s Work Program are discussed and identified in the supporting documentation for the Work Program. Even programs not expressly mandated by statute are programs adopted to improve air quality and reduce exposure to unhealthful levels of air pollution, which is the SCAQMD’s primary purpose as expressly stated in the H&SC, and hence are reasonably necessary. Ample opportunity is provided through the Budget Advisory Committee and public workshops for the SCAQMD Governing Board to receive public input concerning whether any of the budgeted programs are not reasonably necessary. The SCAQMD Governing Board’s finding of necessity will be based on the final budget and facts in the record.

A total \$7.1 million revenue shortfall is projected in FY 2017-18 for programs supported by permit processing fees, even after annual operating fees pay for overhead costs associated with permit programs (see Appendix C 2). The shortfalls were identified during initial development of the FY 2017-18 Draft Budget and Work Program. The Work Program has been refined over several decades and tracks, by program category, the number of hours SCAQMD employees spend on each activity and tracks costs associated with those activities. In addition, to determine fully burdened costs, overhead costs such as utilities, debt service, insurance, and payroll which benefit all programs, are allocated to each activity based on the number of FTEs for that activity. Program categories tracked by the Work Program include:

- Advance Clean Air Technology,
- Customer Service and Business Assistance,
- Develop Programs,
- Develop Rules,

- Ensure Compliance,
- Monitoring Air Quality,
- Operational Support,
- Policy Support, and
- Timely Review of Permits

Every SCAQMD expenditure, including expenditures for employee salaries and benefits, is tracked in the Work Program.

Both the 1993 Assessment of Alternative Long-Term Funding Options study conducted by KPMG Peat Marwick, management consultants, and the 1999 Fee Structure Study, conducted by Thompson, Cobb, Bazilio & Associates, Certified Public Accountants and management consultants, contained findings that SCAQMD was not recovering its program costs and should raise fees to cover program costs. Since 1993, the SCAQMD has, in all but nine fiscal years, limited fee increases to the change in the California Consumer Price Index (CPI). However, during this same time period, program costs increased at rates that far exceeded revenue increases due to the change in the CPI, especially since the real purchasing power of emissions fees declined dramatically. The program's overhead cost increases were, to a large extent, attributable to significant increases in legally-mandated retirement contributions to SBCERA, most notably since 2009 when the economic downturn resulted in market losses for the retirement system. Increased building operations/improvement costs for the aging Headquarters building have also impacted program costs. To reduce overhead program costs yet continue its program commitments, despite new federal and state air quality mandates and increased workload complexity, the SCAQMD has continued to streamline its operations. In June 2004, the SCAQMD issued pension obligation bonds to finance a portion of its outstanding retirement obligation, over time saving more than \$20 million in interest costs. In June 2013, Installment Revenue Bonds associated with the financing of the Headquarters building were retired one year early, also saving on interest costs. Recently, the SCAQMD negotiated changes to its labor contracts, shifting a portion of retirement burden to current employees and reducing retirement benefits for new employees. Additionally, retirement benefits for new employees have been reduced due to state legislation (AB 348) which will result in a substantial savings over time. Other cost containment measures taken over the past several years include reduced services and supplies costs, and an increased vacancy rate. Compared to FY 1991-92, the FY 2017-18 proposed budget reflects staffing levels that are 31% (377 FTEs) below FY 1991-92 levels. Adjusted for inflation, the FY 2017-18 budget request is 25% less than FY 1991-92.

The fee increases proposed for FY 2017-18 will allow the SCAQMD to maintain the current level of services without cuts and will move the agency toward more closely, but not fully, recovering program costs. The SCAQMD regulates approximately 27,400 facilities in its jurisdiction. The agency's fee structure reflects varying levels of effort, based on equipment type and level of complexity. Of the approximate 27,400 facilities regulated by the SCAQMD, 80% of the

facilities have only one or two Permits to Operate, for equipment at the lowest fee schedules. For a typical non-Title V facility, such as a dry cleaner, with only one Permit to Operate at the lower schedule A fee rate, the FY 2017-18 Annual Operating Permit Renewal fee pursuant to Rule 301(d)(2) would increase by less than \$24 in the initial FY 2017-18 and slightly over \$15 in the second FY 2018-19. This facility would also pay a FY 2017-18 annual flat emissions fee for up to 4 tons of emissions, and the proposed increase for this fee would be slightly over \$3. The total annual fee increase for this facility based on these fees would be under \$17, which is an average of \$1.42 per month. As shown in Table 13, the increase in fees for FY 2017-18, for some examples of typical smaller-sized Title V sources ranges from \$1,460 to \$2,100; for typical medium-sized Title V sources ranges from \$5,300 to \$6,800 and for larger-sized sources such as refineries could be \$100,000 or more.

Table 13 – Examples of Estimated FY 2017-18 Fee Increase for Title V Sources

| | Fee Increase: FY 16-17 Amount | 2.50% CPI-Based Fee Increase | | 4.00% 16.00% Additional Fee Increase (includes CPI) | | Estimated Increase |
|--|-------------------------------------|---------------------------------|--------------|--|--------------|-----------------------|
| | | RECLAIM Device | Other | RECLAIM Device | Title V | |
| <u>SMALL TITLE V FACILITY EXAMPLES</u> | | | | | | |
| <u>Example 1 - Graphic Arts Facility</u> | | | | | | |
| Flat Emissions Fee | \$ 124.35 | | \$ 3.11 | \$ - | \$ - | \$ 3.11 |
| Title V Facility Fee | \$ 514.49 | | \$ 12.86 | \$ - | \$ 84.38 | \$ 97.24 |
| Annual Operating Renewal Fee | \$ 6,858.18 | | \$ 171.45 | \$ - | \$ 1,124.74 | \$ 1,296.20 |
| Annual Emissions Reporting | \$ 2,341.44 | | \$ 58.54 | \$ - | \$ - | \$ 58.54 |
| Hot Spots | \$ 202.57 | | \$ 4.19 | \$ - | \$ - | \$ 4.19 |
| | \$ 10,041.03 | | \$ 250.15 | \$ - | \$ 1,209.12 | \$ 1,459.27 |
| <u>Example 2 - Graphic Arts Facility</u> | | | | | | |
| Flat Emissions Fee | \$ 124.35 | | \$ 3.11 | \$ - | \$ - | \$ 3.11 |
| Title V Facility Fee | \$ 514.49 | | \$ 12.86 | \$ - | \$ 84.38 | \$ 97.24 |
| Annual Operating Renewal Fee | \$ 11,134.34 | \$ 17.08 | \$ 261.28 | \$ 28.00 | \$ 1,714.02 | \$ 2,020.38 |
| | \$ 11,773.18 | \$ 17.08 | \$ 277.25 | \$ 28.00 | \$ 1,798.40 | \$ 2,120.73 |
| <u>MEDIUM TITLE V FACILITY EXAMPLES</u> | | | | | | |
| <u>Example 3 - Steel Products Facility</u> | | | | | | |
| Flat Emissions Fee | \$ 124.35 | | \$ 3.11 | \$ - | \$ - | \$ 3.11 |
| Title V Facility Fee | \$ 514.49 | | \$ 12.86 | \$ - | \$ 84.38 | \$ 97.24 |
| Annual Operating Renewal Fee | \$ 27,374.80 | \$ - | \$ 684.37 | \$ - | \$ 4,489.47 | \$ 5,173.84 |
| Annual Emissions Reporting | \$ 1,794.82 | | \$ 44.87 | \$ - | \$ - | \$ 44.87 |
| Hot Spots | \$ 483.25 | \$ - | \$ 10.41 | \$ - | \$ - | \$ 10.41 |
| | \$ 30,291.71 | | \$ 755.62 | \$ - | \$ 4,573.84 | \$ 5,329.46 |
| <u>Example 4 - Steel Products Facility</u> | | | | | | |
| Flat Emissions Fee | \$ 124.35 | | \$ 3.11 | \$ - | \$ - | \$ 3.11 |
| Title V Facility Fee | \$ 514.49 | | \$ 12.86 | \$ - | \$ 84.38 | \$ 97.24 |
| Annual Operating Renewal Fee | \$ 24,283.47 | \$ 89.64 | \$ 517.44 | \$ 147.02 | \$ 3,394.43 | \$ 4,148.53 |
| Semi-Annual Emissions Installment | \$ 43,681.79 | | \$ 1,092.04 | \$ - | \$ - | \$ 1,092.04 |
| Annual Emissions Reporting | \$ 56,019.84 | | \$ 1,400.50 | \$ - | \$ - | \$ 1,400.50 |
| Hot Spots | \$ 901.92 | | \$ 19.20 | \$ - | \$ - | \$ 19.20 |
| | \$ 125,525.86 | | \$ 3,045.15 | \$ 147.02 | \$ 3,478.80 | \$ 6,760.61 |
| <u>LARGE TITLE V REFINERY-TYPE EXAMPLES</u> | | | | | | |
| <u>Example 5 - Refinery</u> | | | | | | |
| Flat Emissions Fee | \$ 124.35 | | \$ 3.11 | \$ - | \$ - | \$ 3.11 |
| Title V Facility Fee | \$ 514.49 | | \$ 12.86 | \$ - | \$ 84.38 | \$ 97.24 |
| Annual Operating Renewal Fee | \$ 426,534.98 | \$ 904.98 | \$ 9,758.40 | \$ 1,484.16 | \$ 64,015.10 | \$ 76,162.63 |
| Semi-Annual Emissions Installment | \$ 615,574.46 | | \$ 15,389.36 | \$ - | \$ - | \$ 15,389.36 |
| Annual Emissions Reporting | \$ 695,487.30 | | \$ 17,387.18 | \$ - | \$ - | \$ 17,387.18 |
| Hot Spots | \$ 8,336.31 | | \$ 149.81 | \$ - | \$ - | \$ 149.81 |
| | \$ 1,746,571.89 | | \$ 42,700.72 | \$ 1,484.16 | \$ 64,099.48 | \$ 109,189.33 |
| <u>Example 6 - Refinery</u> | | | | | | |
| Flat Emissions Fee | \$ 124.35 | | \$ 3.11 | \$ - | \$ - | \$ 3.11 |
| Title V Facility Fee | \$ 514.49 | | \$ 12.86 | \$ - | \$ 84.38 | \$ 97.24 |
| Annual Operating Renewal Fee | \$ 538,077.00 | \$ 934.86 | \$ 12,512.81 | \$ 1,533.16 | \$ 82,084.01 | \$ 97,064.84 |
| Semi-Annual Emissions Installment | \$ 985,244.89 | | \$ 24,631.12 | \$ - | \$ - | \$ 24,631.12 |
| Annual Emissions Reporting | \$ 900,033.18 | | \$ 22,500.83 | \$ - | \$ - | \$ 22,500.83 |
| Hot Spots | \$ - | | \$ - | \$ - | \$ - | \$ - |
| | \$ 2,423,993.91 | | \$ 59,660.73 | \$ 1,533.16 | \$ 82,168.39 | \$ 144,297.14 |

*New permit application fees for Title V sources will also increase by the 2.5% CPI and an additional 16% in FY 17-18. Those fee increases are not included here since it is contingent upon the number of new permit applications, alternations and/or modifications that a facility might submit in any given year.

B. EQUITY

H&SC Section 40510.5(b) requires the SCAQMD Governing Board to find that an increased fee will result in an equitable apportionment of fees when increasing fees beyond the CPI. It is reasonable to use annual operating and permit-related fees to apportion certain costs. Such a system is reasonably related to the fee payers’

benefits from and burdens on the regulatory system. The fee including the proposed increase, results in an equitable apportionment of permit processing fees, since the fee increase for the permit processing fee is based on the estimated labor costs of performing the work. Such apportionment, based on actual costs, is equitable because each fee-payer pays most of the cost of services related to its permit. Also, the apportionment of annual operating fees based on equipment categories is proportionate to the enforcement related efforts associated with the different fee schedules which are related to equipment complexity. Thus, the fee apportionment for annual operating fees is equitable. It is necessary to increase both of the fees to assist in recovering the actual labor costs which have increased in part due to the significant increases in mandated retirement contribution rates. Annual operating fees are used to pay for some costs associated with permitting activities. This is reasonably related to the benefits and burdens related to fee payors, because the total costs (burden) are ultimately recovered, while each fee payor receives the benefit of receiving a permit and spreading costs related to permit processing over a longer time period through annual renewal operating fees.

Also the proposals are designed to more appropriately and equitably align program costs and revenues. Fee increases are supported by empirical data that indicate a current revenue shortfall in certain categories. Permitting related activities are currently experiencing a significant shortfall. By uniformly increasing fees associated with permit processing and annual renewals, the equitable apportionment of fees amongst sources will remain, and more closely recover actual costs to administer these programs. The difference between treatment of Title V sources and non-Title V sources is equitable for two reasons: First, Title V sources are generally larger businesses which impose a greater regulatory burden and are more able to absorb larger fees, and second the Clean Air Act and USEPA regulations specifically require fees on Title V sources to recover their program costs. In contrast, the Governing Board may choose to support part of the costs of the non-Title V permitting program through unrestricted revenue such as penalties. The proposed budget continues to do so for FY 2017-18.

Rule 320 – Automatic Adjustment Based on Consumer Price Index for Regulation III-Fees, was adopted by the SCAQMD Governing Board on October 29, 2010. The rule establishes that in order to continue recovering agency costs, fees must keep pace at a minimum with inflation as measured using the Consumer Price Index (CPI), unless otherwise directed by the SCAQMD Governing Board. Rule 320 provides for the automatic adjustment in fees annually commensurate with the rate of inflation and thus recovers the CPI-caused increase in the “reasonable cost” of services provided.

The proposed 16% and 4% per year fee increases over the next two FYs for permitted sources are likewise necessary to recover the reasonable regulatory costs for issuing permits and enforcement as authorized under Proposition 26. Permit fees are a “reasonable cost” to better recover staff expenditures for services that confer “a specific benefit conveyed or privilege (namely the permit to construct/operate) granted directly to the payor (owner/operator)” as authorized under Proposition 26. The fee increases are no more than necessary to cover the

reasonable costs of issuing these permits and enforcement-related work associated with permitted sources, and they are allocated fairly and reasonably based on the burdens imposed on and benefits received from the Permitted Source Program. Furthermore, permit fees and annual renewal fees are also set such that they are necessary and equitable to better recover the cost of continuing vital and mandatory programs and services as “A charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections and audits” and for “the administrative enforcement and adjudication thereof.” as also allowed under Proposition 26. Staff annually provides a recommendation on the rate of adjustment to the SCAQMD Governing Board based on the reasonable cost of maintaining the services required for mandatory programs. The SCAQMD Governing Board, at its discretion, may vote for a rate of adjustment that is different from the CPI. Staff’s proposed amendments for FY 2017-18 are detailed in Section II Proposed Amendments of this report.

C. AUTHORITY

The SCAQMD Governing Board obtains its authority to adopt, amend, or repeal rules and regulations from H&SC Sections 40000, 40001, 40440, 40500, 40501.1, 40502, 40506, 40510, 40510.5, 40512, 40522, 40522.5, 40523, 40702, and 44380, and Clean Air Act section 502(b)(3) [42 U.S.C. §7661(b)(3)] .

D. CLARITY

The SCAQMD Governing Board has determined that Regulation III – Fees, including Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314 and 315, as proposed to be amended, are written or displayed so that their meaning can be easily understood by the persons directly affected by them.

E. CONSISTENCY

The SCAQMD Governing Board has determined that Regulation III – Fees, including Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314 and 315 as proposed to be amended, are in harmony with, and not in conflict with or contradictory to, existing statutes, court decisions, or state or federal regulations.

F. NON-DUPLICATION

The SCAQMD Governing Board has determined that Regulation III – Fees, including Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314 and 315, as proposed to be amended, do not impose the same requirements as any existing state or federal regulation and are necessary and proper to execute the power and duties granted to, and imposed upon, the SCAQMD.

G. REFERENCE

The SCAQMD Governing Board, in amending these rules, references the following statutes which the SCAQMD hereby implements, interprets, or makes specific: H&SC Sections 40500, 40500.1, 40510, 40510.5, 40512, 40522, 40522.5 40523, 41512, and 44380, and Clean Air Act section 502(b)(3) [42 U.S.C.S. 7661 (b)(3)].

XI. PUBLIC COMMENTS AND RESPONSES

A Preliminary Draft Package consisting of the: Preliminary Draft Staff Report, Preliminary Draft rules, Draft Socioeconomic Assessment for Automatic Consumer Price Index (CPI) Increase and Draft Socioeconomic Assessment for Proposed Amended Regulation III, was made publicly available on April 11, 2017. Staff has presented the FY 2017-18 budget and PAR III fee proposals during the following publicly held meetings:

- Budget Advisory Committee meeting (4/6/17)
- Public Consultation Meeting #1 (4/11/17)
- Public Consultation Meeting #2 (4/18/17)
- Special Meeting of Governing Board - Budget Workshop (4/21/17)

The public was invited to present comments regarding the amendment proposals at these meetings or to provide written comments to the SCAQMD regarding the CPI based fee increase by April 15, 2017, or the additional components of the proposed amendment by April 25, 2017. The earlier deadline for consideration of the CPI based fee increase was necessary because comments regarding the CPI based fee increase were due to the Governing Board by April 15, 2017.

This section incorporates the Executive Officer's (EOs) letter to the SCAQMD Governing Board regarding responses to public input prior to the April 14, 2017 deadline, and two additional comment letters, received by the April 25, 2017 deadline. The communication to the Governing Board has been marked up to show numbered comments and the associated responses. The two comment letters have been numbered by paragraph to reference staff responses which are provided after each letter. Some of the responses to the comments in the comment letters are by reference to similar comments already addressed in the EOs April 14, 2017 transmittal letter to the Governing Board.

Comment Letter #1 Summary of Stakeholder Comments Received Through April 15, 2017, with Reponses Bracketed in EO Transmittal to AQMD Governing Board



**South Coast
Air Quality Management District**

21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 • www.aqmd.gov

April 14, 2017

South Coast Air Quality Management
District Governing Board

Budget Advisory Committee Recommendations
and Public Comments on the Draft Fiscal Year 2017-18
Budget and Work Program, Automatic Fee Adjustment,
and Proposed Amended Regulation (PAR) III - Fees

This report provides recommendations and comments from the April 6, 2017 Budget Advisory Committee meeting, public comments from the April 11, 2017 Public Consultation Meeting, and comments submitted directly to SCAQMD Staff. Responses are provided as appropriate.

Rule 320 - Automatic Adjustment Based on Consumer Price Index for Regulation III Fees requires this report. This year, staff is also providing the report for the proposed fee increases above the Consumer Price Index (CPI).

Budget Advisory Committee Recommendations/Comments

- Consider reducing expenditures by achieving program efficiencies in combination with increasing fees.

} C1-1

SCAQMD Staff Response: Over the years, numerous steps have been taken to contain costs and improve program efficiencies through automation, office restructuring, etc. While SCAQMD's total General Fund budget has increased over the last twenty-five years, it has done so at a rate that is significantly below CPI over the same time period. Cost containment and operational efficiencies will continue to be sought out on a continuing basis.

} R1-1

- Spread the proposed fee increase over three years, instead of two.

} C1-2

SCAQMD Staff Response: The proposed fee increase is based on the amount that is required to achieve a balanced General Fund budget in FY 2017-18 and to fully comply with the finding from the U.S. EPA Title V Program Review regarding full cost recovery of Title V expenditures. The Health and Safety Code requires the fee increase to be phased in over a two year period, which results in a one-year lag in achieving a balanced budget and compliance with Title V. Phasing in the proposed fee increase over a three year period will result in a two-year lag in balancing the budget, delay compliance with Title V, reduce the Unreserved Fund Balance to below 20% of revenues, and further the risk of potential

} R1-2

Cleaning the air that we breathe...

negative financial impacts from reductions in federal grant revenue, pension cost increases, and continued reliance on penalties and settlement revenues that vary annually.

- In light of the current backlog and permit processing turnaround times, one Budget Advisory Committee member does not support the fee increase. } C1-3

SCAQMD Staff Response: So far, the Permit Application Backlog Reduction Plan has exceeded the established goals in a shorter amount of time than originally projected. There has been renewed effort in hiring staff and in automating the application process so that turnaround times will be reduced in the near future as new staff are fully trained and the automation projects are completed. The proposed fee increase supports these ongoing efforts to ensure permit applications are processed in a timely manner. } R1-3

- Provide the Budget Advisory Committee with periodic updates throughout the year as needed on issues with budgetary impact (e.g., federal funding cuts, retirement cost increases). } C1-4

SCAQMD Staff Response: Staff will provide the Committee with updates throughout the year as necessary, either via email or during scheduled meetings. } R1-4

Public Questions/Comments

One member of the public and one Board Consultant attended the Public Consultation Meeting held on April 11, 2017. One written comment was submitted directly to SCAQMD staff (attached).

- Is the increased work on Title V permits that EPA is requiring as part of their September 2016 Program Evaluation included in the FY 2017-18 proposed budget and associated fee increase? } C1-5

SCAQMD Staff Response: The proposed fee increase for Title V facilities is necessary to recover current Title V expenditures from Title V facilities and does not include any additional level of effort that may be required by the U.S. EPA in the future. } R1-5

- A member of the public commented that in consideration of how long it currently takes to get a permit processed, they would expect to get something, such as an increased level of service, for the additional fees. } C1-6

SCAQMD Staff Response: The proposed fee increase supports the ongoing effort to streamline, automate, and reduce the processing time for permit applications. As evidence of this ongoing effort, the permit backlog has been reduced to under 5,000 applications from over 7,300 since June 2016. It is anticipated that once the goals of the Permit Application Backlog Reduction Plan have been achieved, resources will be deployed in a manner that results in a focus on continuing to improve average permit processing times. } R1-6

There is one additional Public Consultation meeting scheduled for Tuesday, April 18, 2017. Any public comments received at that meeting will be forwarded to you for your consideration.

I wish to thank both the Budget Advisory Committee and the public for their valuable and continued input as part of the annual budget process. The recommendations and comments will be further evaluated to ensure the efficient and effective operation of the District.

Respectfully,



Wayne Nastri
Executive Officer

WN:MBO:DRP

Attachment

cc: Budget Advisory Committee

Attachment to Comment (and Response) Letter #1

3.28.2017

I PRAY OUR PRESIDENT, DONALD J. TRUMP, PUTS THIS ENTITY OUT OF BUSINESS.

Comment Letter #2 – Southern California Air Quality Alliance



April 25, 2017

SENT VIA E-MAIL

Michael O'Kelly
Chief Administrative Officer
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765

Re: SCAQMD Proposed 2017-18 Budget and Fee Increases

Dear Mr. O'Kelly:

As a representative of the Southern California Air Quality Alliance, have been an active participant on the SCAQMD Budget Advisory Committee for many years. I have attended the Budget Advisory Committee meetings held in anticipation of the adoption of the FY2017-18 SCAQMD Budget. I also attended and presented testimony at the SCAQMD Governing Board Budget Workshop on April 21, 2017.

2-1

We appreciate the work that the SCAQMD staff has done to address concerns that I have been expressing for years regarding permit processing. We understand that there will be times when CPI increases to SCAQMD fees will not be sufficient to allow SCAQMD to cover its costs associated with programs associated with stationary source regulatory activities. Finally, we appreciate the SCAQMD Governing Board's sensitivity over the years to the impact large fee increases can have on the people doing business in the SCAQMD.

2-2

I have, in the past stated that smaller fee increases spread over time have less impact than large fee increases over short periods of time. This is the reason that I and others are requesting that the proposed Title V fee increases be spread over three years rather than two. Under the current staff proposal, Title V facility operators will see their fees increase by more than 40% over two years (FY2017-18 has an increase of 16% + 2.5% or 18.5% compounded by another 18.5% increase for FY2018-19, which equals an overall 40.4% increase).

2-3

Thank you for your consideration of this request.

Very truly yours

Curtis L. Coleman, Esq.
Executive Director
Southern California Air Quality Alliance

6601 Center Drive West
Suite 500
Los Angeles, CA 90045
Attn: Curtis L. Coleman
(310) 348-8186 Ph
(310) 670-1229 Fax
colemanlaw@earthlink.net

Response to Comment Letter #2

- 2-1 Staff thanks you for your interest and participation in previous Budget Advisory Committee (BAC) meetings. Also we appreciate your attendance at the April 21, 2017 Governing Board Budget Workshop, including the testimony you provided at that meeting.
- 2-2 In response to requests from stakeholders, staff continues to work diligently on reducing the permit backlog and is currently ahead of the anticipated schedule as presented to the Governing Board.
- 2-3 See R1-2 in this section for staff response.

Comment Letter #3 – California Council for Environmental and Economic Balance



California Council for Environmental and Economic Balance

101 Mission Street, Suite 1440, San Francisco, California 94105
415-512-7890 phone, 415-512-7897 fax, www.cceeb.org

April 25, 2017

Donna Peterson
Financial Services Manager
SCAQMD
21865 Copley Drive Diamond Bar, CA 91765

RE: Proposed Amended Regulation III – Fees

Dear Donna,

On behalf of the members of the California Council for Environmental and Economic Balance (CCEEB), we provide comments on the Proposed Amended Regulation III – Fees. CCEEB is a coalition of business, labor, and public leaders that advances strategies for a sound economy and a healthy environment. We have many members that operate facilities in the air basin. Many of these facilities are so-called Title V Facilities.

} 3-1

I am pleased to be an active member of the Budget Advisory Committee and participated at its last meeting on April 6, 2017. The information presented at this committee meeting is always done in a very professional manner. CCEEB appreciates the opportunity to remain active with this committee.

} 3-2

On April 6, industry members participating, myself included, were surprised to learn that staff was proposing a significant increase to the fees associated with the District’s Title V Program. The proposed increase would be CPI plus 16% over the next two years. We were told that the increase was required as a result of an EPA audit that found the District was collecting insufficient funds to implement the program successfully.

} 3-3

While CCEEB is disappointed in the amount of the increase, we have two specific requests:

First, we believe it is important that staff show the full impact of this increase on all facilities: small, medium and large. For example, our estimates show that for a large facility, the increase could amount to over \$100,000 each year. These examples should be a part of the presentation to the Board when it considers adoption of the fee schedule in June.

} 3-4

Our second request is to provide facilities with more time to adjust to the higher rates by spreading the increase over three years, rather than two.

} 3-5

We believe that these are modest requests that will go a long way to address our member’s concerns.

} 3-6

Thank you.



William J. Quinn
Chief Operating Officer

cc: Mr. Wayne Natri
Mr. Michael O’Kelly
Mr. Jerry Secundy

Response to Comment Letter #3

- 3-1 Staff thanks you for your comment letter regarding Title V facilities.
- 3-2 Thank you for serving as a member as the Budget Advisory Committee and for your positive comments regarding staffs presentation of budget and fee issues.
- 3-3 Correct. Refer to R1-2 in this section for staff response.
- 3-4 Staff has analyzed the impact of the Title V fee increase (see this staff report for details) on larger sources and anticipates total fees under the current proposals for larger sources, such as for example refineries, will typically increase by approximately 5% to 6% in aggregate, since not all fees at a Title V source will increase by 16%.
- 3-5 Refer to R1-2 in this section for staff response.
- 3-6 Please see response to 3-4 and 3-5.

APPENDIX A – RULE 320

(Adopted October 29, 2010)

RULE 320. AUTOMATIC ADJUSTMENT BASED ON CONSUMER PRICE INDEX FOR REGULATION III FEES

(a) Purpose

The purpose of this rule is to automatically adjust most fees established in Regulation III by the California Consumer Price Index each year, unless a rule adopted for a specific year provides otherwise for some or all of those fees.

(b) Applicability

Effective July 1 of each calendar year after October 29, 2010, each fee set forth in Regulation III as of October 29, 2010 shall be automatically adjusted by the change in the California Consumer Price Index for the preceding calendar year, as defined in Health and Safety Code §40500.1(a).

(c) Exceptions

- (1) The provisions of subdivision (b) shall not apply for any fiscal year for which a rule is adopted for a specific fee or fees or for all fees that provides for a different adjustment or no adjustment. In such a case, subdivision (b) shall again apply for the subsequent years.
- (2) The provisions of subdivision (b) shall not apply to any fee which is charged for a dishonored check, which shall be as set forth by statute, nor to Rule 317, which shall instead be automatically adjusted as stated in Rule 317(d)(2).

- (d) This rule shall become inoperative if the voters do not enact Proposition 26 on the November 2, 2010 ballot.

APPENDIX B – FEE RATE INCREASES FOR PROVISIONS IN REGULATION III

| | |
|-------------------------|---|
| Column “1 CPI only” | Current FY 2016-17 fee increased by CPI <u>only</u> for FY 2017-18 |
| Column “2 CPI + Non-TV” | Non-Title V sources only: the current FY 2016-17 fee increased by CPI and an additional 4% for FY 2017-18 and a further additional 4% for FY 2018-19. |
| Column “3 CPI + TV” | Title V sources only: the current FY 2016-17 fee increased by CPI and an additional 16% for FY 2017-18 and a further additional 16% for FY 2018-19. |

| Rule | Referencing | 1 CPI only | 2 (CPI + Non-TV) | 3 (CPI + TV) |
|------------------|--|---------------|---------------------|-----------------|
| 301(c)(1)(J) | Standard Streamlined Permits | | ✓ | ✓ |
| 301(c)(3)(A) | Change of Operating Condition, Alteration/Modification/Addition | | ✓ | ✓ |
| 301(c)(3)(B)(i) | Change of Operating Condition, Alteration/Modification/Addition | | ✓ | ✓ |
| 301(c)(3)(B)(ii) | Change of Operating Condition, Alteration/Modification/Addition | | ✓ | ✓ |
| 301(c)(3)(C) | Change of Operating Condition, Alteration/Modification/Addition | | ✓ | ✓ |
| 301(d)(2) | Annual Operating Fees | | ✓ | ✓ |
| 301(d)(3)(A) | Credit for Solar Energy Equipment | ✓ | | |
| 301(e)(4) | Flat Annual Operating Emission Fee | ✓ | | |
| 301(e)(16) | Reporting GHG Emissions and Paying Fees | ✓ | | |
| 301(f) | Certified Permit Copies and Reissued Permits | | ✓ | ✓ |

| Rule | Referencing | 1 CPI only | 2 (CPI + Non-TV) | 3 (CPI + TV) |
|------------------|--|---------------|---------------------|-----------------|
| 301(g) | Reinstating Expired Applications or Permits; Surcharge | | ✓ | ✓ |
| 301(j)(1)(A) | CEQA Document Preparation | ✓ | | |
| 301(j)(1)(B) | CEQA Document Assistance | ✓ | | |
| 301(j)(4) | Payment for Public Notice | | ✓ | ✓ |
| 301(j)(5)(B)(i) | Modification of an Existing Certified CEMS, FSMS, or ACEMS | ✓ | | |
| 301(j)(5)(B)(iv) | Modification of an Existing Certified CEMS, FSMS, or ACEMS | ✓ | | |
| 301(j)(5)(C) | Modification of CEMS, FSMS, or ACEMS Monitored Equipment | ✓ | | |
| 301(j)(5)(D) | Periodic Assessment of an Existing RECLAIM CEMS/FSMS/ACEMS | ✓ | | |
| 301(j)(5)(E) | CEMS, FSMS, or ACEMS Change of Ownership | ✓ | | |
| 301(j)(6)(A) | Certification of Barbeque Charcoal Lighter Fluid | ✓ | | |
| 301(j)(6)(B) | Repackaging of Certified Barbeque Charcoal Igniter Products | ✓ | | |
| 301(j)(7) | Fees for Inter-basin, Inter-District, or Interpollutant Transfers of ERCs | | ✓ | ✓ |
| 301(j)(8) | Fees for Grid Search to Identify Hazardous Air Pollutant Emitting Facilities | ✓ | | |

| Rule | Referencing | 1 CPI only | 2 (CPI + Non-TV) | 3 (CPI + TV) |
|--------------|--|---------------|---------------------|-----------------|
| 301(l)(4)(A) | Facility Permit Fees (RECLAIM) | | ✓ | ✓ |
| 301(l)(5) | Facility Permit Amendment (RECLAIM) | | ✓ | ✓ |
| 301(l)(9) | Transaction Registration Fee (RECLAIM) | | ✓ | ✓ |
| 301(l)(11) | Certified Permits Copies (RECLAIM) | ✓ | | |
| 301(l)(12) | Reissued Permits (RECLAIM) | ✓ | | |
| 301(l)(13) | Breakdown Emission Report Evaluation Fee (RECLAIM) | | ✓ | ✓ |
| 301(l)(15) | Mitigation of Non-Tradeable Allocation Credits (RECLAIM) | | ✓ | ✓ |
| 301(l)(16) | Evaluation Fee to Increase an Annual Allocation (RECLAIM) | | ✓ | ✓ |
| 301(m)(3)(A) | Permit Processing Fees for Existing Facilities with Existing District Permits Applying for an Initial Title V Permit (Title V) | | | ✓ |
| 301(m)(3)(B) | Permit Processing Fees for Existing Facilities with Existing District Permits Applying for an Final Title V Permit (Title V) | | | ✓ |
| 301(m)(6) | Administrative Permit Revision Fee (Title V) | | | ✓ |
| 301(m)(7) | Permit Revision Fee (Title V) | | | ✓ |
| 301(m)(8) | Renewal Fees (Title V) | | | ✓ |

| Rule | Referencing | 1 CPI only | 2 (CPI + Non-TV) | 3 (CPI + TV) |
|------------|---|---------------|---------------------|-----------------|
| 301(m)(10) | Public Hearing Fees (Title V) | | | ✓ |
| 301(n)(5) | Fee for Change of Operator (Facility Permit) | | ✓ | ✓ |
| 301(n)(7) | Certified Permit Copies (Facility Permit) | ✓ | | |
| 301(n)(8) | Reissued Permits (Facility Permit) | ✓ | | |
| 301(q)(1) | NESHAP Evaluation Fee | ✓ | | |
| 301(r) | Fees for Certification of Clean Air Solvents | ✓ | | |
| 301(s) | Fees for Certification of Consumer Cleaning Products Used at Institutional and Commercial Facilities | ✓ | | |
| 301(t)(4) | Duplicated of Facility Registrations | ✓ | | |
| 301(u)(5) | Reissued Facility Registrations | ✓ | | |
| 301(u)(1) | Initial Filing Fee (Rule 222) | ✓ | | |
| 301(u)(2) | Change of Operator/Location (Rule 222) | ✓ | | |
| 301(u)(3) | Annual Renewal Fee (Rule 222) | ✓ | | |
| 301(v)(3) | CEMS, FSMS, and ACEMS Fee (Expedited Processing) | ✓ | | |
| 301(v)(4) | Air Dispersion Modeling, HRA, Source Test & Report Fees (Expedited Processing) | ✓ | | |

| Rule | Referencing | 1 CPI only | 2 (CPI + Non-TV) | 3 (CPI + TV) |
|-----------------------------------|--|---------------|---------------------|-----------------|
| 301(v)(5) | ERC/STC Application Fees (Expedited Processing) | ✓ | | |
| 301(x) | Rule 1149 and Rule 1166 Notification Fees | ✓ | | |
| 301(y)(1) | Initial Certification Fee (Rules 1111,1121 and 1146.2) | ✓ | | |
| 301(y)(2) | Additional Fee for Modification or Extension of Families to Include a New Model(s) (Rules 1111,1121 and 1146.2) | ✓ | | |
| 301(z)(1) | Reverification and Performance Testing (Rule 461 No Show Fee) | ✓ | | |
| 301(z)(2) | Pre-Backfill Inspection (Rule 461 No Show Fee) | ✓ | | |
| 301 Table (Schedules A – H) | Summary Permit Fee Rates – Permit Processing, Change of Conditions, Alteration/Modification | | ✓ | ✓ |
| 301 Table (Schedule I) | Summary of ERC Processing Rates | | ✓ | ✓ |
| 301 Table | Summary of Permit Fee Rates Change of Operator | | ✓ | ✓ |
| 301 Table IIA | Special Processing Fees – AQ Analysis/HRA | ✓ | | |
| 301 Table IIB | Fee for Public Notice Publication | | ✓ | ✓ |
| 301 Table IIC | CEMS, FSMS And ACEMS Fee Schedule | ✓ | | |
| 301 Table III | Emissions Fees | ✓ | | |

| Rule | Referencing | 1 CPI only | 2 (CPI + Non-TV) | 3 (CPI + TV) |
|---------------|---|---------------|---------------------|-----------------|
| 301 Table IV | Toxic Air Contaminants and Ozone Depleters | ✓ | | |
| 301 Table V | Annual Clean Fuels Fees | ✓ | | |
| 301 Table VI | Demolition, Asbestos and Lead Notification Fees | ✓ | | |
| 301 Table VII | Summary of RECLAIM and Title V Fees | ✓ | | |
| 303 | Hearing Board Fees | ✓ | | |
| 304 | Equipment, Materials, and Ambient Air Analyses | ✓ | | |
| 304.1 | Hearing Board Fees | ✓ | | |
| 306(c) | Plan Filing Fee | | ✓ | ✓ |
| 306(d) | Plan Evaluation Fee | | ✓ | ✓ |
| 306(e) | Duplicate Plan Fee | | ✓ | ✓ |
| 306(f) | Inspection Fee (Plans) | | ✓ | ✓ |
| 306(g) | Change of Condition Fee (Plans) | | ✓ | ✓ |
| 306(i)(1) | Payment of Fees - Plan Filing or Submittal Fee | | ✓ | ✓ |
| 306(l) | Plan Application Cancellation Fee | | ✓ | ✓ |
| 306(m) | Protocol/Report Evaluation Fees | | ✓ | ✓ |

| Rule | Referencing | 1 CPI only | 2 (CPI + Non-TV) | 3 (CPI + TV) |
|-----------|--|---------------|---------------------|-----------------|
| 306(q) | Optional Expedited Protocol/Report Evaluation Processing Fee | | ✓ | ✓ |
| 306(q) | Optional Expedited Protocol/Report Evaluation Processing Fee | | ✓ | ✓ |
| 306(r)(1) | Regulation XXVII – Fees for Rule 2701 | | ✓ | ✓ |
| 306(r)(2) | Regulation XXVII – Fees for Rule 2702 | | ✓ | ✓ |
| 307.1 | Alternative Fees For Air Toxics Emissions Inventory (no change in “State Fee” column fees) | ✓ | | |
| 308 | On – Road Motor Vehicle Mitigation Options | ✓ | | |
| 309 | Fees For Regulation XVI And Regulation XXV | ✓ | | |
| 311 | Air Quality Investment Program (AQIP) Fees | ✓ | | |
| 313 | Authority to Adjust Fees And Due Dates | ✓ | | |
| 314 | Fees For Architectural Coatings | ✓ | | |
| 315 | Fees For Training Classes And License Renewals | ✓ | | |

APPENDIX C 1 – COMPARISON OF FY 2017-2018 WORK PROGRAM TO COST ALLOCATION SCHEDULE

| Program Category | (a) Work Program | (b) Adjusted Work Program without Overhead | (c) Allocatable Office Overhead (Allocated) | (d) Allocatable SCAQMD Overhead (Allocated) | (e) Total Work Program with Overhead |
|--|-----------------------------|---|--|--|---|
| Advance Clean Air Technology | \$8,661,899 | \$8,661,899 | \$239,071 | \$1,948,398 | \$10,849,368 |
| Ensure Compliance | 42,802,491 | 41,588,803 | 3,625,152 | 11,020,340 | 56,234,296 |
| Customer Service and Business Assistance | 13,437,515 | 7,077,433 | 939,664 | 1,781,411 | 9,798,508 |
| Develop Programs to Achieve Clean Air | 10,184,322 | 9,073,810 | 385,261 | 2,081,094 | 11,540,165 |
| Develop Rules to Achieve Clean Air | 7,354,657 | 7,226,762 | 351,833 | 1,787,236 | 9,365,831 |
| Monitoring Air Quality | 11,398,567 | 10,828,053 | 300,374 | 2,785,741 | 13,914,168 |
| Operational Support | 26,747,503 | 2,540,112 | 1,765,562 | 815,227 | 5,120,900 |
| Timely Review of Permits | 24,151,356 | 24,151,356 | 1,001,105 | 6,144,308 | 31,296,769 |
| Policy Support | 5,140,597 | 985,141 | 432,603 | 341,156 | 1,758,900 |
| | <u>\$149,878,906</u> | <u>\$112,133,369</u> | <u>\$9,040,624</u> | <u>\$28,704,912</u> | <u>\$149,878,906</u> |

(a) The Work Program is developed from individual Work Plans from each SCAQMD Office and includes a prorated share of the District General budget. (District General expenditures are overhead costs and include utilities, building maintenance, and insurance). The Work Program is described in the Work Program Overview section of the Draft Budget and Work Program.

(b) This column displays the Work Program without the Allocatable Office and Allocatable SCAQMD Overheads.

(c) Allocatable Office Overhead expenditures are for administrative activities that serve an office solely. These costs are allocated over the office's work program lines based on the percent of FTEs assigned to a work program line compared to the total office FTEs excluding allocatable office overhead.

(d) Allocatable SCAQMD Overhead expenditures are for administrative activities that serve all SCAQMD programs. These costs include Human Resources, Finance/Payroll, Information Management, Contracts Administration, Governing Board and Committee support, etc. Allocatable SCAQMD costs are allocated over all work program lines based on the percent of FTEs assigned to a work program line compared to the total agency FTEs excluding allocatable overhead.

(e) This column represents the redistribution of the general SCAQMD support expenditures. These fully-burdened expenditures then become the starting point for the Cost Allocation Schedule found on the next page.

APPENDIX C 2 - FY 2017-18 PROPOSED BUDGET - COST ALLOCATION SUMMARY

| EXPENDITURES | | | | | | | | | | | | | | | |
|------------------------------|----------------|-------------|-----------------------------------|------------------|----------------|---------------------------|--|-----------------------------------|---------------|--------------------|-----------------|---------------|--------------|-------------|---------------|
| Description | MOBILE SOURCES | CLEAN FUELS | CARB SUBVENTION/ STATE REVENUE | ANNUAL OPERATING | EMISSIONS FEES | PERMIT PROCESSING FEES | FEDERAL GRANTS/OTHER FEDERAL REVENUE | SOURCE TEST/SAMPLE ANALYSIS | HEARING BOARD | AIR TOXICS AB 2588 | TRANSP PROGRAMS | OTHER REVENUE | AREA SOURCES | PERP | Total |
| Advance Clean Air Technology | \$4,694,111 | \$4,824,358 | \$0 | \$0 | \$0 | \$0 | \$189,110 | \$0 | \$0 | \$0 | \$0 | \$1,141,789 | \$0 | \$0 | \$10,849,368 |
| Compliance | \$4,495,844 | \$0 | \$1,946,961 | \$27,980,087 | \$7,774,117 | \$1,282,086 | \$2,635,401 | \$2,554,721 | \$1,493,876 | \$4,129,615 | \$0 | \$83,673 | \$811,999 | \$1,045,914 | \$56,234,296 |
| Customer Service | \$3,039,555 | \$0 | \$86,458 | \$3,003,857 | \$1,907,217 | \$1,262,993 | \$139,560 | \$116,866 | \$0 | \$2,326 | \$239,677 | \$0 | \$0 | \$0 | \$9,798,508 |
| Develop Air Programs | \$4,818,700 | \$212,483 | \$93,214 | \$970,262 | \$3,145,528 | \$391,990 | \$162,742 | \$0 | \$0 | \$0 | \$1,077,060 | \$668,187 | \$0 | \$0 | \$11,540,165 |
| Develop Rules | \$1,840,061 | \$63,745 | \$101,071 | \$1,307,972 | \$5,658,807 | \$50,399 | \$97,382 | \$0 | \$0 | \$0 | \$0 | \$0 | \$246,394 | \$0 | \$9,365,831 |
| Monitoring Air Quality | \$7,209,787 | \$0 | \$628 | \$830,908 | \$749,619 | \$0 | \$3,525,352 | \$0 | \$0 | \$0 | \$0 | \$1,172,908 | \$424,967 | \$0 | \$13,914,168 |
| Operational Support | \$166,485 | \$0 | \$30,108 | \$1,752,884 | \$1,178,833 | \$1,541,769 | \$0 | \$0 | \$237,523 | \$0 | \$111,335 | \$18,268 | \$83,695 | \$0 | \$5,120,900 |
| Permit | \$0 | \$0 | \$124,669 | \$1,839,508 | \$877,728 | \$28,224,909 | \$99,277 | \$130,677 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$31,296,769 |
| Policy Support | \$634,681 | \$21,248 | \$0 | \$793,222 | \$99,934 | \$10,459 | \$0 | \$0 | \$0 | \$0 | \$0 | \$199,355 | \$0 | \$0 | \$1,758,900 |
| TOTAL EXPENDITURES | \$26,899,224 | \$5,121,835 | \$2,383,108 | \$38,478,700 | \$21,391,784 | \$32,764,606 | \$6,848,824 | \$2,802,264 | \$1,731,399 | \$4,131,940 | \$1,428,072 | \$3,284,180 | \$1,567,055 | \$1,045,914 | \$149,878,906 |

REVENUES

| Description | MOBILE SOURCES | CLEAN FUELS | CARB SUBVENTION/ STATE REVENUE | ANNUAL OPERATING | EMISSIONS FEES | PERMIT PROCESSING FEES | FEDERAL GRANTS/OTHER FEDERAL REVENUE | SOURCE TEST/SAMPLE ANALYSIS | HEARING BOARD | AIR TOXICS AB 2588 | TRANSP PROGRAMS | OTHER REVENUE | AREA SOURCES | PERP | Total |
|--|----------------|-------------|-----------------------------------|------------------|----------------|---------------------------|--|-----------------------------------|---------------|--------------------|-----------------|---------------|--------------|-------------|---------------|
| FY 17-18 Projection | \$22,933,630 | \$5,287,570 | \$3,945,090 | \$49,236,376 | \$19,055,897 | \$18,700,534 | \$6,452,560 | \$756,000 | \$300,000 | \$2,488,380 | \$840,352 | \$8,439,310 | \$2,100,000 | \$1,200,000 | \$141,735,699 |
| 2.5% Rule 320 CPI Fee Increase | \$0 | \$0 | \$0 | \$1,239,619 | \$475,135 | \$357,221 | \$0 | \$18,900 | \$7,500 | \$0 | \$21,009 | \$0 | \$52,500 | \$0 | \$2,171,884 |
| 16% Title V Fee Increase | \$0 | \$0 | \$0 | \$1,245,285 | \$0 | \$287,488 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,532,774 |
| | | | | | | | | | | | | | | | |
| Sub-Total Revenue | \$22,933,630 | \$5,287,570 | \$3,945,090 | \$51,721,280 | \$19,531,032 | \$19,345,243 | \$6,452,560 | \$774,900 | \$307,500 | \$2,488,380 | \$861,361 | \$8,439,310 | \$2,152,500 | \$1,200,000 | \$145,440,356 |
| ADJUSTED SURPLUS/(DEFICIT) | (\$3,965,594) | \$165,735 | \$1,561,982 | \$13,242,580 | (\$1,860,752) | (\$13,419,363) | (\$396,264) | (\$2,027,364) | (\$1,423,899) | (\$1,643,560) | (\$566,711) | \$5,155,130 | \$585,445 | \$154,086 | (\$4,438,549) |
| TRANSFER EXCESS REVENUES TO SUPPLEMENT SHORTFALLS | | | | | | | | | | | | | | | |
| (1) Annual Operating to Permit Overhead | | | | (\$6,358,199) | | \$6,358,199 | | | | | | | | | \$0 |
| (2) Annual Operating to Source Testing | | | | (\$2,027,364) | | | | \$2,027,364 | | | | | | | \$0 |
| (3) Annual Operating to Hearing Board | | | | (\$1,423,899) | | | | | \$1,423,899 | | | | | | \$0 |
| (4) CARB to Mobile Source & Transportation | \$1,366,675 | | (\$1,561,982) | | | | | | | | \$195,307 | | | | \$0 |
| (5) Other to Mobile Source & Transportation | \$2,593,163 | | | | | | \$0 | | | | \$370,592 | (\$2,963,755) | | | \$0 |
| (6) Annual Operating to Emissions & Permit | | | | (\$3,433,118) | \$716,010 | \$2,717,108 | | | | | | | | | \$0 |
| ADJUSTED SURPLUS/(DEFICIT) | (\$5,756) | \$165,735 | \$0 | \$0 | (\$1,144,742) | (\$4,344,056) | (\$396,264) | \$0 | \$0 | (\$1,643,560) | (\$812) | \$2,191,375 | \$585,445 | \$154,086 | (\$4,438,549) |
| Fee Increase % to Cover Costs | | | | | | 15% | | | | | | | | | |
| REVENUE FROM 4% FEE INCREASE ABOVE CPI * | | | | \$1,772,136 | | \$297,816 | | | | | | | | | \$2,069,952 |
| TOTAL REVENUE | \$22,933,630 | \$5,287,570 | \$3,945,090 | \$53,493,416 | \$19,531,032 | \$19,643,059 | \$6,452,560 | \$774,900 | \$307,500 | \$2,488,380 | \$861,361 | \$8,439,310 | \$2,152,500 | \$1,200,000 | \$147,510,308 |
| ADJUSTED SURPLUS/(DEFICIT) | (\$5,756) | \$165,735 | \$0 | \$1,772,136 | (\$1,144,742) | (\$4,046,240) | (\$396,264) | \$0 | \$0 | (\$1,643,560) | (\$812) | \$2,191,375 | \$585,445 | \$154,086 | (\$2,368,598) |

APPENDIX C 4- COMPARISON OF EXPENDITURES BY REVENUE CATEGORIES: II EMISSION FEES

| WP Code | Program Category | Project Description | Activities/Outputs | FY 2016-17 Adopted | FY 2017-18 Proposed | Increase/ (Decrease) |
|--|--|--------------------------------|--------------------------------------|--------------------|---------------------|----------------------|
| 04170 | Customer Service and Business Assistance | Billing Services | Answer/Resp/Resolv Prob & Inq | \$ 156,963 | \$ 171,204 | \$ 14,240 |
| 04260 | Customer Service and Business Assistance | Fee Review | Cmte Mtg/Fee-Related Complaint | 13,599 | 14,845 | 1,246 |
| 08404 | Customer Service and Business Assistance | Legal Rep/Legislation | Draft Legis/SCAQMD Position/Mtgs | 9,780 | 50,123 | 40,342 |
| 08681 | Customer Service and Business Assistance | Small Business/Legal Advice | Legal Advice: SB/Fee Review | 6,986 | 7,160 | 174 |
| 26216 | Customer Service and Business Assistance | AER Public Assistance | AER Design/Impl/Monitor Emiss | 442,186 | 447,989 | 5,803 |
| 35126 | Customer Service and Business Assistance | Clean Air Connections | Coord of region-wide community group | 50,146 | 53,490 | 3,344 |
| 35205 | Customer Service and Business Assistance | Environmental Education | Curriculum Dev/Project Coord | 23,983 | 25,582 | 1,599 |
| 35240 | Customer Service and Business Assistance | Environmental Justice | Impl Board's EJ Pgrms/Policies | 283,434 | 302,333 | 18,899 |
| 35260 | Customer Service and Business Assistance | Fee Review | Cmte Mtg/Fee-Related Complaint | 43,605 | 46,513 | 2,908 |
| 35390 | Customer Service and Business Assistance | Intergov/Geographic Deployment | Dev/Impl Local Govt Outreach | 485,127 | 516,892 | 31,765 |
| 35491 | Customer Service and Business Assistance | Outreach/Business | Chambers/Business Meetings | 92,250 | 93,026 | 775 |
| 35492 | Customer Service and Business Assistance | Public Education/Public Events | Pub Events/Conf/Rideshare Fair | 94,204 | 96,385 | 2,181 |
| 35555 | Customer Service and Business Assistance | Public Information Center | Inform public of unhealthy air | 40,043 | 41,933 | 1,890 |
| 50260 | Customer Service and Business Assistance | Fee Review | Fee Review Committee | 36,695 | 39,744 | 3,048 |
| Sub-total Customer Service and Business Assistance | | | | \$ 1,779,003 | \$ 1,907,217 | \$ 128,214 |
| 03010 | Develop Programs | AQMP | Develop/Implement AQMP | \$ 9,946 | \$ 13,416 | \$ 3,470 |
| 26068 | Develop Programs | SCAQMD Projects | Prepare Environmental Assessments | 383,768 | 329,133 | (54,635) |
| 26102 | Develop Programs | CEQA Document Projects | Review/Prepare CEQA Comments | 309,530 | 274,393 | (35,137) |
| 26128 | Develop Programs | Cln Communities Pln | Cln Communities Plan Admn/Impl | 22,109 | 27,999 | 5,890 |
| 26217 | Develop Programs | Emissions Inventory Studies | Dev Emiss DB/Dev/Update Emiss | 327,218 | 116,029 | (211,189) |
| 26218 | Develop Programs | AQMP/Emissions Inventory | Dev Emiss Inv: Forecasts/RFPs | 201,195 | 203,835 | 2,640 |
| 26219 | Develop Programs | Emissions Field Audit | Emissions Field Audit | 110,547 | 111,997 | 1,451 |
| 26503 | Develop Programs | PM Strategies | PM10 Plan/Analyze/Strategy Dev | 930,249 | 647,344 | (282,905) |
| 26685 | Develop Programs | Socio-Economic | Apply econ models/Socio-econ | 1,071,098 | 1,118,702 | 47,604 |
| 35560 | Develop Programs | Public Notification | Public notif of rules/hearings | 45,155 | 47,699 | 2,544 |
| 44702 | Develop Programs | ST Methods Development | Eval ST Methods/Validate | 198,922 | 201,859 | 2,937 |
| 44705 | Develop Programs | ST Sample Analysis/Air Program | Analyze ST Samples/Air Prgms | 52,348 | 53,121 | 773 |
| Sub-total Develop Programs | | | | \$ 3,662,084 | \$ 3,145,528 | \$ (516,556) |

APPENDIX C 4- COMPARISON OF EXPENDITURES BY REVENUE CATEGORIES: II EMISSION FEES

| WP Code | Program Category | Project Description | Activities/Outputs | FY 2016-17 Adopted | FY 2017-18 Proposed | Increase/ (Decrease) |
|-------------------------|-------------------|--------------------------------|---------------------------------|--------------------|---------------------|----------------------|
| 03385 | Develop Rules | Credit Generation Programs | Dev/Impl Marketable Permit | \$ 6,631 | \$ - | \$ (6,631) |
| 08651 | Develop Rules | Rules/Legal Advice | Legal Advice: Rules/Draft Regs | 279,441 | 286,415 | 6,974 |
| 08661 | Develop Rules | Rulemaking/RECLAIM | RECLAIM Legal Adv/Related Iss | 13,972 | 71,604 | 57,632 |
| 26077 | Develop Rules | Area Sources/Rulemaking | Dev/Eval/Impl Area Source Prog | 397,967 | 413,270 | 15,302 |
| 26362 | Develop Rules | Health Effects | Study Health Effect/Toxicology | 54,610 | 65,518 | 10,908 |
| 26460 | Develop Rules | Regional Modeling | Rule Impact/Analyses/Model Dev | 209,887 | 212,347 | 2,460 |
| 26654 | Develop Rules | Rulemaking/NOX | Rulemaking/NOX | 280,567 | 263,193 | (17,374) |
| 26655 | Develop Rules | NSR/Adm Rulemaking | Amend/Develop NSR & Admin Rules | 212,249 | 268,793 | 56,544 |
| 26656 | Develop Rules | Rulemaking/VOC | Dev/Amend VOC Rules | 325,312 | 530,707 | 205,396 |
| 26659 | Develop Rules | Rulemaking/Toxics | Develop/Amend Air Toxic Rules | 1,658,198 | 2,127,947 | 469,750 |
| 26661 | Develop Rules | Rulemaking/RECLAIM | RECLAIM Amend Rules/Related Is | 126,023 | 559,986 | 433,963 |
| 44653 | Develop Rules | Rulemaking/BACT | Dev/Amend BACT Guidelines | 418,783 | 424,967 | 6,183 |
| 44657 | Develop Rules | Rulemaking/Support PRA | Assist PRA w/ Rulemaking | 10,470 | 10,624 | 155 |
| 44706 | Develop Rules | ST Sample Analysis/Air Program | Analyze ST Samples/Rules | 52,348 | 53,121 | 773 |
| 44708 | Develop Rules | VOC Sample Analysis/Rules | VOC Analysis & Rptg/Rules | 50,254 | 50,996 | 742 |
| 50650 | Develop Rules | Rulemaking | Dev/Amend/Impl Rules | 90,719 | 49,128 | (41,592) |
| 50657 | Develop Rules | Rulemaking/Support PRA | Provide Rule Development Supp | 101,932 | 55,200 | (46,732) |
| 50752 | Develop Rules | Title III Rulemaking | Title III Dev/Implement Rules | 50,966 | 55,200 | 4,234 |
| 50773 | Develop Rules | Title V & NSR Rulemaking-Supp | Title V Rules Dev/Amend/Impl | 50,966 | 55,200 | 4,234 |
| 60657 | Develop Rules | Rulemaking/Support PRA | Provide Rule Development Supp | - | 104,591 | 104,591 |
| Sub-total Develop Rules | | | | \$ 4,391,294 | \$ 5,658,807 | \$1,267,513 |
| 08115 | Ensure Compliance | Case Disposition | Trial/Dispo-Civil Case/Injunct | \$ 838,323 | \$ 859,245 | \$ 20,922 |
| 08380 | Ensure Compliance | Interagency Coordination | Coordinate with Other Agencies | 51,417 | 52,700 | 1,283 |
| 08403 | Ensure Compliance | Legal Rep/Litigation | Prep/Hearing/Disposition | 697,526 | 721,172 | 23,646 |
| 26215 | Ensure Compliance | Annual Emission Reporting | Annl Des/Impl/Emiss Monitor Sys | 1,530,142 | 1,745,199 | 215,057 |
| 26620 | Ensure Compliance | Refinery Pilot Project | Refinery Pilot Project | 55,273 | 55,999 | 725 |
| 44015 | Ensure Compliance | Acid Rain Program | Acid Rain CEMS Eval/Cert | 96,320 | 97,742 | 1,422 |
| 44175 | Ensure Compliance | DB/Computerization | Develop Systems/Database | 13,820 | 14,024 | 204 |
| 44500 | Ensure Compliance | PM2.5 Program | Est/Operate/Maint PM2.5 Network | 426,059 | 432,350 | 6,291 |
| 50152 | Ensure Compliance | Compliance/IM Related Activiti | Assist IM: Design/Review/Test | 101,932 | - | (101,932) |
| 50155 | Ensure Compliance | Compliance Guidelines | Procedures/Memos/Manuals | 101,932 | - | (101,932) |
| 50158 | Ensure Compliance | Compliance Testing | R461/Combustion Equip Testing | 208,863 | - | (208,863) |
| 50240 | Ensure Compliance | Environmental Justice | R461/Combustion Equip Testing | - | 25,392 | 25,392 |

APPENDIX C 4- COMPARISON OF EXPENDITURES BY REVENUE CATEGORIES: II EMISSION FEES

| WP Code | Program Category | Project Description | Activities/Outputs | FY 2016-17 Adopted | FY 2017-18 Proposed | Increase/ (Decrease) |
|----------------------------------|------------------------|--------------------------------|---|--------------------|---------------------|----------------------|
| 50377 | Ensure Compliance | Inspections/RECLAIM Audits | Audit/Compliance Assurance | 205,805 | 56,193 | (149,611) |
| 50492 | Ensure Compliance | Customer Service | Compliance/Inspection/Follow-up | - | 16,560 | 16,560 |
| 50550 | Ensure Compliance | Public Complaints/Breakdowns | Compltresp/Invflwup/Resolutn | 1,100,863 | - | (1,100,863) |
| 50605 | Ensure Compliance | RECLAIM/Admin Support | Admin/Policy/Guidelines | 713,522 | 502,316 | (211,206) |
| 50678 | Ensure Compliance | School Siting | Identify Haz. Emission Sources near Schools | 203,863 | 55,200 | (148,664) |
| 50771 | Ensure Compliance | Title V Inspections | Title V Compl/Inspect/Follow Up | 1,233,374 | - | (1,233,374) |
| 60152 | Ensure Compliance | Compliance/IM Related Activiti | Assist IM: Design/Review/Test | - | 304,591 | 304,591 |
| 60155 | Ensure Compliance | Compliance Guidelines | Procedures/Memos/Manuals | - | 522,957 | 522,957 |
| 60158 | Ensure Compliance | Compliance Testing | R461/Combustion Equip Testing | - | 270,591 | 270,591 |
| 60377 | Ensure Compliance | Inspections/RECLAIM Audits | Audit/Compliance Assurance | - | 133,093 | 133,093 |
| 60550 | Ensure Compliance | Public Complaints/Breakdowns | Compltresp/Invflwup/Resolutn | - | 1,129,587 | 1,129,587 |
| 60605 | Ensure Compliance | RECLAIM/Admin Support | Admin/Policy/Guidelines | - | 366,070 | 366,070 |
| 60678 | Ensure Compliance | School Siting | Identify Haz. Emission Sources near Schools | - | 10,459 | 10,459 |
| 60771 | Ensure Compliance | Title V | Title V Compl/Inspect/Follow Up | - | 402,677 | 402,677 |
| Sub-total Ensure Compliance | | | | \$ 7,579,034 | \$ 7,774,117 | \$ 195,083 |
| 26443 | Monitoring Air Quality | MATES V | MATES V | \$ - | \$ 26,956 | \$ 26,956 |
| 26445 | Monitoring Air Quality | Meteorology | ModelDev/Data Analysis/Forecast | 93,559 | 99,312 | 5,753 |
| 26530 | Monitoring Air Quality | Photochemical Assessment | Photochemical Assessment | 17,135 | 17,360 | 225 |
| 44063 | Monitoring Air Quality | Ambient Air Analysis | Analyze Criteria/Tox/Pollutants | 265,006 | 302,916 | 37,910 |
| 44065 | Monitoring Air Quality | Air Quality Data Management | AM Audit/Validation/Reporting | 27,221 | 27,623 | 402 |
| 44240 | Monitoring Air Quality | Environmental Justice | Implement Environmental Justice | 21,672 | 21,992 | 320 |
| 44468 | Monitoring Air Quality | NATTS(Natl Air Tox Trends Sta) | NATTS (Natl Air Tox Trends) | 21,986 | 22,311 | 325 |
| 44585 | Monitoring Air Quality | Quality Assurance | Quality Assurance Branch | 94,226 | 104,618 | 10,391 |
| 44715 | Monitoring Air Quality | Spec Monitoring/Emerg Response | Emergency Response | 104,696 | 106,242 | 1,546 |
| 50210 | Monitoring Air Quality | Emergency Response | Emerg Tech Asst to Public Saf | 49,437 | - | (49,437) |
| 60210 | Monitoring Air Quality | Emergency Response | Emerg Tech Asst to Public Saf | - | 20,291 | 20,291 |
| Sub-total Monitoring Air Quality | | | | \$ 694,938 | \$ 749,619 | \$ 54,681 |
| 04630 | Operational Support | Cash Mgmt/Revenue Receiving | Receive/Post Pymts/Reconcile | \$ 101,990 | \$ 111,335 | \$ 9,345 |
| 08102 | Operational Support | CEQA Document Projects | CEQA Review | 139,720 | 71,604 | (68,117) |
| 27215 | Operational Support | Annual Emission Reporting | System Enhancements for GHG | 100,450 | 103,516 | 3,066 |
| 27480 | Operational Support | New System Development | Dev sys for special oper needs | 543,378 | 490,780 | (52,598) |
| 27735 | Operational Support | Systems Maintenance | Maintain Existing Software Prog | 393,447 | 401,598 | 8,151 |

APPENDIX C 4- COMPARISON OF EXPENDITURES BY REVENUE CATEGORIES: II EMISSION FEES

| WP Code | Program Category | Project Description | Activities/Outputs | FY 2016-17 Adopted | FY 2017-18 Proposed | Increase/ (Decrease) |
|------------------------------------|--------------------------|--------------------------------|-------------------------------------|--------------------|---------------------|----------------------|
| 26240 | Policy Support | EJ-AQ Guidance Document | AQ Guidance Document | \$ 20,341 | \$ 2,576 | \$ (17,765) |
| 26277 | Policy Support | Advisory Group/AQMP | Governing Board AQMP Advisory Group | 2,543 | 2,576 | 33 |
| 26278 | Policy Support | Advisory Group/Sci,Tech,Model | Scientific/Tech/Model Peer Rev | 58,479 | 7,728 | (50,751) |
| 35280 | Policy Support | Advisory Group/Ethnic Comm | GB Ethnic Comm Advisory Group | 20,058 | 21,396 | 1,337 |
| 50148 | Policy Support | Climate Change | GHG/Climate Change Support | 50,966 | 55,200 | 4,234 |
| 60148 | Policy Support | Climate Change | GHG/Climate Chg Support | - | 10,459 | 10,459 |
| Sub-total Policy Support | | | | \$ 152,386 | \$ 99,934 | \$ (52,452) |
| 08770 | Timely Review of Permits | Title V | Leg Advice: Title V Prog/Perm Dev | \$ 11,876 | \$ 12,173 | \$ 296 |
| 35680 | Timely Review of Permits | Small Business/Permit Streamln | Asst sm bus to comply/SCAQMD req | 215,301 | 229,657 | 14,356 |
| 50475 | Timely Review of Permits | NSR Implementation | Implement NSR/Allocate ERCs | 433,210 | 469,196 | 35,986 |
| 50476 | Timely Review of Permits | NSR Data Clean Up | Edit/Update NSR Data | 101,932 | 110,399 | 8,467 |
| 50728 | Timely Review of Permits | Perm Proc/IM Programming | Assist IM: Design/Review/Test | 40,773 | 56,304 | 15,531 |
| Sub-total Timely Review of Permits | | | | \$ 803,091 | \$ 877,728 | \$ 74,637 |
| Total Expenditures | | | | \$20,340,816 | \$21,391,784 | \$1,050,968 |

APPENDIX C 4- COMPARISON OF EXPENDITURES BY REVENUE CATEGORIES: III PERMIT PROCESSING FEES

| WP Code | Program Category | Project Description | Activities/Outputs | FY 2016-17 Adopted | FY 2017-18 Proposed | Increase/ (Decrease) |
|--|--|--------------------------------|-------------------------------------|--------------------|---------------------|----------------------|
| 04170 | Customer Service and Business Assistance | Billing Services | Answer/Resp/Resolv Prob & Inq | \$ 156,963 | \$ 171,204 | \$ 14,240 |
| 04260 | Customer Service and Business Assistance | Fee Review | Cmte Mtg/Fee-Related Complaint | 2,914 | 3,181 | 267 |
| 04631 | Customer Service and Business Assistance | Cash Mgmt/Refunds | Research/Doc/Prep/Proc Refunds | 40,796 | 44,534 | 3,738 |
| 08681 | Customer Service and Business Assistance | Small Business/Legal Advice | Legal Advice: SB/Fee Review | 6,986 | 7,160 | 174 |
| 27481 | Customer Service and Business Assistance | New System Development | Dev sys in supp of Dist-wide | 377,530 | 251,374 | (126,156) |
| 35260 | Customer Service and Business Assistance | Fee Review | Cmte Mtg/Fee-Related Complaint | 16,352 | 17,442 | 1,090 |
| 35679 | Customer Service and Business Assistance | Small Business Assistance | Small Business/Financial Assistance | 218,026 | 232,564 | 14,538 |
| 50200 | Customer Service and Business Assistance | Economic Dev/Bus Retention | Perm Proc/Public Participation | 20,386 | 22,080 | 1,693 |
| 50260 | Customer Service and Business Assistance | Fee Review | Fee Review Committee | 33,943 | 36,763 | 2,820 |
| 50425 | Customer Service and Business Assistance | Lobby Permit Services | Supp Perm Proc/Customer Svc | 203,863 | 220,798 | 16,935 |
| 50520 | Customer Service and Business Assistance | Perm Proc/Pre-Appl Mtg Outreac | Pre-App Mtgs/Genl Prescreening | 815,454 | 220,798 | (594,656) |
| 50690 | Customer Service and Business Assistance | Source Education | Prov Tech Asst To Industries | 28,541 | 30,912 | 2,371 |
| 60690 | Customer Service and Business Assistance | Source Education | Prov Tech Asst To Industries | - | 4,184 | 4,184 |
| Sub-total Customer Service and Business Assistance | | | | \$ 1,921,755 | \$ 1,262,993 | \$ (658,761) |
| 26397 | Develop Programs | Lead Agency Projects | Prep Envrnmt Assmts/Perm Proj | \$ 243,202 | \$ 391,990 | \$ 148,788 |
| 26362 | Develop Rules | Health Effects | Study Health Effect/Toxicology | \$ 42,008 | \$ 50,399 | \$ 8,391 |
| 44105 | Ensure Compliance | CEMS Certification | CEMS Review/Approval | 643,879 | 653,386 | 9,507 |
| 50156 | Ensure Compliance | Perm Proc/Info to Compliance | Prov Permit Info to Compliance | 122,318 | 132,479 | 10,161 |
| 50605 | Ensure Compliance | RECLAIM/Admin Support | Admin/Policy/Guidelines | 407,727 | 287,038 | (120,689) |
| 60605 | Ensure Compliance | RECLAIM/Admin Support | Admin/Policy/Guidelines | - | 209,183 | 209,183 |
| Sub-total Ensure Compliance | | | | \$ 1,173,924 | \$ 1,282,086 | \$ 108,162 |
| 04630 | Operational Support | Cash Mgmt/Revenue Receiving | Receive/Post Pymts/Reconcile | \$ 203,980 | \$ 222,670 | \$ 18,690 |
| 08102 | Operational Support | CEQA Document Projects | CEQA Review | 83,832 | 42,962 | (40,870) |
| 27616 | Operational Support | Records Services | Records/Documents processing | 505,495 | 472,940 | (32,556) |
| 27735 | Operational Support | Systems Maintenance | Maintain Existing Software Prog | 786,894 | 803,196 | 16,303 |
| Sub-total Operational Support | | | | \$ 1,580,202 | \$ 1,541,769 | \$ (38,433) |

APPENDIX C 4- COMPARISON OF EXPENDITURES BY REVENUE CATEGORIES: III PERMIT PROCESSING FEES

| WP Code | Program Category | Project Description | Activities/Outputs | FY 2016-17 Adopted | FY 2017-18 Proposed | Increase/ (Decrease) |
|------------------------------------|--------------------------|--------------------------------|---------------------------------------|--------------------|---------------------|----------------------|
| 60717 | Policy Support | Student Interns | Gov Board/Student Intern Program | \$ - | \$ 10,459 | \$ 10,459 |
| 08516 | Timely Review of Permits | Permit Processing/Legal | Legal Advice: Permit Processing | \$ 55,888 | \$ 57,283 | \$ 1,395 |
| 08772 | Timely Review of Permits | Title V Permits | Leg Advice: New Source Title V Permit | 13,972 | 14,321 | 349 |
| 26461 | Timely Review of Permits | Permit & CEQA Modeling Review | Review Model Permit/Risk Assmt | 381,640 | 341,193 | (40,447) |
| 27523 | Timely Review of Permits | Permit Streamlining | Permit Streamlining | 59,088 | 60,892 | 1,804 |
| 27770 | Timely Review of Permits | Title V | Dev/Maintain Title V Program | 236,353 | 480,351 | 243,998 |
| 35680 | Timely Review of Permits | Small Business/Permit Streamln | Asst sm bus to comply/SCAQMD req | 301,421 | 321,520 | 20,098 |
| 44545 | Timely Review of Permits | Protocols/Reports/Plans | Eval Test Protocols/Cust Svc | 12,563 | 12,749 | 186 |
| 44725 | Timely Review of Permits | Permit Processing/Support E&C | Assist EAC w/ Permit Process | 10,470 | 10,624 | 155 |
| 50120 | Timely Review of Permits | Certification/Registration Pro | Certification/Registration Prog | - | 441,596 | 441,596 |
| 50253 | Timely Review of Permits | ERC Appl Processing | Process ERC Applications | 713,522 | 772,794 | 59,272 |
| 50367 | Timely Review of Permits | Hearing Board/Appeals | Appeals: Permits & Denials | 101,932 | 55,200 | (46,732) |
| 50475 | Timely Review of Permits | NSR Implementation | Implement NSR/Allocate ERCs | 35,676 | 38,640 | 2,964 |
| 50515 | Timely Review of Permits | Perm Proc/Non TV/Non RECLAIM | PP: Non TitIV/TitIII/RECLAIM | 11,711,377 | 11,452,309 | (259,068) |
| 50517 | Timely Review of Permits | Permit Services | Facility Data-Create/Edit | 2,548,293 | 2,759,978 | 211,685 |
| 50518 | Timely Review of Permits | RECLAIM Non-Title V | Process RECLAIM Only Permits | 688,039 | 745,194 | 57,155 |
| 50519 | Timely Review of Permits | Perm Proc/Title III (Non TV) | Process Title III Permits | 203,863 | 220,798 | 16,935 |
| 50521 | Timely Review of Permits | Perm Proc/Expedited Permit | Proc Expedited Permits (301OT) | 101,932 | 883,193 | 781,261 |
| 50523 | Timely Review of Permits | Permit Streamlining | Permit Streamlining | 764,488 | 827,993 | 63,505 |
| 50607 | Timely Review of Permits | RECLAIM & Title V | Process RECLAIM & TV Permits | 2,527,907 | 4,082,687 | 1,554,780 |
| 50728 | Timely Review of Permits | Perm Proc/IM Programming | Assist IM: Design/Review/Test | 326,182 | 450,428 | 124,247 |
| 50774 | Timely Review of Permits | TV/Non-RECLAIM | Process Title V Only Permits | 3,669,543 | 3,974,368 | 304,826 |
| 50775 | Timely Review of Permits | Title V – Admin | Title V Administration | 203,863 | 220,798 | 16,935 |
| Sub-total Timely Review of Permits | | | | \$ 24,668,013 | \$ 28,224,909 | \$ 3,556,897 |
| Total Expenditures | | | | \$ 29,629,103 | \$ 32,764,606 | \$ 3,135,502 |

APPENDIX C 4- COMPARISON OF EXPENDITURES BY REVENUE CATEGORIES: IV ANNUAL OPERATING FEES

| WP Code | Program Category | Project Description | Activities/Outputs | FY 2016-17 Adopted | FY 2017-18 Proposed | Increase/ (Decrease) |
|--|--|--------------------------------|-----------------------------------|--------------------|---------------------|----------------------|
| 04170 | Customer Service and Business Assistance | Billing Services | Answer/Resp/Resolv Prob & Inq | \$ 1,255,707 | \$ 1,369,629 | \$ 113,923 |
| 04260 | Customer Service and Business Assistance | Fee Review | Cmte Mtg/Fee-Related Complaint | 1,748 | 1,909 | 160 |
| 04355 | Customer Service and Business Assistance | Grants Management | Grant Anlyz/Eval/Negot/Acc/Rpt | 170,955 | 186,619 | 15,664 |
| 04631 | Customer Service and Business Assistance | Cash Mgmt/Refunds | Research/Doc/Prep/Proc Refunds | 11,656 | 12,724 | 1,068 |
| 16720 | Customer Service and Business Assistance | Subscription Services | Rule & Gov Board Materials | 422,610 | 429,982 | 7,372 |
| 35240 | Customer Service and Business Assistance | Environmental Justice | Impl Board's EJ Pgrms/Policies | 152,618 | 162,795 | 10,176 |
| 35260 | Customer Service and Business Assistance | Fee Review | Cmte Mtg/Fee-Related Complaint | 43,605 | 46,513 | 2,908 |
| 35491 | Customer Service and Business Assistance | Outreach/Business | Chambers/Business Meetings | 138,376 | 139,538 | 1,163 |
| 35514 | Customer Service and Business Assistance | Permit: Expired Permit Program | Assist w Permit Reinstatement | 65,408 | 69,769 | 4,361 |
| 50260 | Customer Service and Business Assistance | Fee Review | Fee Review Committee | 21,100 | 22,853 | 1,753 |
| 50690 | Customer Service and Business Assistance | Source Education | Prov Tech Asst To Industries | 456,654 | 494,588 | 37,934 |
| 60690 | Customer Service and Business Assistance | Source Education | Prov Tech Asst To Industries | - | 66,938 | 66,938 |
| Sub-total Customer Service and Business Assistance | | | | \$ 2,740,437 | \$ 3,003,857 | \$ 263,420 |
| 08010 | Develop Programs | AQMP | AQMP Revision/CEQA Review | \$ 33,533 | \$ 34,370 | \$ 837 |
| 26010 | Develop Programs | AQMP | AQMP Special Studies | 198,082 | 200,635 | 2,553 |
| 26068 | Develop Programs | SCAQMD Projects | Prepare Environmental Assessments | 328,944 | 282,114 | (46,830) |
| 26104 | Develop Programs | CEQA Policy Development | ID/Develop/Impl CEQA Policy | 104,492 | 139,397 | 34,905 |
| 26685 | Develop Programs | Socio-Economic | Apply econ models/Socio-econ | 267,774 | 279,675 | 11,901 |
| 35560 | Develop Programs | Public Notification | Public notif of rules/hearings | 32,253 | 34,070 | 1,817 |
| Sub-Total Develop Programs | | | | \$ 965,079 | \$ 970,262 | \$ 5,183 |
| 03650 | Develop Rules | Rules | Develop & Implement Rules | \$ 12,598 | \$ - | \$ (12,598) |
| 26385 | Develop Rules | Criteria Pollutants/Mob Srcs | Dev/Impl Intercredit Trading | 16,582 | 16,800 | 218 |
| 26654 | Develop Rules | Rulemaking/NOX | Rulemaking/NOx | 316,384 | 296,793 | (19,591) |
| 26655 | Develop Rules | NSR/Adm Rulemaking | Amend/Develop NSR & Admin Rules | 229,937 | 291,193 | 61,256 |
| 26656 | Develop Rules | Rulemaking/VOC | Dev/Amend VOC Rules | 431,038 | 703,187 | 272,149 |
| Sub-total Develop Rules | | | | \$ 1,006,539 | \$ 1,307,972 | \$ 301,433 |
| 08115 | Ensure Compliance | Case Disposition | Trial/Dispo-Civil Case/Injunct | \$ 335,329 | \$ 343,698 | \$ 8,369 |
| 08154 | Ensure Compliance | Compliance/NOV Administration | Review/Track/Prep NOVs/MSAs | 335,329 | 286,415 | (48,914) |
| 08185 | Ensure Compliance | Database Management | Support IM/Dev Tracking System | 104,860 | 269,811 | 164,951 |
| 08235 | Ensure Compliance | Enforcement Litigation | Maj Prosecutions/Civil Actions | 558,882 | 572,830 | 13,948 |

APPENDIX C 4- COMPARISON OF EXPENDITURES BY REVENUE CATEGORIES: IV ANNUAL OPERATING FEES

| WP Code | Program Category | Project Description | Activities/Outputs | FY 2016-17 Adopted | FY 2017-18 Proposed | Increase/ (Decrease) |
|-------------------------------|------------------------|--------------------------------|------------------------------------|--------------------|---------------------|----------------------|
| 08366 | Ensure Compliance | Hearing Board/Legal | Hear/Disp-Varian/Appeal/Rev | 838,323 | 859,245 | 20,922 |
| 08465 | Ensure Compliance | Mutual Settlement | Mutual Settlement Program | 838,323 | 859,245 | 20,922 |
| 17364 | Ensure Compliance | Hearing Board/Abatement Orders | Attnd/Recrd/Monitr Mtgs | 24,194 | 26,763 | 2,569 |
| 17365 | Ensure Compliance | Hearing Board/Variances/Appeal | Attend/Record/Monitor HB Mtgs | 39,980 | 47,096 | 7,115 |
| 26076 | Ensure Compliance | Area Sources/Compliance | Area Source Compliance | 496,850 | 497,843 | 993 |
| 26358 | Ensure Compliance | GHG Rules-Compl | GHG Rules-Compl | - | 235,194 | 235,194 |
| 26716 | Ensure Compliance | Spec Monitoring/R403 | Rule 403 Compliance Monitoring | 37,144 | 0 | (37,144) |
| 44015 | Ensure Compliance | Acid Rain Program | Acid Rain CEMS Eval/Cert | 8,376 | 8,499 | 124 |
| 44175 | Ensure Compliance | DB/Computerization | Develop Systems/Database | 46,066 | 46,746 | 680 |
| 44707 | Ensure Compliance | VOC Sample Analysis/Compliance | VOC Analysis & Rptg/Compliance | 1,397,550 | 1,417,677 | 20,127 |
| 44716 | Ensure Compliance | Special Monitoring | Rule 403 Compliance Monitoring | 79,306 | 80,394 | 1,088 |
| 50156 | Ensure Compliance | Perm Proc/Info to Compliance | Prov Permit Info to Compliance | 489,272 | 529,916 | 40,643 |
| 50157 | Ensure Compliance | Compliance/Special Projects | Prog Audits/Data Req/Board Supp | 1,019,317 | 0 | (1,019,317) |
| 50375 | Ensure Compliance | Inspections | Compliance/Inspection/Follow-up | 13,332,295 | 0 | (13,332,295) |
| 50377 | Ensure Compliance | Inspections/RECLAIM Audits | Audit/Compliance Assurance | 4,646,146 | 1,268,596 | (3,377,550) |
| 50550 | Ensure Compliance | Public Complaints/Breakdowns | Compltresp/Invflwup/Resolutn | 631,977 | 0 | (631,977) |
| 50605 | Ensure Compliance | RECLAIM/Admin Support | Admin/Policy/Guidelines | 917,386 | 645,835 | (271,551) |
| 50680 | Ensure Compliance | Small Business Assistance | Asst sm bus w/ Permit Process | 101,932 | 110,399 | 8,467 |
| 50751 | Ensure Compliance | Title III Inspections | Title III Comp/Insp/Follow Up | 101,932 | | (101,932) |
| 50771 | Ensure Compliance | Title V Inspections | Title V Compl/Inspect/Follow Up | 1,009,124 | 0 | (1,009,124) |
| 60157 | Ensure Compliance | Compliance/Special Projects | Prog Audits/Data Req/Brd Supp | - | 1,045,914 | 1,045,914 |
| 60375 | Ensure Compliance | Inspections | Compliance/Inspection/Follow-up | - | 14,353,813 | 14,353,813 |
| 60377 | Ensure Compliance | Inspections/RECLAIM Audits | Audit/Compliance Assurance | - | 3,004,648 | 3,004,648 |
| 60550 | Ensure Compliance | Public Complaints/Breakdowns | Compltresp/Invflwup/Resolutn | - | 648,467 | 648,467 |
| 60605 | Ensure Compliance | RECLAIM/Admin Support | Admin/Policy/Guidelines | - | 470,661 | 470,661 |
| 60751 | Ensure Compliance | Title III Inspections | Title III Comp/Insp/Follow Up | - | 20,918 | 20,918 |
| 60771 | Ensure Compliance | Title V | Title V Compl/Inspect/Follow Up | - | 329,463 | 329,463 |
| Sub-total Ensure Compliance | | | | \$ 27,389,892 | \$ 27,980,087 | \$ 590,195 |
| 44064 | Monitoring Air Quality | Ambient Network | Air Monitoring/Toxics Network | \$ 614,477 | \$ 648,809 | \$ 34,333 |
| 44067 | Monitoring Air Quality | Ambient Lead Monitoring | Lead Monitoring/Analysis/Reporting | 104,696 | 106,242 | 1,546 |
| 44469 | Monitoring Air Quality | Near Roadway Mon | Near Roadway Monitoring | 46,485 | 75,857 | 29,372 |
| Sub-total Monitor Air Quality | | | | \$ 765,657 | \$ 830,908 | \$ 65,250 |

APPENDIX C 4- COMPARISON OF EXPENDITURES BY REVENUE CATEGORIES: IV ANNUAL OPERATING FEES

| WP Code | Program Category | Project Description | Activities/Outputs | FY 2016-17 Adopted | FY 2017-18 Proposed | Increase/ (Decrease) |
|------------------------------------|--------------------------|--------------------------------|---------------------------------------|--------------------|---------------------|----------------------|
| 04630 | Operational Support | Cash Mgmt/Revenue Receiving | Receive/Post Pymts/Reconcile | \$ 611,940 | \$ 668,011 | \$ 56,071 |
| 27480 | Operational Support | New System Development | Dev sys for special oper needs | 232,876 | 210,334 | (22,542) |
| 27616 | Operational Support | Records Services | Records/Documents processing | 505,495 | 472,940 | (32,556) |
| 27735 | Operational Support | Systems Maintenance | Maintain Existing Software Prog | 393,447 | 401,598 | 8,151 |
| Sub-total Operational Support | | | | \$ 1,743,759 | \$ 1,752,884 | \$ 9,125 |
| 26148 | Policy Support | Climate Change | GHG/Climate Change Policy Development | \$ 489,295 | \$ 694,383 | \$ 205,087 |
| 35281 | Policy Support | Advisory Group/Small Business | SBA Advisory Group Staff Support | 92,661 | 98,840 | 6,179 |
| Sub-total Policy Support | | | | \$ 581,956 | \$ 793,222 | \$ 211,266 |
| 08770 | Timely Review of Permits | Title V | Leg Advice: Title V Prog/Perm Dev | \$ 2,096 | \$ 2,148 | \$ 52 |
| 26643 | Timely Review of Permits | Rule 222 Filing Program | Rule 222 Filing Program | 50,000 | 50,000 | - |
| 35680 | Timely Review of Permits | Small Business/Permit Streamln | Asst sm bus to comply/SCAQMD req | 241,137 | 257,216 | 16,079 |
| 44545 | Timely Review of Permits | Protocols/Reports/Plans | Eval Test Protocols/Cust Svc | 8,376 | 8,499 | 124 |
| 44546 | Timely Review of Permits | Protocols/Reports/Plans | Eval Test Protocols/Compliance | 1,158,983 | 1,176,096 | 17,113 |
| 50518 | Timely Review of Permits | RECLAIM Non-Title V | Process RECLAIM Only Permits | 165,129 | 178,847 | 13,717 |
| 50643 | Timely Review of Permits | Rule 222 Filing Program | Rule 222 Filing Program | - | 110,399 | 110,399 |
| 50728 | Timely Review of Permits | Perm Proc/IM Programming | Assist IM: Design/Review/Test | 40,773 | 56,304 | 15,531 |
| Sub-total Timely Review of Permits | | | | \$ 1,666,493 | \$ 1,839,508 | \$ 173,015 |
| Total Expenditures | | | | \$ 36,859,812 | \$ 38,478,700 | \$ 1,618,888 |

APPENDIX C 4- COMPARISON OF EXPENDITURES BY REVENUE CATEGORIES: V FEDERAL GRANTS/OTHER FEDERAL REVENUE

| WP Code | Program Category | Project Description | Activities/Outputs | FY 2016-17 Adopted | FY 2017-18 Proposed | Increase/ (Decrease) |
|--|--|--------------------------------|------------------------------------|--------------------|---------------------|----------------------|
| 44187 | Advance Clean Air Technology | DERA Sch Bus Repl | DERA Sch Bus Repl Admin/Impl | \$ 6,282 | \$ 6,375 | \$ 93 |
| 44190 | Advance Clean Air Technology | Diesel Projects EPA | Diesel Projects EPA/Admin/Impl | 23,033 | 23,373 | 340 |
| 44497 | Advance Clean Air Technology | Plug-in Hybrid EV DOE ARRA | DOE Plug-in Hybrid EV Admin (ARRA) | 157,044 | 159,363 | 2,319 |
| Sub-total Advance Clean Air Technology | | | | \$ 186,359 | \$ 189,110 | \$ 2,752 |
| 04355 | Customer Service and Business Assistance | Grants Management | Grant Anlyz/Eval/Negot/Acc/Rpt | \$ 23,312 | \$ 25,448 | \$ 2,136 |
| 35492 | Customer Service and Business Assistance | Public Education/Public Events | Pub Events/Conf/Rideshare Fair | 25,121 | 25,703 | 582 |
| 35555 | Customer Service and Business Assistance | Public Information Center | Inform public of unhealthy air | 30,803 | 32,256 | 1,454 |
| 50690 | Customer Service and Business Assistance | Source Education | Prov Tech Asst To Industries | 45,665 | 49,459 | 3,793 |
| 60690 | Customer Service and Business Assistance | Source Education | Prov Tech Asst To Industries | - | 6,694 | 6,694 |
| Sub-total Customer Service and Business Assistance | | | | \$ 124,901 | \$ 139,560 | \$ 14,659 |
| 26217 | Develop Programs | Emissions Inventory Studies | Dev Emiss DB/Dev/Update Emiss | \$ 35,375 | \$ 12,544 | \$ (22,831) |
| 26503 | Develop Programs | PM Strategies | PM10 Plan/Analyze/Strategy Dev | 87,553 | 60,926 | (26,626) |
| 26836 | Develop Programs | Rule 2202 Support | R2202 Supt/Cmptmtr/Maint/WebSubmt | 101,742 | 89,272 | (12,470) |
| Sub-total Develop Programs | | | | \$ 224,670 | \$ 162,742 | \$ (61,928) |
| 26084 | Develop Rules | Blk Carbon Stdy EPA | EPA Blck Carbon Climate Study | \$ 38,470 | \$ - | \$ (38,470) |
| 26165 | Develop Rules | Conformity | Monitor Transp. Conformity | 7,075 | 4,480 | (2,595) |
| 26460 | Develop Rules | Regional Modeling | Rule Impact/Analyses/Model Dev | 91,826 | 92,902 | 1,076 |
| Sub-total Develop Rules | | | | \$ 137,371 | \$ 97,382 | \$ (39,989) |
| 08115 | Ensure Compliance | Case Disposition | Trial/Dispo-Civil Case/Injunct | \$ 83,832 | \$ 85,925 | \$ 2,092 |
| 08380 | Ensure Compliance | Interagency Coordination | Coordinate with Other Agencies | 4,471 | 4,583 | 112 |
| 17365 | Ensure Compliance | Hearing Board/Variances/Appeal | Attend/Record/Monitor HB Mtgs | 47,977 | 56,515 | 8,539 |
| 26215 | Ensure Compliance | Annual Emission Reporting | Annl Des/Impl/Emiss Monitor Sys | 133,056 | 151,756 | 18,701 |
| 26645 | Ensure Compliance | Rule 1610 Plan Verification | Rule 1610 Plan Verification | 7,738 | 11,760 | 4,021 |
| 44500 | Ensure Compliance | PM2.5 Program | Est/Operate/Maint PM2.5 Network | 487,973 | 495,178 | 7,205 |
| 50375 | Ensure Compliance | Inspections | Compliance/Inspection/Follow-up | 1,539,933 | - | (1,539,933) |
| 50492 | Ensure Compliance | Customer Service | Compliance/Inspection/Follow-up | - | 4,416 | 4,416 |
| 50550 | Ensure Compliance | Public Complaints/Breakdowns | Compltresp/Invflwup/Resolutn | 163,091 | - | (163,091) |
| 60375 | Ensure Compliance | Inspections | Compliance/Inspection/Follow-up | - | 1,657,922 | 1,657,922 |
| 60550 | Ensure Compliance | Public Complaints/Breakdowns | Compltresp/Invflwup/Resolutn | - | 167,346 | 167,346 |
| Sub-total Ensure Compliance | | | | \$ 2,468,071 | \$ 2,635,401 | \$ 167,330 |

APPENDIX C 4- COMPARISON OF EXPENDITURES BY REVENUE CATEGORIES: V FEDERAL GRANTS/OTHER FEDERAL REVENUE

| WP Code | Program Category | Project Description | Activities/Outputs | FY 2016-17 Adopted | FY 2017-18 Proposed | Increase/ (Decrease) |
|----------------------------------|--------------------------|--------------------------------|----------------------------------|--------------------|---------------------|----------------------|
| 26445 | Monitoring Air Quality | Meteorology | ModelDev/Data Analysis/Forecast | \$ 33,021 | \$ 35,051 | \$ 2,030 |
| 26530 | Monitoring Air Quality | Photochemical Assessment | Photochemical Assessment | 38,139 | 38,639 | 500 |
| 44063 | Monitoring Air Quality | Ambient Air Analysis | Analyze Criteria/Tox/Pollutants | 115,940 | 132,526 | 16,586 |
| 44064 | Monitoring Air Quality | Ambient Network | Air Monitoring/Toxics Network | 327,721 | 346,032 | 18,311 |
| 44065 | Monitoring Air Quality | Air Quality Data Management | AM Audit/Validation/Reporting | 20,939 | 21,248 | 309 |
| 44081 | Monitoring Air Quality | Air Filtration EPA | Air Filtration EPA/Admn/Impl | 52,348 | 31,873 | (20,475) |
| 44248 | Monitoring Air Quality | EPA Community Scale AQ-SPEC | EPA Community Scale AQ-SPEC | 16,751 | 16,999 | 247 |
| 44468 | Monitoring Air Quality | NATTS(Natl Air Tox Trends Sta) | NATTS (Natl Air Tox Trends) | 87,857 | 89,154 | 1,297 |
| 44469 | Monitoring Air Quality | Near Roadway Mon | Near Roadway Monitoring | 29,210 | - | (29,210) |
| 44505 | Monitoring Air Quality | PM Sampling Program (EPA) | PM Sampling Program - Addition | 2,219,552 | 2,252,324 | 32,772 |
| 44507 | Monitoring Air Quality | PM Sampling Spec | PM Sampling Special Events | 20,939 | 21,248 | 309 |
| 44530 | Monitoring Air Quality | Photochemical Assessment | Photochemical Assess & Monitor | 477,413 | 484,462 | 7,049 |
| 44585 | Monitoring Air Quality | Quality Assurance | Quality Assurance Branch | 50,254 | 55,796 | 5,542 |
| Sub-total Monitoring Air Quality | | | | \$ 3,490,084 | \$ 3,525,352 | \$ 35,268 |
| 35680 | Timely Review of Permits | Small Business/Permit Streamln | Asst sm bus to comply/SCAQMD req | \$ 51,672 | \$ 55,118 | \$ 3,445 |
| 50475 | Timely Review of Permits | NSR Implementation | Implement NSR/Allocate ERCs | 40,773 | 44,160 | 3,387 |
| Timely Review of Permits | | | | \$ 92,445 | \$ 99,277 | \$ 6,832 |
| Total Expenditures | | | | \$ 6,723,899 | \$ 6,848,824 | \$ 124,925 |

APPENDIX C 4- COMPARISON OF EXPENDITURES BY REVENUE CATEGORIES: VI SOURCE TEST/ANALYSIS FEES

| WP Code | Program Category | Project Description | Activities/Outputs | FY 2016-17 Adopted | FY 2017-18 Proposed | Increase/ (Decrease) |
|--|--|-------------------------------|--------------------------------|--------------------|---------------------|----------------------|
| 44701 | Customer Service and Business Assistance | Source Testing/Customer Svc | Conduct ST/Prov Data/Cust Svc | \$ 10,470 | \$ 10,624 | \$ 155 |
| 44709 | Customer Service and Business Assistance | VOC Sample Analysis/SBA/Other | VOC Analysis & Reptg/Cust Svc | 104,696 | 106,242 | 1,546 |
| Sub-total Customer Service and Business Assistance | | | | \$ 115,165 | \$ 116,866 | \$ 1,700 |
| 44105 | Ensure Compliance | CEMS Certification | CEMS Review/Approval | \$ 643,879 | \$ 653,386 | \$ 9,507 |
| 44175 | Ensure Compliance | DB/Computerization | Develop Systems/Database | 32,246 | 32,722 | 476 |
| 44450 | Ensure Compliance | Microscopic Analysis | Asbestos/PM/Metals Analysis | 418,783 | 424,967 | 6,183 |
| 44700 | Ensure Compliance | Source Testing/Compliance | Conduct ST/Prov Data/Compl | 501,131 | 508,088 | 6,956 |
| 44704 | Ensure Compliance | ST/Sample Analysis/Compliance | Analyze ST Samples/Compliance | 837,567 | 924,934 | 87,367 |
| 44795 | Ensure Compliance | Toxics/Engineering | R1401 Toxics/HRA Prot/Rpt Eval | 10,470 | 10,624 | 155 |
| Sub-total Ensure Compliance | | | | 2,444,077 | 2,554,721 | 110,645 |
| 44546 | Timely Review of Permits | Protocols/Reports/Plans | Eval Test Protocols/Compliance | 128,776 | 130,677 | 1,901 |
| Total Expenditures | | | | \$ 2,688,018 | \$ 2,802,264 | \$ 114,247 |

APPENDIX C 4- COMPARISON OF EXPENDITURES BY REVENUE CATEGORIES: VII HEARING BOARD FEES

| WP Code | Program Category | Project Description | Activities/Outputs | FY 2016-17 Adopted | FY 2017-18 Proposed | Increase/ (Decrease) |
|-----------------------------|---------------------|--------------------------------|--------------------------------|--------------------|---------------------|----------------------|
| 08115 | Ensure Compliance | Case Disposition | Trial/Dispo-Civil Case/Injunct | \$ 69,860 | \$ 71,604 | \$ 1,744 |
| 17365 | Ensure Compliance | Hearing Board/Variances/Appeal | Attend/Record/Monitor HB Mtgs | 711,653 | 838,308 | 126,656 |
| 50365 | Ensure Compliance | Hearing Bd/Variances | Variances/Orders of Abatement | 305,795 | 165,599 | (140,197) |
| 60365 | Ensure Compliance | Hearing Bd/Variances | Variances/Orders of Abatement | - | 418,366 | 418,366 |
| Sub-total Ensure Compliance | | | | \$ 1,087,308 | \$ 1,493,876 | \$ 406,568 |
| 17024 | Operational Support | Admin/SCAQMD/GB/HB Mgmt | Admin Governing/Hearing Brds | \$ 214,722 | \$ 237,523 | \$ 22,800 |
| Total Expenditures | | | | \$ 1,302,030 | \$ 1,731,399 | \$ 429,368 |

APPENDIX C 4- COMPARISON OF EXPENDITURES BY REVENUE CATEGORIES: VIII CLEAN FUELS

| WP Code | Program Category | Project Description | Activities/Outputs | FY 2016-17 Adopted | FY 2017-18 Proposed | Increase/ (Decrease) |
|--|------------------------------|--------------------------------|---|--------------------|---------------------|----------------------|
| 04130 | Advance Clean Air Technology | Clean Fuels/Contract Admin | Clean Fuels Contract Admin/Monitor | \$ 29,140 | \$ 31,810 | \$ 2,670 |
| 08131 | Advance Clean Air Technology | Clean Fuels/Legal Advice | Legal Advice: Clean Fuels | 13,972 | 14,321 | 349 |
| 44012 | Advance Clean Air Technology | AQMP/Control Tech Assessment | Tech Supp: Quantify Cost Effec | 20,939 | 21,248 | 309 |
| 44039 | Advance Clean Air Technology | Admin/Office Mgt/Tech Adv | Admin Support/Coordination | 161,232 | 163,612 | 2,381 |
| 44048 | Advance Clean Air Technology | Admin/Prog Mgmt/Tech Advance | Overall TA Program Mgmt/Coord | 324,557 | 329,349 | 4,792 |
| 44095 | Advance Clean Air Technology | CA Natural Gas Veh Partnership | CA Natural Gas Veh Partnership | 10,470 | 10,624 | 155 |
| 44130 | Advance Clean Air Technology | Clean Fuels/Contract Admin | Admin/Project Supp for TA Cont | 1,375,703 | 722,444 | (653,260) |
| 44132 | Advance Clean Air Technology | Clean Fuels/Mobile Sources | Dev/Impl Mobile Src Proj/Demo | 910,854 | 2,559,900 | 1,649,047 |
| 44134 | Advance Clean Air Technology | Clean Fuels/Stationary Combust | Dev/Demo Clean Combustion Tech | 146,574 | 106,242 | (40,332) |
| 44135 | Advance Clean Air Technology | Clean Fuels/Stationary Energy | Dev/Demo Alt Clean Energy | 146,574 | 116,866 | (29,708) |
| 44136 | Advance Clean Air Technology | Clean Fuels/Tech Transfer | Disseminate Low Emiss CF Tech | 251,270 | 265,604 | 14,334 |
| 44453 | Advance Clean Air Technology | Mob Src: Emiss Inven Method | Rvw CARB/US EPA emissions inven methodology | 150,762 | 152,988 | 2,226 |
| 44677 | Advance Clean Air Technology | School Bus/Lower Emission Prog | School Bus Program Oversight | 146,574 | 148,738 | 2,164 |
| 44740 | Advance Clean Air Technology | Tech Adv/Commercialization | Assess CFs/Adv Tech Potential | 52,348 | 53,121 | 773 |
| 44741 | Advance Clean Air Technology | Tech Adv/Non-Combustion | Dev/Demo Non-Combustion Tech | 20,939 | 21,248 | 309 |
| 44816 | Advance Clean Air Technology | Transportation Research | Transport Research/Adv Systems | 104,696 | 106,242 | 1,546 |
| Sub-total Advance Clean Air Technology | | | | \$ 3,866,604 | \$ 4,824,358 | \$ 957,754 |
| 44458 | Develop Programs | Mobile Source Strategies | Implement Fleet Rules | \$ 177,983 | \$ 212,483 | \$ 34,500 |
| 44456 | Develop Rules | MS & AQMP Control Strategies | AQMP Control Strategies | \$ 62,818 | \$ 63,745 | \$ 928 |
| 44276 | Policy Support | Advisory Group/Technology Adva | Tech Adv Advisory Group Supp | \$ 20,939 | \$ 21,248 | \$ 309 |
| Total Expenditures | | | | \$ 4,128,343 | \$ 5,121,835 | \$ 993,491 |

APPENDIX C 4- COMPARISON OF EXPENDITURES BY REVENUE CATEGORIES: IX MOBILE SOURCES

| WP Code | Program Category | Project Description | Activities/Outputs | FY 2016-17 Adopted | FY 2017-18 Proposed | Increase/ (Decrease) |
|--|--|--------------------------------|---|--------------------|---------------------|----------------------|
| 03455 | Advance Clean Air Technology | Mobile Sources | Dev/Impl Mobile Source Strategies | \$ 33,153 | \$ - | \$ (33,153) |
| 04457 | Advance Clean Air Technology | Mobile Source/Moyer Adm | Carl Moyer: Contract/Fin Admin | 198,152 | 216,308 | 18,156 |
| 04003 | Advance Clean Air Technology | AB2766/MSRC | MSRC Program Administration | 67,993 | 74,223 | 6,230 |
| 04542 | Advance Clean Air Technology | Prop 1B:Goods Movement | Contracts/Finance Admin | 97,133 | 106,034 | 8,900 |
| 04544 | Advance Clean Air Technology | Prop 1B:Low Emiss Sch Bus | Grants/Finance Admin | 9,713 | 10,603 | 890 |
| 08001 | Advance Clean Air Technology | AB2766/Mob Src/Legal Advice | AB2766 Leg Adv: Trans/Mob Source | 13,972 | 14,321 | 349 |
| 08003 | Advance Clean Air Technology | AB2766/MSRC | Legal Advice: MSRC Prog Admin | 41,916 | 42,962 | 1,046 |
| 08457 | Advance Clean Air Technology | Mob Src/C Moyer/Leg Advice | Moyer/Implem/Program Dev | 27,944 | 28,642 | 697 |
| 16457 | Advance Clean Air Technology | MS/Carl Moyer Admin | C Moyer/Contractor Compliance | 124,297 | 25,293 | (99,004) |
| 16542 | Advance Clean Air Technology | Prop 1B:Goods Movement | Prop 1B: Goods Movement | 124,297 | 25,293 | (99,004) |
| 44003 | Advance Clean Air Technology | AB2766/MSRC | Mob Src Review Comm Prog Admin | 104,696 | 106,242 | 1,546 |
| 44004 | Advance Clean Air Technology | AB2766/MSRC/Contract Admin | AB2766 Admin Discretionary Prog | 628,175 | 637,450 | 9,275 |
| 44066 | Advance Clean Air Technology | AQIP Marine SCR DPF | AQIP Marine SCR DPF/Admin/Impl | 31,409 | 31,873 | 464 |
| 44453 | Advance Clean Air Technology | Mob Src: Emiss Inven Method | Rvw CARB/US EPA emissions inven methodology | 163,325 | 165,737 | 2,412 |
| 44457 | Advance Clean Air Technology | Mob Src/C Moyer Adm/Outreach | Carl Moyer: Impl/Admin Grant | 1,844,741 | 2,444,190 | 599,449 |
| 44459 | Advance Clean Air Technology | Mob Src/C Moyer/Impl/Prg Dev | Moyer/Implem/Program Dev | 586,297 | 594,954 | 8,657 |
| 44460 | Advance Clean Air Technology | VIP Admin | VIP Admin/Outreach/Impl | 167,513 | 169,987 | 2,473 |
| Sub-total Advance Clean Air Technology | | | | \$ 4,264,727 | \$ 4,694,111 | \$ 429,384 |
| 04002 | Customer Service and Business Assistance | AB2766/Mobile Source | Prog Admin: Monitor/Dist/Audit | \$ 29,427 | \$ 21,207 | \$ (8,220) |
| 08404 | Customer Service and Business Assistance | Legal Rep/Legislation | Draft Legis/SCAQMD Position/Mtgs | 4,192 | 21,481 | 17,290 |
| 26007 | Customer Service and Business Assistance | AB2766/MSRC | AB2766 Prov Tech Asst to Cities | 243,202 | 273,273 | 30,071 |
| 35126 | Customer Service and Business Assistance | Clean Air Connections | Coord of region-wide community group | 167,880 | 179,074 | 11,194 |
| 35205 | Customer Service and Business Assistance | Environmental Education | Curriculum Dev/Project Coord | 27,253 | 29,070 | 1,817 |
| 35390 | Customer Service and Business Assistance | Intergov/Geographic Deployment | Dev/Impl Local Govt Outreach | 1,624,121 | 1,730,465 | 106,344 |
| 35492 | Customer Service and Business Assistance | Public Education/Public Events | Pub Events/Conf/Rideshare Fair | 483,580 | 494,774 | 11,194 |
| 35555 | Customer Service and Business Assistance | Public Information Center | Inform public of unhealthy air | 237,180 | 248,374 | 11,194 |
| 60492 | Customer Service and Business Assistance | Outreach/Business | Pub Events/Conf/Rideshare Fair | - | 41,837 | 41,837 |
| Sub-total Customer Service and Business Assistance | | | | \$ 2,816,835 | \$ 3,039,555 | \$ 222,720 |

APPENDIX C 4- COMPARISON OF EXPENDITURES BY REVENUE CATEGORIES: IX MOBILE SOURCES

| WP Code | Program Category | Project Description | Activities/Outputs | FY 2016-17 Adopted | FY 2017-18 Proposed | Increase/ (Decrease) |
|----------------------------|------------------|-------------------------------|---|--------------------|---------------------|----------------------|
| 03010 | Develop Programs | AQMP | Develop/Implement AQMP | \$ 6,631 | \$ 8,944 | \$ 2,313 |
| 08010 | Develop Programs | AQMP | AQMP Revision/CEQA Review | 22,355 | 22,913 | 558 |
| 26002 | Develop Programs | AB2766/Mobile Source | AB2766 Mobile Source Outreach | 198,984 | 232,954 | 33,971 |
| 26010 | Develop Programs | AQMP | AQMP Special Studies | 225,093 | 227,994 | 2,901 |
| 26068 | Develop Programs | SCAQMD Projects | Prepare Environmental Assessments | 383,768 | 329,133 | (54,635) |
| 26102 | Develop Programs | CEQA Document Projects | Review/Prepare CEQA Comments | 574,842 | 509,587 | (65,254) |
| 26104 | Develop Programs | CEQA Policy Development | ID/Develop/Impl CEQA Policy | 104,492 | 139,397 | 34,905 |
| 26128 | Develop Programs | CIn Communities Pln | CIn Communities Plan Admn/Impl | 22,109 | 27,999 | 5,890 |
| 26217 | Develop Programs | Emissions Inventory Studies | Dev Emiss DB/Dev/Update Emiss | 44,219 | 15,680 | (28,539) |
| 26218 | Develop Programs | AQMP/Emissions Inventory | Dev Emiss Inv: Forecasts/RFPs | 86,226 | 87,358 | 1,132 |
| 26451 | Develop Programs | Mob Src/CARB/EPA Monitoring | CARB/US EPA Mob Src Fuel Policies | - | 335,992 | 335,992 |
| 26452 | Develop Programs | Mob Src/CEC/US DOE Monitoring | CEC/US DOE Mob Src rulemaking proposals | - | 111,997 | 111,997 |
| 26745 | Develop Programs | Rideshare | Dist Rideshare/Telecommute Prog | 232,148 | 136,637 | (95,511) |
| 26816 | Develop Programs | Transportation Regional Progs | Dev AQMP Meas/Coord w/Reg Agn | 221,093 | 78,398 | (142,695) |
| 35560 | Develop Programs | Public Notification | Public notif of rules/hearings | 51,605 | 54,513 | 2,908 |
| 44069 | Develop Programs | AQIP Evaluation | AQIP Contract Admin/Evaluation | 136,105 | 138,114 | 2,010 |
| 44451 | Develop Programs | Mob Src/CARB/EPA Monitoring | CARB/US EPA Mob Src Fuel Policies | 314,087 | - | (314,087) |
| 44452 | Develop Programs | Mob Src/CEC/US DOE Monitoring | CEC/US DOE Mob Src rulemaking proposals | 104,696 | - | (104,696) |
| 44542 | Develop Programs | Prop 1B:Goods Movement | Prop 1B:Goods Movement | 2,066,696 | 2,361,089 | 294,393 |
| Sub-total Develop Programs | | | | \$ 4,795,149 | \$ 4,818,700 | \$ 23,551 |
| 03650 | Develop Rules | Rules | Develop & Implement Rules | \$ 663 | \$ - | \$ (663) |
| 26077 | Develop Rules | Area Sources/Rulemaking | Dev/Eval/Impl Area Source Prog | 44,219 | 45,919 | 1,700 |
| 26165 | Develop Rules | Conformity | Monitor Transp. Conformity | 81,362 | 51,519 | (29,844) |
| 26362 | Develop Rules | Health Effects | Study Health Effect/Toxicology | 323,459 | 388,070 | 64,611 |
| 26385 | Develop Rules | Criteria Pollutants/Mob Srcs | Dev/Impl Intercredit Trading | 149,238 | 151,196 | 1,958 |
| 26449 | Develop Rules | Mob Src/SCAQMD Rulemaking | Prepare SCAQMD Mob Src rulemaking proposals | - | 181,436 | 181,436 |
| 26460 | Develop Rules | Regional Modeling | Rule Impact/Analyses/Model Dev | 1,010,081 | 1,021,921 | 11,841 |
| 44449 | Develop Rules | Mob Src/SCAQMD Rulemaking | Prepare SCAQMD Mob Src rulemaking proposals | 418,783 | - | (418,783) |
| Sub-total Develop Rules | | | | \$ 2,027,805 | \$ 1,840,061 | \$ 231,703 |

APPENDIX C 4- COMPARISON OF EXPENDITURES BY REVENUE CATEGORIES: IX MOBILE SOURCES

| WP Code | Program Category | Project Description | Activities/Outputs | FY 2016-17 Adopted | FY 2017-18 Proposed | Increase/ (Decrease) |
|----------------------------------|------------------------|--------------------------------|---------------------------------|--------------------|---------------------|----------------------|
| 26076 | Ensure Compliance | Area Sources/Compliance | Area Source Compliance | \$ 577,733 | \$ 578,887 | \$ 1,154 |
| 26716 | Ensure Compliance | Spec Monitoring/R403 | Rule 403 Compliance Monitoring | 178,754 | - | (178,754) |
| 26645 | Ensure Compliance | Rule 1610 Plan Verification | Rule 1610 Plan Verification | 102,808 | 156,236 | 53,428 |
| 35111 | Ensure Compliance | Call Center/CUT SMOG | Smoking Vehicle Complaints | 1,622,114 | 1,730,275 | 108,161 |
| 44500 | Ensure Compliance | PM2.5 Program | Est/Operate/Maint PM2.5 Network | 1,452,094 | 1,473,534 | 21,441 |
| 44716 | Ensure Compliance | Special Monitoring | Rule 403 Compliance Monitoring | 381,659 | 386,897 | 5,237 |
| 50240 | Ensure Compliance | Environmental Justice | R461/Combustion Equip Testing | - | 85,007 | 85,007 |
| 50492 | Ensure Compliance | Customer Service | Compliance/Inspection/Follow-up | - | 85,007 | 85,007 |
| 50538 | Ensure Compliance | Port Comm AQ Enforcement | Port Comm AQ Enforcement | 101,932 | - | (101,932) |
| 50542 | Ensure Compliance | Prop 1B:Goods Movement | Prop 1B: Gds Mvmnt/Inspect | 61,159 | - | (61,159) |
| 50850 | Ensure Compliance | VEE Trains | Smoking Trains-Compl/Inspec/FU | 93,777 | - | (93,777) |
| Sub-total Ensure Compliance | | | | \$ 4,572,030 | \$ 4,495,844 | \$ 180,683 |
| 26061 | Monitoring Air Quality | Air Quality Evaluation | Air Quality Evaluation | \$ 232,148 | \$ 503,988 | \$ 271,840 |
| 26443 | Monitoring Air Quality | MATES V | | - | 90,243 | 90,243 |
| 26445 | Monitoring Air Quality | Meteorology | ModelDev/Data Analysis/Forecast | 423,769 | 449,825 | 26,056 |
| 44063 | Monitoring Air Quality | Ambient Air Analysis | Analyze Criteria/Tox/Pollutants | 1,275,342 | 1,457,785 | 182,443 |
| 44064 | Monitoring Air Quality | Ambient Network | Air Monitoring/Toxics Network | 3,154,314 | 3,330,555 | 176,241 |
| 44065 | Monitoring Air Quality | Air Quality Data Management | AM Audit/Validation/Reporting | 161,232 | 163,612 | 2,381 |
| 44240 | Monitoring Air Quality | Environmental Justice | Implement Environmental Justice | 72,554 | 73,625 | 1,071 |
| 44468 | Monitoring Air Quality | NATTS(Natl Air Tox Trends Sta) | NATTS (Natl Air Tox Trends) | 204,245 | 207,261 | 3,016 |
| 44469 | Monitoring Air Quality | Near Roadway Mon | Near Roadway Monitoring | 238,392 | 242,869 | 4,476 |
| 44530 | Monitoring Air Quality | Photochemical Assessment | Photochemical Assess & Monitor | 150,762 | 152,988 | 2,226 |
| 44585 | Monitoring Air Quality | Quality Assurance | Quality Assurance Branch | 483,695 | 537,037 | 53,342 |
| Sub-total Monitoring Air Quality | | | | \$ 6,396,452 | \$ 7,209,787 | \$ 813,334 |

APPENDIX C 4- COMPARISON OF EXPENDITURES BY REVENUE CATEGORIES: IX MOBILE SOURCES

| WP Code | Program Category | Project Description | Activities/Outputs | FY 2016-17 Adopted | FY 2017-18 Proposed | Increase/ (Decrease) |
|-------------------------------|---------------------|--------------------------------|---|--------------------|---------------------|----------------------|
| 04447 | Operational Support | Mobile Sources/Accounting | Record Acct Rec & Pay/Special Funds | \$ 126,273 | \$ 137,844 | \$ 11,570 |
| 08102 | Operational Support | CEQA Document Projects | CEQA Review | 55,888 | 28,642 | (27,247) |
| Sub-total Operational Support | | | | \$ 182,162 | \$ 166,485 | \$ (15,676) |
| 20494 | Policy Support | Outreach/Media | Edits,Brds,Talk shows,Commercl | \$ 205,470 | \$ - | \$ (205,470) |
| 26240 | Policy Support | EJ-AQ Guidance Document | AQ Guidance Document | 68,097 | 8,624 | (59,473) |
| 26277 | Policy Support | Advisory Group/AQMP | Governing Board AQMP Advisory Group | 8,512 | 8,624 | 112 |
| 26278 | Policy Support | Advisory Group/Sci,Tech,Model | Scientific/Tech/Model Peer Rev | 195,778 | 25,871 | (169,907) |
| 35280 | Policy Support | Advisory Group/Ethnic Comm | GB Ethnic Comm Advisory Group | 67,152 | 71,630 | 4,478 |
| 35281 | Policy Support | Advisory Group/Small Business | SBA Advisory Group Staff Support | 16,352 | 17,442 | 1,090 |
| 35345 | Policy Support | Goods Mvmt&Financial Incentive | Goods Movement & Financial Incentives Progr | 218,026 | 232,564 | 14,538 |
| 35414 | Policy Support | Legislation-Effects | Lobbying/Analyses/Tracking/Out | 92,210 | 98,026 | 5,815 |
| 44410 | Policy Support | Legislation | Support Pollution Reduction thru Legislatio | 104,696 | 106,242 | 1,546 |
| 50148 | Policy Support | Climate Change | GHG/Climate Change Support | 50,966 | 55,200 | 4,234 |
| 60148 | Policy Support | Climate Change | GHG/Climate Chg Support | - | 10,459 | 10,459 |
| Sub-total Policy Support | | | | \$ 1,027,259 | \$ 634,681 | \$ (187,108) |
| Total Expenditures | | | | \$26,082,418 | \$ 26,899,224 | \$ 1,698,591 |

APPENDIX C 4- COMPARISON OF EXPENDITURES BY REVENUE CATEGORIES: X AB 2588 AIR TOXICS “HOT SPOT” FEES

| WP Code | Program Category | Project Description | Activities/Outputs | FY 2016-17 Adopted | FY 2017-18 Proposed | Increase/ (Decrease) |
|-----------------------------|--|----------------------------|----------------------------------|---------------------------|----------------------------|-----------------------------|
| 35791 | Customer Service and Business Assistance | Toxics/AB2588 | Outreach/AB 2588 Air Toxics | \$ 2,180 | \$ 2,326 | \$ 145 |
| 04791 | Ensure Compliance | Toxics/AB2588 | AB2588 Toxics HS Fee Collection | \$ 44,140 | \$ 46,810 | \$ 2,670 |
| 08791 | Ensure Compliance | Toxics/AB2588 | AB2588 Legal Advice: Plan & Impl | 13,972 | 14,321 | 349 |
| 26794 | Ensure Compliance | Toxics/AB2588 | AB2588 Core, Tracking, IWS | 2,078,274 | 2,911,928 | 833,654 |
| 27791 | Ensure Compliance | Toxics/AB2588 | AB2588 Database Software Supp | 173,776 | 177,384 | 3,607 |
| 44794 | Ensure Compliance | Toxics/AB2588 | Eval Protocols/Methods/ST | 261,740 | 903,054 | 641,315 |
| 50791 | Ensure Compliance | Toxics/AB2588 | AB2588 Rev Rprts/Risk Redplans | 50,966 | 55,200 | 4,234 |
| 60791 | Ensure Compliance | Toxics/AB2588 | Risk Reduct Plan Rvw/Comm Mtgs | - | 20,918 | 20,918 |
| Sub-total Ensure Compliance | | | | \$2,622,868 | \$4,129,615 | \$1,506,746 |
| Total Expenditures | | | | \$2,625,048 | \$4,131,940 | \$1,506,892 |

APPENDIX C 4- COMPARISON OF EXPENDITURES BY REVENUE CATEGORIES: XI TRANSPORTATION PROGRAMS

| WP Code | Program Category | Project Description | Activities/Outputs | FY 2016-17 Adopted | FY 2017-18 Proposed | Increase/ (Decrease) |
|--|--|-----------------------------|------------------------------------|--------------------|---------------------|----------------------|
| 04631 | Customer Service and Business Assistance | Cash Mgmt/Refunds | Research/Doc/Prep/Proc Refunds | \$ 5,828 | \$ 6,362 | \$ 534 |
| 26833 | Customer Service and Business Assistance | Rule 2202 ETC Training | Rule 2202 ETC Training | 312,421 | 233,315 | (79,106) |
| Sub-total Customer Service and Business Assistance | | | | \$ 318,249 | \$ 239,677 | \$ (78,572) |
| 26834 | Develop Programs | Rule 2202 Implement | Rule 2202 Proc/Sub Plans/Tech Eval | \$ 751,716 | \$ 571,186 | \$ (180,530) |
| 26836 | Develop Programs | Rule 2202 Support | R2202 Supt/CmptrMaint/WebSubmt | 576,537 | 505,874 | (70,663) |
| Sub-total Develop Programs | | | | \$ 1,328,253 | \$ 1,077,060 | \$ (251,194) |
| 04630 | Operational Support | Cash Mgmt/Revenue Receiving | Receive/Post Pymts/Reconcile | \$ 101,990 | \$ 111,335 | \$ 9,345 |
| Total Expenditures | | | | \$ 1,748,492 | \$ 1,428,072 | \$ (320,421) |

APPENDIX C 4- COMPARISON OF EXPENDITURES BY REVENUE CATEGORIES: XV CARB SUBVENTION

| WP Code | Program Category | Project Description | Activities/Outputs | FY 2016-17 Adopted | FY 2017-18 Proposed | Increase/ (Decrease) |
|--|--|--------------------------------|----------------------------------|--------------------|---------------------|----------------------|
| 04260 | Customer Service and Business Assistance | Fee Review | Cmte Mtg/Fee-Related Complaint | \$ 1,166 | \$ 1,272 | \$ 107 |
| 35205 | Customer Service and Business Assistance | Environmental Education | Curriculum Dev/Project Coord | 3,270 | 3,488 | 218 |
| 35260 | Customer Service and Business Assistance | Fee Review | Cmte Mtg/Fee-Related Complaint | 5,451 | 5,814 | 363 |
| 35381 | Customer Service and Business Assistance | Interagency Liaison | Interact Gov Agns/Promote SCAQMD | 981 | 1,047 | 65 |
| 35492 | Customer Service and Business Assistance | Public Education/Public Events | Pub Events/Conf/Rideshare Fair | 25,121 | 25,703 | 582 |
| 50690 | Customer Service and Business Assistance | Source Education | Prov Tech Asst To Industries | 39,957 | 43,276 | 3,319 |
| 60690 | Customer Service and Business Assistance | Source Education | Prov Tech Asst To Industries | - | 5,857 | 5,857 |
| Sub-total Customer Service and Business Assistance | | | | \$ 75,946 | \$ 86,458 | \$ 10,512 |
| 26010 | Develop Programs | AQMP | AQMP Special Studies | \$ 27,011 | \$ 27,359 | \$ 348 |
| 26217 | Develop Programs | Emissions Inventory Studies | Dev Emiss DB/Dev/Update Emiss | 35,375 | 12,544 | (22,831) |
| 26503 | Develop Programs | PM Strategies | PM10 Plan/Analyze/Strategy Dev | 76,609 | 53,311 | (23,298) |
| Sub-total Develop Programs | | | | \$ 138,995 | \$ 93,214 | \$ (45,781) |
| 26656 | Develop Rules | Rulemaking/VOC | Dev/Amend VOC Rules | 56,930 | 92,874 | 35,944 |
| 44708 | Develop Rules | VOC Sample Analysis/Rules | VOC Analysis & Rptg/Rules | 2,094 | 2,125 | 31 |
| 50650 | Develop Rules | Rulemaking | Dev/Amend/Impl Rules | 11,212 | 6,072 | (5,141) |
| Sub-total Develop Rules | | | | \$ 70,236 | \$ 101,071 | \$ 30,835 |
| 08115 | Ensure Compliance | Case Disposition | Trial/Dispo-Civil Case/Injunct | \$ 69,860 | \$ 71,604 | \$ 1,744 |
| 26076 | Ensure Compliance | Area Sources/Compliance | Area Source Compliance | 80,883 | 81,044 | 162 |
| 26716 | Ensure Compliance | Spec Monitoring/R403 | Rule 403 Compliance Monitoring | 16,250 | - | (16,250) |
| 35111 | Ensure Compliance | Call Center/CUT SMOG | Smoking Vehicle Complaints | 122,095 | 130,236 | 8,141 |
| 44707 | Ensure Compliance | VOC Sample Analysis/Compliance | VOC Analysis & Rptg/Compliance | 105,192 | 106,707 | 1,515 |
| 44716 | Ensure Compliance | Special Monitoring | Rule 403 Compliance Monitoring | 34,696 | 35,172 | 476 |
| 50492 | Ensure Compliance | Customer Service | Compliance/Inspection/Follow-up | - | 4,416 | 4,416 |
| 50375 | Ensure Compliance | Inspections | Compliance/Inspection/Follow-up | 1,273,759 | - | (1,273,759) |
| 50550 | Ensure Compliance | Public Complaints/Breakdowns | Compltresp/Invflwup/Resolutn | 142,704 | - | (142,704) |
| 50850 | Ensure Compliance | VEE Trains | Smoking Trains-Compl/Inspec/FU | 8,155 | - | (8,155) |
| 60375 | Ensure Compliance | Inspections | Compliance/Inspection/Follow-up | - | 1,371,354 | 1,371,354 |
| 60550 | Ensure Compliance | Public Complaints/Breakdowns | Compltresp/Invflwup/Resolutn | - | 146,428 | 146,428 |
| Sub-total Ensure Compliance | | | | \$ 1,853,594 | \$ 1,946,961 | \$ 93,367 |

APPENDIX C 4- COMPARISON OF EXPENDITURES BY REVENUE CATEGORIES: XV CARB SUBVENTION

| WP Code | Program Category | Project Description | Activities/Outputs | FY 2016-17 Adopted | FY 2017-18 Proposed | Increase/ (Decrease) |
|------------------------------------|--------------------------|--------------------------------|----------------------------------|--------------------|---------------------|----------------------|
| 50210 | Monitoring Air Quality | Emergency Response | Emerg Tech Asst to Public Saf | \$ 1,528.98 | \$ - | \$(1,528.98) |
| 60210 | Monitoring Air Quality | Emergency Response | Emerg Tech Asst to Public Saf | - | 628 | 628 |
| Sub-total Monitoring Air Quality | | | | \$ 1,529 | \$ 628 | \$ (901.43) |
| 17024 | Operational Support | Admin/SCAQMD/GB/HB Mgmt | Admin Governing/Hearing Brds | \$ 27,218 | \$ 30,108 | \$ 2,890 |
| 35680 | Timely Review of Permits | Small Business/Permit Streamln | Asst sm bus to comply/SCAQMD req | \$ 51,672 | \$ 55,118 | \$ 3,445 |
| 50518 | Timely Review of Permits | RECLAIM Non-Title V | Process RECLAIM Only Permits | 64,217 | 69,551 | 5,334 |
| Sub-total Timely Review of Permits | | | | \$ 115,889 | \$ 124,669 | \$ 8,780 |
| Total Expenditures | | | | \$2,283,407 | \$2,383,108 | \$ 99,701 |

APPENDIX C 4- COMPARISON OF EXPENDITURES BY REVENUE CATEGORIES: XVII OTHER REVENUE

| WP Code | Program Category | Project Description | Activities/Outputs | FY 2016-17 Adopted | FY 2017-18 Proposed | Increase/ (Decrease) |
|--|------------------------------|--------------------------------|---|--------------------|---------------------|----------------------|
| 26738 | Advance Clean Air Technology | Target Air Shed EPA | Targeted Air Shed Admin/Impl | \$ 55,273 | \$ 55,999 | \$ 725 |
| 44188 | Advance Clean Air Technology | DERA FY 13 Veh Repl | DERA Vehicle Repl Admin/Impl | 41,878 | 42,497 | 618 |
| 44203 | Advance Clean Air Technology | EFMP Program Support | | - | 252,855 | 252,855 |
| 44356 | Advance Clean Air Technology | GGRF ZEDT Demo | GGRF ZEDT Demo Admin | 230,331 | 233,732 | 3,401 |
| 44361 | Advance Clean Air Technology | HD Trucks DOE ARRA | DOE HD Trucks Admin (ARRA) | 418,783 | 424,967 | 6,183 |
| 44533 | Advance Clean Air Technology | POLB AMECS Demo | POLB AMECS Demo-Admin/Impl | 98,414 | 99,867 | 1,453 |
| 44738 | Advance Clean Air Technology | Target Air Shed EPA | Targeted Air Shed Admin/Impl | 31,409 | 31,873 | 464 |
| Sub-total Advance Clean Air Technology | | | | \$ 876,089 | \$ 1,141,789 | \$ 265,700 |
| 04009 | Develop Programs | AB 1318 Mitigation | AB 1318 Projects Admn/Impl | \$ 25,255 | \$ 27,569 | \$ 2,314 |
| 08009 | Develop Programs | AB 1318 Mitigation | AB 1318 Projects Admn/Impl | 13,972 | 14,321 | 349 |
| 26009 | Develop Programs | AB 1318 Mitigation | AB 1318 Projects Admn/Impl | 55,273 | 67,198 | 11,925 |
| 26448 | Develop Programs | Mobile Src Strategies-Off Road | CARB Off-Road Mob Src ctrl strategy for SIP | - | 223,994 | 223,994 |
| 26452 | Develop Programs | Mob Src/CEC/US DOE Monitoring | CEC/US DOE Mob Src rulemaking proposals | - | 111,997 | 111,997 |
| 44009 | Develop Programs | AB 1318 Mitigation | AB 1318 Projects Admn/Impl | 157,044 | 159,363 | 2,319 |
| 44396 | Develop Programs | Lawnmower Exchange | Lawn Mower Admin/Impl/Outreach | 62,818 | 63,745 | 928 |
| 44448 | Develop Programs | Mobile Src Strategies-Off Road | CARB Off-Road Mob Src ctrl strategy for SIP | 31,409 | - | (31,409) |
| 44452 | Develop Programs | Mob Src/CEC/US DOE Monitoring | CEC/US DOE Mob Src rulemaking proposals | 104,696 | - | (104,696) |
| Sub-total Develop Programs | | | | \$ 450,466 | \$ 668,187 | \$ 217,721 |
| 26084 | Develop Rules | Blk Carbon Stdy EPA | EPA Blck Carbon Climate Study | \$ 5,748 | \$ - | \$ (5,748) |
| 60539 | Ensure Compliance | Procedure 5 Review | Evaluate Proc 5 Asbestos Plans | | \$ 83,673 | \$ 83,673 |
| 44079 | Monitoring Air Quality | AQ SPEC | AQ SPEC | \$ 628,175 | \$ 637,450 | \$ 9,275 |
| 44082 | Monitoring Air Quality | Air Filtration Other | Air Filtration Other/Admn/Impl | 52,348 | 31,873 | (20,475) |
| 44084 | Monitoring Air Quality | Blk Carbon Stdy EPA | EPA Blck Carbon Climate Study | - | 42,497 | 42,497 |
| 44248 | Monitoring Air Quality | EPA Community Scale AQ-SPEC | | 192,640 | 195,485 | 2,844 |
| 44663 | Monitoring Air Quality | Salton Sea Monit | Mon/Analyze Hydrogen Sulfide | 52,348 | 53,121 | 773 |
| 44821 | Monitoring Air Quality | TraPac Air Filt Prg | Admin/Tech Suppt/Reptg/Monitor | 31,409 | 212,483 | 181,075 |
| Sub-total Monitoring Air Quality | | | | \$ 956,920 | \$ 1,172,908 | \$ 215,989 |
| 27215 | Operational Support | Annual Emission Reporting | System Enhancements for GHG | \$ 17,726 | \$ 18,268 | \$ 541 |
| 26454 | Policy Support | Mob Src:Greenhs Gas Reduc Mea | Provide comments on mob src portion of AB32 | \$ - | \$ 199,355 | \$ 199,355 |
| 44454 | Policy Support | Mob Src:Greenhs Gas Reduc Mea | Provide comments on mob src portion of AB32 | 186,359 | - | (186,359) |
| Sub-total Policy Support | | | | \$ 186,359 | \$ 199,355 | \$ 12,996 |
| Total Expenditures | | | | \$ 2,493,308 | \$ 3,284,180 | \$ 790,872 |

APPENDIX C 4- COMPARISON OF EXPENDITURES BY REVENUE CATEGORIES: XVIII AREA SOURCES

| WP Code | Program Category | Project Description | Activities/Outputs | FY 2016-17 Adopted | FY 2017-18 Proposed | Increase/ (Decrease) |
|-------------------------------|------------------------|----------------------|-------------------------------------|--------------------|---------------------|----------------------|
| 26071 | Develop Rules | Arch Ctgs - Admin | Rdev/Aud/DB/TA/SCAQMD/Rpts/AER | \$ 221,093 | \$ 246,394 | \$ 25,301 |
| 08072 | Ensure Compliance | Arch Ctgs - End User | Case Dispo/Rvw, Track, Prep NOVs | \$ 13,972 | \$ 14,321 | \$ 349 |
| 08073 | Ensure Compliance | Arch Ctgs - Other | Case Dispo/Rvw, Track, Prep NOVs | 13,972.05 | 14,320.75 | 349 |
| 26072 | Ensure Compliance | Arch Ctgs - End User | Compliance/Rpts/Rule Implementation | 221,093.01 | 179,195.56 | (41,897) |
| 26073 | Ensure Compliance | Arch Ctgs - Other | Compliance/Rpts/Rule Implementation | 221,093.01 | 179,195.56 | (41,897) |
| 44072 | Ensure Compliance | Arch Ctgs - End User | Sample Analysis/Rpts | 1,046,958.32 | 424,966.82 | (621,992) |
| 50071 | Ensure Compliance | Arch Ctgs - Admin | Report Review | 20,386.35 | - | (20,386) |
| 50072 | Ensure Compliance | Arch Ctgs - End User | Compliance/Rpts/RuleImpmenta | 20,386.35 | - | (20,386) |
| 50073 | Ensure Compliance | Arch Ctgs - Other | Compliance/Rpts/Rule Implementation | 917,385.64 | - | (917,386) |
| Sub-total Ensure Compliance | | | | \$ 2,475,247 | \$ 811,999 | \$ (1,663,247) |
| 44073 | Monitoring Air Quality | Arch Ctgs - Other | Sample Analysis/Rpts | \$ 418,783 | \$ 424,967 | \$ 6,183 |
| 04071 | Operational Support | Arch Ctgs - Admin | Cost Analysis/Payments | \$ 7,771 | \$ 8,483 | \$ 712 |
| 08071 | Operational Support | Arch Ctgs - Admin | Rule Dev/TA/Reinterpretations | 13,972.05 | 14,320.75 | 349 |
| 27071 | Operational Support | Arch Ctgs - Admin | Database Dev/Maintenance | 59,088.21 | 60,891.83 | 1,804 |
| Sub-total Operational Support | | | | \$ 80,831 | \$ 83,695 | \$ 2,864 |
| Total Expenditures | | | | \$ 3,195,954 | \$ 1,567,055 | \$ (1,628,899) |

APPENDIX C 4- COMPARISON OF EXPENDITURES BY REVENUE CATEGORIES: XIX PORTABLE EQUIPMENT

REGISTRATION PROGRAM (PERP)

| WP Code | Program Category | Project Description | Activities/Outputs | FY 2016-17 Adopted | FY 2017-18 Proposed | Increase/ (Decrease) |
|-----------------------------|-------------------|---------------------|---------------------------------|--------------------|---------------------|----------------------|
| 50070 | Ensure Compliance | CARB PERP Program | CARB Audits/Statewide Equip Reg | \$ 1,427,044 | \$ - | \$ 1,427,044 |
| 60070 | Ensure Compliance | CARB PERP Program | CARB Audits/Statewide Equip Reg | - | 1,045,914 | (1,045,914) |
| Sub-total Ensure Compliance | | | | \$ 1,427,044 | \$ 1,045,914 | \$ 381,130 |
| Total Expenditures | | | | \$ 1,427,044 | \$ 1,045,914 | \$ 381,130 |

ATTACHMENT I

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

Final Socioeconomic Assessment for Automatic Consumer Price Index (CPI) Increase

March 2017

Executive Officer
Wayne Nasti

Deputy Executive Officer
Planning, Rule Development & Area Sources
Philip M. Fine, Ph.D.

Assistant Deputy Executive Officer
Planning, Rule Development & Area Sources
Susan Nakamura

Authors: Anthony Oliver, Ph.D., Air Quality Specialist

Technical Assistance: Shah Dabirian, Ph.D., Program Supervisor
Rezvan Ramezani, Systems & Programming Supervisor

Reviewed By: Jillian Wong, Ph.D., Planning & Rules Manager
Donna Peterson, Financial Services Manager
Kathryn Higgins, Program Supervisor
Elaine Shen, Ph.D., Program Supervisor
Teresa Barrera, Senior Deputy District Counsel

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
GOVERNING BOARD**

Chairman: DR. WILLIAM A. BURKE
Speaker of the Assembly Appointee

Vice Chairman: BEN BENOIT
Mayor Pro Tem, Wildomar
Cities of Riverside County

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County of Riverside

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Mayor, South Pasadena
Cities of Los Angeles County/Eastern Region

JOSEPH K. LYOU, Ph. D.
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Supervisor, Third District
County of Los Angeles

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Cities of San Bernardino County

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Councilmember, Rolling Hills Estates
Cities of Los Angeles County/Western Region

SHAWN NELSON
Supervisor, Fourth District
County of Orange

DR. CLARK E. PARKER, SR.
Senate Rules Committee Appointee

DWIGHT ROBINSON
Councilmember, Lake Forest
Cities of Orange County

JANICE RUTHERFORD
Supervisor, Second District
County of San Bernardino

EXECUTIVE OFFICER:

WAYNE NASTRI

EXECUTIVE SUMMARY

Rule 320 – Automatic Adjustment Based on Consumer Price Index (CPI) for Regulation III Fees requires adjustments of most fee rates in Regulation III by the California CPI annually unless the Governing Board votes to amend the rule to not require the CPI increase or requires a different increase for a given year. The October 29, 2010 SCAQMD Governing Board Resolution requires, by March 15, an assessment of the increase in fee rates based on the previous year’s CPI. A socioeconomic analysis was conducted to assess the impacts of such adjustment.¹ In addition, the analysis provides background information, historical trends of SCAQMD revenues from various fees and sectoral distributions of these fees. A summary of the analysis and findings is presented below.

| | |
|-------------------------------|---|
| Fee Increases | Pursuant to Rule 320, an across-the-board 2.5-percent increase in fee rates (equivalent to the change in the California CPI from December 2015 to December 2016) will occur on July 1, 2017 unless the Governing Board decides to forego the 2.5-percent increase. |
| Affected Facilities | Nearly all the facilities regulated by the SCAQMD would be affected by the proposed fee increases. These facilities belong to every sector of the economy. |
| Approach and Findings | <p>The analysis herein initially examines the impact of the existing Regulation III fees on various industries. The fees examined include emissions fees, permit processing fees, annual permit renewal fees, toxic hot spot fees, source testing fees, and a portion of fees under Rule 2202 – On-Road Motor Vehicle Mitigation Options. The current fee rates together with the most recent equipment and activity profiles of individual facilities were used to generate facility level fee estimates. These estimates were then aggregated to the industry level.</p> <p>The manufacturing sector is the largest contributor to the SCAQMD emission fees (65 percent), permit processing fees (44 percent), and annual permit renewal fees (36 percent). Overall, the costs of complying with the current Regulation III rates are very small relative to the region-wide industry output or value-added (less than 0.01 percent).</p> |
| Impact of Fee Increase | Based on the fee categories examined in the analysis and last year’s activity levels, the across-the-board CPI-based fee rate increase <i>per se</i> is projected to bring additional revenue totaling \$2.03 million to the SCAQMD. The manufacturing sector as a whole would experience the largest increase in fees (approximately \$0.88 million for about 4,000 facilities), followed by the services sector (approximately \$0.38 million for about 11,000 facilities) and the retail trade sector (approximately \$0.26 million for about 4,000 facilities). Within the manufacturing sector, the petroleum and coal products manufacturing industry, mostly comprised of refineries, will experience an increase of approximately \$0.37 million. |

¹ A socioeconomic assessment of the proposed increase in Title V and non-Title V permit-related fees for facilities is included in the Draft Socioeconomic Assessment for Proposed Amended Regulation (PAR) III – Fees.

INTRODUCTION

The SCAQMD General Fund is comprised of revenues from a number of sources. The majority of SCAQMD revenues are derived from emission fees, annual renewal fees, permit processing fees, and a portion of vehicle registration fees collected by the state (mobile sources/clean fuels). Other sources of revenues include Hearing Board fees, source test/analysis fees, transportation program (Rule 2202) fees, reimbursement for work associated with the AB 2588 program (toxic hot spot program), civil penalties/settlements, and other revenues.

Pursuant to Rule 320, an across-the-board 2.5-percent increase in fee rates (equivalent to the change in the California Consumer Price Index (CPI) from December 2015 to December 2016) will occur on July 1, 2017 unless the Governing Board decides to forgo the 2.5-percent increase. For the past five years, the annual increase in fee rates mirroring the CPI were as follows: 2.4% in 2012-2013, 2.0% in 2013-2014, 1.6% in 2014-2015, 1.4% in 2015-2016, and 2.4% in 2016-17.

To examine the impact of a fee rate increase on various industry sectors, this report focuses the analysis on emission fees, permit processing fees, annual permit renewal fees, toxic hot spot fees, source test fees, and a portion of Rule 2202 fees.² Other fees that are also subject to the automatic CPI increase are area source fees and Hearing Board fees; however, they account for a relatively small portion of the total revenue.

REVENUE TREND

Table 1 lists historical revenue for two prior fiscal years³ (FY), estimated revenue for the current FY 2016-2017, and projected revenue for FY 2017-2018, by major fee category. Estimated revenue for FY 2016-2017 is based on actual revenue received through February 2017. FY 2017-2018 projected revenue is based on forecasts received from each office. Emission fees, permit processing fees, and annual permit renewal fees together represented approximately 61 percent of the SCAQMD's estimated total FY 2016-2017 revenues.

Compared to the estimated revenue in FY 2016-2017, a net total revenue increase of \$2.5 million is projected for FY 2017-2018, which reflects both the impact of the across-the-board CPI-based fee rate increase and the forecast changes in activity level. Most revenue categories are increasing with the exception of decreases relating to anticipated workload changes in Hearing Board cases and Transportation Programs; additionally, a projected decrease in one-time transfers from Special Revenue Funds is causing a decrease in the Other Revenue category not subject to CPI.

² Employers that are subject to Rule 2202 can choose among various compliance options, including participation in the Air Quality Investment Program (AQIP). The AQIP program fees consist of a registration fee and an investment fee, the latter of which goes to a special revenue account to obtain necessary emissions reduction or air quality benefits and is not part of the General Fund.

³ A fiscal year runs from July 1 to June 30. For example, FY 2016-2017 refers to the period of July 1, 2016 to June 30, 2017. In comparison, calendar year (CY) 2017 refers to the period of January 1 to December 31, 2017.

Table 1: Actual and Estimated SCAQMD Revenue

| Revenue Category | FY 2014-15 Actual* (Thousands) | FY 2015-16 Actual* (Thousands) | FY 2016- 2017 Estimated** (Thousands) | FY 2017- 2018 Projected (Thousands) | % Change in Fee Rates | Changes in Revenue | |
|---|--------------------------------------|--------------------------------------|--|--|--------------------------------|----------------------------------|-------------|
| | | | | | | (from FY 2016-2017 Estimated) | |
| | | | | | | Thousands | % |
| Emission Fees | \$19,839 | \$18,985 | \$17,549 | \$19,481 | 2.5% | \$1,931 | 11.0% |
| Annual Renewal Fees (w/o PERP) | \$44,700 | \$46,380 | \$48,453 | \$50,306 | 2.5% | \$1,854 | 3.8% |
| Permit Processing Fees | \$16,668 | \$17,240 | \$18,851 | \$19,108 | 2.5% | \$257 | 1.4% |
| Mobile Sources/Clean Fuels | \$20,988 | \$21,968 | \$26,879 | \$27,874 | N/A | \$995 | 3.7% |
| Sources Test & Lab Analysis | \$746 | \$683 | \$719 | \$775 | 2.5% | \$56 | 7.8% |
| Hearing Board Fees | \$532 | \$164 | \$540 | \$308 | 2.5% | -\$232 | -43.0% |
| Transportation Program (Rule 2202) Fees | \$845 | \$892 | \$959 | \$861 | 2.5% | -\$98 | -10.2% |
| Other Revenue*** | \$33,499 | \$28,093 | \$25,690 | \$23,417 | N/A | -\$2,273 | -8.8% |
| Total | \$137,818 | \$134,405 | \$139,640 | \$142,130 | | \$2,491 | 1.8% |

(Note: Numbers may not add up due to rounding.)

* Information as reported in the Comprehensive Annual Financial Reports (FYs 2014-15 & 2015-16).

** Estimates are based on actual revenue received through February 2017.

*** Other Revenues include: CARB Subvention; Federal Grants; Interest; Lease Income; Penalties/Settlements; Subscriptions; AB 2588 Reimbursement; Miscellaneous Revenues; Portable Equipment Registration Program (PERP); Area Sources; and Transfers In (from special revenue funds).

HISTORICAL REVENUE ANALYSIS

The following sub-sections examine the distribution of revenues from various fee categories among key industries. The SCAQMD is required to undertake socioeconomic analyses by Health & Safety Code Sections 40440.8(a) and (b) for proposed rules and rule amendments that *"will significantly affect air quality or emissions limitations."* The proposed CPI-based fee adjustment does not satisfy this criterion, but the analysis herein is presented per October 29, 2010 Special Governing Board Resolution related to Rule 320. It should be noted that this analysis has used the most recent invoiced amounts at the current fee rates to arrive at an estimated picture of the current fee revenue by industry. Thus, the figures below may differ slightly from Table 1 because data sources may reflect different time periods.

Emission Fees

Emission fees accounted for approximately 13 percent of the SCAQMD's estimated total revenue based on actual revenue received through February 2017 (Table 1). In May 2001, an emissions flat fee was introduced for all facilities with at least one operating permit.⁴ The flat fee implemented recommendations by the California State Auditor in 1998, the Revenue Committee established by the Executive Officer in 2000, and the independent consultant for the Fee Structure Study—Thompson, Cobb, Bazilio & Associates (March 1999).

⁴ Excluding equipment in Rule 222—Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation II.

Table 2 shows the estimated revenue collected or to be collected from more than 21,000 facilities for flat emission fees (\$2.6 million, imposed on sources emitting less than the threshold amount of pollutants subject to emission fees) and emissions-based fees (\$15.59 million), the latter of which contributed approximately 86 percent of total emission fees collected.⁵ These emissions include permitted and non-permitted emissions of NO_x, SO_x, VOC, TSP, CO, and specific organic gasses (SPOG) as well as toxic air contaminants⁶ for facilities required to report their actual emissions each year. Also included were clean fuels fees for stationary sources.

The services sector (NAICS 54-81) that is made of almost 7,000 facilities contributed the highest share of the flat emission fee, contributing \$0.86 million or 33 percent of the total amount. It is followed by the retail trade sector (NAICS 44-45), with \$0.44 million paid by about 3,600 facilities. In comparison, emission-based fees were mostly collected from larger-sized businesses located within certain industry sectors. Among the 974 facilities that were subject to emission-based fees, nearly half were manufacturers (NAICS 31-33), and they contributed 73 percent of the total emission-based fees invoiced in 2016. Within this sector, the petroleum and coal industry (NAICS 324) alone contributed \$9.12 million to emissions-based fees, accounting for 80 percent of the sectoral total.

⁵ Emission-based fees were derived from 2016 emissions and the invoiced amount, or the amount a facility should have paid, in Calendar Year 2016 based on the existing Rule 301 fee rates.

⁶ Listed in Table IV of Rule 301.

**Table 2: Estimated Emission Fee Revenue in Millions of Dollars (MMS)
by Industry Sector at Current Fee Rates**

| Industry | NAICS | Flat Fee | | | Emission-based Fees | | | Total | |
|---|----------------|---------------|---------------|---------------|---------------------|---------------|-------------|----------------|---------------|
| | | MMS | % | # of Fac.** | MMS | % | # of Fac.** | MMS | % |
| Agriculture, Forestry, Fishing & Hunting | 111-115 | \$0.01 | 0.41% | 87 | \$0.12 | 0.75% | 37 | \$0.13 | 0.70% |
| Mining | 21 | \$0.03 | 1.18% | 249 | \$0.59 | 3.78% | 91 | \$0.62 | 3.40% |
| Oil and Gas Extraction | 211 | \$0.02 | 0.76% | 161 | \$0.33 | 2.09% | 66 | \$0.35 | 1.90% |
| Mining (except oil and gas) | 212-213 | \$0.01 | 0.42% | 88 | \$0.26 | 1.68% | 25 | \$0.27 | 1.50% |
| Construction | 23 | \$0.09 | 3.53% | 748 | \$0.02 | 0.12% | 11 | \$0.11 | 0.60% |
| Manufacturing | 31-33 | \$0.41 | 15.60% | 3,309 | \$11.34 | 72.71% | 446 | \$11.74 | 64.56% |
| Food Manufacturing | 311 | \$0.02 | 0.90% | 191 | \$0.14 | 0.90% | 37 | \$0.16 | 0.90% |
| Wood Products Manufacturing | 321 | \$0.01 | 0.35% | 74 | \$0.02 | 0.12% | 7 | \$0.03 | 0.15% |
| Petroleum and Coal Products Mfg. | 324 | \$0.01 | 0.39% | 83 | \$9.12 | 58.51% | 39 | \$9.13 | 50.22% |
| Chemical Manufacturing | 325 | \$0.04 | 1.42% | 299 | \$0.21 | 1.36% | 39 | \$0.25 | 1.37% |
| Nonmetallic Mineral Product Mfg. | 327 | \$0.03 | 1.05% | 221 | \$0.34 | 2.20% | 28 | \$0.37 | 2.03% |
| Primary & Fabricated Metal Mfg. | 331-332 | \$0.10 | 3.68% | 781 | \$0.52 | 3.36% | 114 | \$0.62 | 3.41% |
| Machinery Manufacturing | 333 | \$0.02 | 0.84% | 179 | \$0.03 | 0.17% | 9 | \$0.05 | 0.27% |
| Computer and Electronic Product Mfg. | 334 | \$0.03 | 1.17% | 248 | \$0.05 | 0.29% | 20 | \$0.08 | 0.42% |
| Electrical Equipment & Appliance Mfg. | 335 | \$0.01 | 0.56% | 118 | \$0.02 | 0.11% | 10 | \$0.03 | 0.17% |
| Motor Vehicle & Trans. Equipment Mfg. | 336 | \$0.03 | 1.01% | 214 | \$0.12 | 0.75% | 33 | \$0.14 | 0.79% |
| Other Manufacturing | 312-339 | \$0.11 | 4.23% | 901 | \$0.77 | 4.95% | 110 | \$0.88 | 4.84% |
| Utilities | 22 | \$0.11 | 4.32% | 922 | \$1.07 | 6.89% | 96 | \$1.19 | 6.53% |
| Transportation & Warehousing | 48-49 | \$0.07 | 2.52% | 534 | \$0.31 | 2.00% | 30 | \$0.38 | 2.07% |
| Information | 51 | \$0.08 | 2.94% | 624 | \$0.02 | 0.11% | 7 | \$0.09 | 0.51% |
| Publishing Industries, Except Internet | 511 | \$0.00 | 0.13% | 27 | \$0.00 | 0.00% | 1 | \$0.00 | 0.02% |
| Motion Picture & Sound Recording | 512 | \$0.01 | 0.29% | 63 | \$0.02 | 0.11% | 5 | \$0.02 | 0.13% |
| Internet Services and data processing | 518, 519 | \$0.01 | 0.23% | 48 | \$0.00 | 0.00% | 1 | \$0.01 | 0.03% |
| Other Information | Other in 51 | \$0.06 | 2.29% | 486 | \$0.00 | 0.00% | 0 | \$0.06 | 0.33% |
| Wholesale Trade | 42 | \$0.12 | 4.78% | 1,014 | \$0.29 | 1.89% | 44 | \$0.42 | 2.30% |
| Retail Trade | 44-45 | \$0.44 | 16.93% | 3,591 | \$0.08 | 0.50% | 25 | \$0.52 | 2.85% |
| Car & Parts Dealers | 441 | \$0.03 | 1.31% | 279 | \$0.01 | 0.04% | 4 | \$0.04 | 0.22% |
| Gas Stations | 447 | \$0.21 | 7.99% | 1,690 | \$0.06 | 0.40% | 14 | \$0.27 | 1.48% |
| Other Retail Trade | Other in 44-45 | \$0.20 | 7.63% | 1,622 | \$0.01 | 0.06% | 7 | \$0.21 | 1.14% |
| Finance and Insurance | 52 | \$0.04 | 1.40% | 297 | \$0.00 | 0.00% | 1 | \$0.04 | 0.20% |
| Real Estate and Rental Leasing | 53 | \$0.12 | 4.74% | 1,005 | \$0.03 | 0.17% | 5 | \$0.15 | 0.83% |
| Services | 54-81 | \$0.86 | 33.20% | 7,041 | \$1.56 | 9.99% | 155 | \$2.42 | 13.30% |
| Professional and Technical Services | 54 | \$0.07 | 2.65% | 561 | \$0.03 | 0.19% | 16 | \$0.10 | 0.54% |
| Accommodation | 721 | \$0.03 | 0.97% | 208 | \$0.00 | 0.00% | 0 | \$0.03 | 0.14% |
| Food Services & Drinking Places | 722 | \$0.01 | 0.56% | 119 | \$0.00 | 0.02% | 2 | \$0.02 | 0.10% |
| Automotive Repairs & Maintenance | 8111 | \$0.24 | 9.31% | 1,969 | \$0.00 | 0.00% | 2 | \$0.24 | 1.33% |
| Dry Cleaning & Laundry Services | 8123 | \$0.14 | 5.46% | 1,160 | \$0.00 | 0.01% | 5 | \$0.14 | 0.79% |
| Health Care & Social Assistance | 62 | \$0.09 | 3.45% | 734 | \$0.10 | 0.64% | 44 | \$0.19 | 1.04% |
| Other Services | Other in 54-81 | \$0.28 | 10.79% | 2,290 | \$1.42 | 9.13% | 86 | \$1.70 | 9.37% |
| Public Administration | 92 | \$0.18 | 6.85% | 1,447 | \$0.16 | 1.04% | 22 | \$0.34 | 1.86% |
| Unclassified* | N/A | \$0.04 | 1.61% | 344 | \$0.01 | 0.06% | 4 | \$0.05 | 0.28% |
| Totals | | \$2.60 | 100% | 21,212 | \$15.59 | 100% | 974 | \$18.19 | 100% |

* Facilities with no NAICS codes assigned are categorized as "unclassified."

** Almost all facilities paying emission-based fees also pay the flat fee.

Permit Processing Fees and Annual Permit Renewal Fees

Permit processing and annual permit renewal fees by industry are shown in Table 3. Applicants for permits to construct/operate equipment listed in Rule 301 pay a permit processing fee which varies by equipment type and size. Permit fees also include other charges based on additional time and materials billed for SCAQMD staff time (if specified by the applicable rule), and other fees as required (modeling, Title V fees, CEQA analysis fees, etc.) The fee, except for time and material fees, is paid at the beginning of the permit application process. Variances in permit processing fee amounts between Table 3 - Estimated Permit Processing Revenue and Table 1 - Actual Revenues for FY 2015-2016 reflect the fact that application fees are collected at time of application, but are recognized as revenues at the time the majority of permit work is completed.

As Table 3 indicates, an estimated total of \$13.25 million from about 5,000 facilities that applied for permits to construct or operate was invoiced during FY 2015-2016. It should be noted that a facility could apply for multiple permits. As with emission fees, the majority of the permit processing fee revenue came from the manufacturing sector. It contributed \$5.78 million, or 44 percent, of the total revenue in this fee category, followed by the services sector with \$2.77 million (21 percent).

Operating permits must be renewed annually. An annual fee is assessed on the renewed permits to support continuing SCAQMD inspection and compliance activities and other permit related activities. Approximately 27,000 facilities held operating permits as of February 7, 2017. The revenue from these facilities at the current fee rate is estimated to be \$46.31 million (Table 3). The manufacturing sector, with nearly 4,000 facilities, was the largest contributor, paying \$16.81 million or 36 percent of the total annual renewal fee revenue. The sector of retail trade with about 4,000 facilities paid about \$8 million and the service sector with about 10,500 facilities paid about \$9 million, respectively.

Area Source Fees (Architectural Coatings)

Rule 314 – Fees for Architectural Coatings, was adopted on June 6, 2008 requiring manufacturers to pay fees, as well as report sales and emissions of architectural coatings to the SCAQMD. The rule affects about 200 architectural coatings manufacturers. Beginning in 2009 and each subsequent calendar year, Rule 314 requires architectural coatings manufacturers to report to SCAQMD the total annual quantity (in gallons) and emissions of each of their architectural products distributed or sold into or within the SCAQMD for use in the SCAQMD during the previous calendar year. Fees are assessed on the manufacturers' reported annual quantity of architectural coatings as well as the cumulative VOC emissions from the reported annual quantity of coatings. All fees collected from architectural coating sales in FY 2015-2016 pursuant to Rule 314 were about \$2.2 million which is around 1.6 percent of the SCAQMD's total revenue for that FY. These fees are collected from paint manufacturers who are classified under the chemical manufacturing sector (NAICS 325). The \$2.2 million fees collected from architectural coatings represent about 0.01 percent of the chemical manufacturing industry's economic output.⁷

⁷ Please refer to "The Share of Major Revenue Sources by Industry" for more details.

Table 3: Estimated Permit Processing & Annual Permit Renewal Fee Revenue by Industry Sector at Current Fee Rates in Millions of Dollars (\$MM)

| Industry | NAICS | Permit Processing Fees ¹ | | | Annual Permit Renewal Fees ² | | |
|---|----------------|-------------------------------------|---------------|--------------|---|---------------|---------------|
| | | MMS\$ | % | # of Fac. | MMS\$ | % | # of Fac. |
| Agriculture, Forestry, Fishing & Hunting | 111-115 | \$0.03 | 0.23% | 24 | \$0.14 | 0.31% | 118 |
| Mining | 21 | \$0.34 | 2.58% | 41 | \$1.37 | 2.95% | 351 |
| Oil and Gas Extraction | 211 | \$0.21 | 1.55% | 27 | \$0.97 | 2.10% | 243 |
| Mining (except oil and gas) | 212-213 | \$0.14 | 1.02% | 14 | \$0.40 | 0.85% | 108 |
| Construction | 23 | \$0.37 | 2.83% | 237 | \$1.26 | 2.71% | 958 |
| Manufacturing | 31-33 | \$5.78 | 43.61% | 749 | \$16.81 | 36.30% | 3,746 |
| Food Manufacturing | 311 | \$0.37 | 2.81% | 65 | \$1.33 | 2.87% | 225 |
| Wood Products Manufacturing | 321 | \$0.04 | 0.30% | 12 | \$0.09 | 0.19% | 89 |
| Petroleum and Coal Products Mfg. | 324 | \$1.22 | 9.22% | 30 | \$4.25 | 9.17% | 90 |
| Chemical Manufacturing | 325 | \$0.58 | 4.37% | 87 | \$1.81 | 3.91% | 348 |
| Nonmetallic Mineral Product Mfg. | 327 | \$0.30 | 2.26% | 41 | \$1.20 | 2.59% | 238 |
| Primary & Fabricated Metal Mfg. | 331-332 | \$1.21 | 9.17% | 135 | \$3.33 | 7.20% | 860 |
| Machinery Manufacturing | 333 | \$0.21 | 1.55% | 36 | \$0.34 | 0.73% | 200 |
| Computer and Electronic Product Mfg. | 334 | \$0.41 | 3.08% | 65 | \$0.71 | 1.53% | 274 |
| Electrical Equipment & Appliance Mfg. | 335 | \$0.18 | 1.38% | 20 | \$0.45 | 0.96% | 129 |
| Motor Vehicle & Trans. Equipment Mfg. | 336 | \$0.42 | 3.15% | 51 | \$0.89 | 1.93% | 246 |
| Other Manufacturing | 312-339 | \$0.84 | 6.32% | 207 | \$2.42 | 5.22% | 1,047 |
| Utilities | 22 | \$1.00 | 7.54% | 143 | \$1.96 | 4.23% | 947 |
| Transportation & Warehousing | 48-49 | \$0.31 | 2.33% | 107 | \$1.16 | 2.51% | 609 |
| Information | 51 | \$0.18 | 1.37% | 266 | \$0.52 | 1.13% | 814 |
| Publishing Industries, Except Internet | 511 | \$0.01 | 0.06% | 9 | \$0.05 | 0.11% | 35 |
| Motion Picture & Sound Recording | 512 | \$0.06 | 0.45% | 22 | \$0.12 | 0.27% | 74 |
| Internet Services and data processing | 518,519 | \$0.01 | 0.10% | 17 | \$0.05 | 0.11% | 53 |
| Other Information | Other in 51 | \$0.10 | 0.76% | 218 | \$0.30 | 0.64% | 652 |
| Wholesale Trade | 42 | \$0.60 | 4.50% | 208 | \$2.71 | 5.86% | 1,181 |
| Retail Trade | 44-45 | \$0.93 | 7.03% | 930 | \$8.41 | 18.15% | 4,033 |
| Car & Parts Dealers | 441 | \$0.10 | 0.74% | 37 | \$0.22 | 0.48% | 306 |
| Gas Stations | 447 | \$0.35 | 2.65% | 220 | \$5.73 | 12.38% | 1,837 |
| Other Retail Trade | Other in 44-45 | \$0.48 | 3.64% | 673 | \$2.45 | 5.29% | 1,890 |
| Finance and Insurance | 52 | \$0.08 | 0.59% | 86 | \$0.31 | 0.68% | 352 |
| Real Estate and Rental Leasing | 53 | \$0.34 | 2.58% | 244 | \$0.94 | 2.03% | 1,147 |
| Services | 54-81 | \$2.77 | 20.88% | 1,594 | \$9.01 | 19.46% | 10,593 |
| Professional and Technical Services | 54 | \$0.40 | 3.05% | 210 | \$1.11 | 2.39% | 723 |
| Accommodation | 721 | \$0.05 | 0.39% | 48 | \$0.21 | 0.45% | 267 |
| Food Services & Drinking Places | 722 | \$0.09 | 0.65% | 236 | \$0.63 | 1.37% | 2,438 |
| Automotive Repairs & Maintenance | 8111 | \$0.43 | 3.25% | 245 | \$1.61 | 3.48% | 2,279 |
| Dry Cleaning & Laundry Services | 8123 | \$0.10 | 0.78% | 99 | \$0.55 | 1.19% | 1,310 |
| Health Care & Social Assistance | 62 | \$0.28 | 2.08% | 159 | \$1.06 | 2.30% | 807 |
| Other Services | Other in 54-81 | \$1.41 | 10.66% | 597 | \$3.83 | 8.28% | 2,769 |
| Public Administration | 92 | \$0.24 | 1.85% | 184 | \$1.12 | 2.42% | 1,518 |
| Unclassified* | N/A | \$0.28 | 2.09% | 145 | \$0.58 | 1.26% | 460 |
| Totals | | \$13.25 | 100% | 4,958 | \$46.31 | 100% | 26,827 |

¹ Based on permit applications in FY 2015-2016.

² Based on permits held on February 7, 2017.

* Facilities with no NAICS codes assigned are categorized as "unclassified."

Toxic Hot Spots Fees

AB 2588 toxic hot spots fees were calculated based on health risks and priority scores. The most recent invoiced revenue for FY 2015-2016 was approximately \$2.34 million. The services sector's share of this total was 33 percent, followed by manufacturing (19 percent) and retail trade (17 percent).

Source Testing Fees

The revenue from source testing fees is based on the invoiced source test fees during FY 2015-2016. During this period of time, the source test fee revenue from Rules 304 and 304.1 was \$0.49 million. The manufacturing sector accounted for 59 percent of this revenue, followed by services (17 percent).

Rule 2202 Fees

Rule 2202 – On-Road Motor Vehicle Mitigation Options applies to employers with 250 or more employees in the SCAQMD's jurisdiction. It provides employers with three compliance options: (1) the Employee Commute Reduction Program (ECRP); (2) emission reduction strategies (ERS) such as the use of clean fuel vehicles, re-powering of diesel engine marine vessels, and vehicle scrapping; and (3) the Air Quality Investment Program (AQIP). Employers choosing the ECRP option pay a plan review fee to the SCAQMD at the time they file their ECRP Plan. Employers choosing an ERS pay a registration fee. Employers choosing to invest in AQIP pay a registration fee and an investment fee. The investment fee portion goes to a special revenue account which is not part of the General Fund.

The revenue from Rule 2202 fees herein is based on the invoiced Rule 2202 fees during FY 2015-2016. A total of \$0.81 million was collected from Rule 2202 fees for ECRP, ERS, and AQIP. The services sector accounted for approximately 35 percent of the estimated Rule 2202 fee revenue. Unlike most of the other fee categories, only 14 percent of the revenue came from the manufacturing sector.

Share of Major Revenue Sources by Industry

Approximately 62 percent of the SCAQMD's FY 2016-2017 estimated revenue comes from the following major revenue categories: emission fees, permit processing fees, annual permit renewal fees, toxic hot spot fees, source test fees, and a portion of Rule 2202 fees. Table 4 shows the percentage of fees from these categories relative to each industry's total (gross) output and value-added to evaluate them relative to different economic measures of industries in the SCAQMD.⁸ Value-added is a measure of compensation of employees, production taxes less subsidies, and gross operating surplus; thus to a certain degree reflects each industry's profit margin. Collectively, revenue from these fees is estimated to amount to approximately \$81 million, based on invoiced amounts at the current fee rates.

As shown in Table 4, the amount of fees paid by each industry is relatively small compared to that industry's regional output or value-added. This is the case for both industries which are predominantly comprised of small businesses, such as retail trade, and for industries predominately comprised of large businesses, such as refineries.

The petroleum and coal products manufacturing industry (NAICS 324) paid a total of \$14.69 million in various fees, which represented four hundredths of one percent of the sector's output and less than fifth of a percent of the sector's value-added. Other industries that also paid among the highest amount of fees relative to their outputs or value-added were the pipeline transportation industry (NAICS 486), the mining industry (NAICS 212), the nonmetallic mineral product manufacturing industry (NAICS 327), and waste management and remediation services (NAICS 562). Overall, major SCAQMD fee revenue, as a whole, represented less than one-hundredth of one percent of the aggregate industry output or value-added in the four-county region.

Table 4: Share of Major Revenue by Detailed Industry

| Industry Sector | NAICS | MM\$ | % of Total Fees | % of Total Output | % of Total Value-Added |
|---|-----------|--------|-----------------|-------------------|------------------------|
| Farm (Agricultural Products) | 111-112 | \$0.24 | 0.29% | 0.00% | 0.01% |
| Agriculture & Forestry support activities | 115 | \$0.07 | 0.08% | 0.02% | 0.02% |
| Oil & Gas Extraction | 211 | \$1.55 | 1.90% | 0.02% | 0.03% |
| Mining (except oil and gas) | 212 | \$0.63 | 0.77% | 0.06% | 0.09% |
| Support Activities for Mining | 213 | \$0.18 | 0.22% | 0.03% | 0.04% |
| Utilities | 22 | \$4.29 | 5.27% | 0.03% | 0.04% |
| Construction | 23 | \$1.80 | 2.22% | 0.00% | 0.01% |
| Wood Products Mfg. | 321 | \$0.16 | 0.19% | 0.01% | 0.03% |
| Nonmetallic Mineral Product Mfg. | 327 | \$1.88 | 2.31% | 0.05% | 0.12% |
| Primary Metal Mfg. | 331 | \$1.54 | 1.90% | 0.02% | 0.08% |
| Fabricated Metal Product Mfg. | 332 | \$3.87 | 4.76% | 0.02% | 0.04% |
| Machinery Manufacturing | 333 | \$0.63 | 0.77% | 0.01% | 0.01% |
| Computer & Electronic Product Mfg. | 334 | \$1.24 | 1.53% | 0.00% | 0.01% |
| Electrical Equipment & Appliance Mfg. | 335 | \$0.69 | 0.85% | 0.01% | 0.03% |
| Motor Vehicle Mfg. | 3361-3363 | \$0.37 | 0.45% | 0.00% | 0.02% |
| Transport Equip. Mfg. Excl. Motor Veh. | 3364-3369 | \$1.17 | 1.44% | 0.00% | 0.01% |
| Furniture & Related Product Mfg. | 337 | \$0.38 | 0.46% | 0.01% | 0.02% |

⁸ Output and Value-added data for 2014 by detailed industry were compiled by Regional Economic Modeling, Inc. (REMI). They are converted to 2016 dollars based on the GDP price index (available at: <https://www.bea.gov/>).

| | | | | | |
|--|--------------|---------|--------|--------|--------|
| Miscellaneous Mfg. | 339 | \$0.71 | 0.87% | 0.00% | 0.01% |
| Food Mfg. | 311 | \$1.91 | 2.34% | 0.01% | 0.03% |
| Beverage and Tobacco Product Mfg. | 312 | \$0.41 | 0.50% | 0.00% | 0.01% |
| Textile & Textile Product Mills | 313-314 | \$0.41 | 0.50% | 0.01% | 0.04% |
| Apparel, Leather & Allied Product Mfg. | 315-316 | \$0.05 | 0.06% | 0.00% | 0.00% |
| Paper Mfg. | 322 | \$0.40 | 0.49% | 0.01% | 0.02% |
| Printing & Related Support Activities | 323 | \$0.58 | 0.71% | 0.01% | 0.03% |
| Petroleum and Coal Products Mfg. | 324 | \$14.69 | 18.05% | 0.04% | 0.17% |
| Chemical Mfg. | 325 | \$2.69 | 3.30% | 0.01% | 0.02% |
| Plastics and Rubber Products Mfg. | 326 | \$1.40 | 1.72% | 0.01% | 0.04% |
| Wholesale Trade | 42 | \$3.88 | 4.77% | 0.00% | 0.01% |
| Retail Trade | 44-45 | \$10.37 | 12.74% | 0.01% | 0.02% |
| Air Transportation | 481 | \$0.06 | 0.07% | 0.00% | 0.00% |
| Rail Transportation | 482 | \$0.02 | 0.02% | 0.00% | 0.00% |
| Water Transportation | 483 | \$0.02 | 0.02% | 0.00% | 0.00% |
| Truck Transportation | 484 | \$0.13 | 0.16% | 0.00% | 0.00% |
| Couriers & Messengers | 491-492 | \$0.04 | 0.05% | 0.00% | 0.00% |
| Transit & Ground passenger Transportation | 485 | \$0.10 | 0.12% | 0.00% | 0.01% |
| Pipeline Transportation | 486 | \$0.65 | 0.79% | 0.08% | 0.11% |
| Scenic & Sightseeing Transportation | 487-488 | \$0.65 | 0.80% | 0.01% | 0.01% |
| Warehousing & Storage | 493 | \$0.30 | 0.37% | 0.00% | 0.01% |
| Publishing Industries, Except Internet | 511 | \$0.07 | 0.09% | 0.00% | 0.00% |
| Motion Picture & Sound Recording Industries | 512 | \$0.23 | 0.28% | 0.00% | 0.00% |
| Internet Services & Data Processing | 518-519 | \$0.08 | 0.10% | 0.00% | 0.00% |
| Broadcasting, Except Internet | 515 | \$0.12 | 0.14% | 0.00% | 0.00% |
| Telecommunications | 517 | \$0.42 | 0.52% | 0.00% | 0.00% |
| Monetary Authorities | 521-522, 525 | \$0.19 | 0.23% | 0.00% | 0.00% |
| Securities, Commodity Contracts, Investments | 523 | \$0.23 | 0.28% | 0.00% | 0.00% |
| Insurance Carriers & Related Activities | 524 | \$0.10 | 0.12% | 0.00% | 0.00% |
| Real Estate | 531 | \$1.26 | 1.55% | 0.00% | 0.00% |
| Rental & Leasing Services | 532-533 | \$0.29 | 0.36% | 0.00% | 0.00% |
| Professional and Technical Services | 54 | \$1.70 | 2.09% | 0.00% | 0.00% |
| Management of Companies & Enterprises | 55 | \$0.05 | 0.06% | 0.00% | 0.00% |
| Administrative & Support Services | 561 | \$2.27 | 2.79% | 0.00% | 0.01% |
| Waste Management & Remediation Services | 562 | \$2.04 | 2.50% | 0.05% | 0.10% |
| Education Services | 61 | \$1.26 | 1.55% | 0.01% | 0.01% |
| Ambulatory Health Care Services | 621 | \$0.57 | 0.70% | 0.00% | 0.00% |
| Hospitals | 622 | \$0.91 | 1.12% | 0.00% | 0.01% |
| Nursing & Residential Care Facilities | 623 | \$0.15 | 0.19% | 0.00% | 0.00% |
| Social Assistance | 624 | \$0.12 | 0.15% | 0.00% | 0.00% |
| Performing Arts & Spectator Sports | 711 | \$0.08 | 0.10% | 0.00% | 0.00% |
| Museums, Historical Sites, Zoos, and Parks | 712 | \$0.03 | 0.04% | 0.00% | 0.01% |
| Amusement, Gambling, and Recreation | 713 | \$0.42 | 0.52% | 0.00% | 0.01% |
| Accommodation | 721 | \$0.34 | 0.41% | 0.00% | 0.01% |
| Food Services & Drinking Places | 722 | \$0.76 | 0.93% | 0.00% | 0.00% |
| Repair & Maintenance | 811 | \$3.05 | 3.75% | 0.03% | 0.04% |
| Personal & Laundry Services | 812 | \$1.24 | 1.53% | 0.01% | 0.02% |
| Membership Associations and Organizations | 813 | \$0.36 | 0.44% | 0.00% | 0.01% |
| Government | 92 | \$1.94 | 2.39% | 0.00% | 0.00% |
| Unclassified* | N/A | \$0.97 | 1.19% | | |
| Totals | | \$81.40 | 100% | 0.005% | 0.008% |

*Facilities with no NAICS codes assigned are categorized as "unclassified."

REVENUE IMPACTS OF PROPOSED FEE RATE INCREASE BY INDUSTRY

Rule 320 requires annual adjustment of most fee rates in Regulation III by an amount equal to the change in CPI, which is 2.5 percent for the period of December 2015 to December 2016 unless the Board decides in a rulemaking hearing to forgo the CPI increase. Based on the FY 15-16 emissions and current equipment and activity profile of individual facilities, the fee rate increases from the 2.5 percent CPI increase are expected to increase total SCAQMD revenue by approximately \$2.03 million. A socioeconomic assessment of the proposed increase in Title V and non-Title V permit-related fees for facilities is included in the Draft Socioeconomic Assessment for Proposed Amended Regulation (PAR) III – Fees.

Table 5 shows the distribution of these fee changes across the affected industries. It includes the majority subset of the fees subject to the CPI-based rate increase. They include emission fees, permit processing fees, annual permit renewal fees, toxic hot spot fees, source test fees, and a portion of Rule 2202 fees.

The manufacturing sector as a whole would experience the largest increase in fees (approximately \$0.88 million for about 4,000 facilities), followed by the services sector (approximately \$0.38 million for about 11,000 facilities), the retail trade sector (approximately \$0.26 million for about 4,000 facilities), and the remaining sectors accounting for \$0.51 million. Within the manufacturing sector, the petroleum and coal products manufacturing industry, mostly comprised of refineries, will face an increase of around \$0.37 million, or 18 percent of the overall increase.

SUMMARY

The above analysis provides background information on SCAQMD revenue and summarizes the economic impact on facilities regulated by SCAQMD of the automatic consumer price index (Rule 320) increase. Based on the fee categories examined in the analysis and last year's activity levels, SCAQMD revenues are expected to increase by \$2.03 million as a result of this fee rate increase. However, the amount of SCAQMD fees paid by each industry remained small relative to the industry's economic output or value-added (less than 0.01 percent overall).

Table 5
Revenue Impact of the Fee Rate Increase by Industry Sector

| Industry | NAICS | Revenue Change Due to 2.5% CPI Adjustment | Percent of Total CPI Increase |
|---|----------------|---|----------------------------------|
| Agriculture, Forestry, Fishing & Hunting | 111-115 | \$7,611 | 0.37% |
| Mining | 21 | \$58,941 | 2.90% |
| Oil and Gas Extraction | 211 | \$38,723 | 1.90% |
| Mining (except oil and gas) | 212-213 | \$20,218 | 0.99% |
| Construction | 23 | \$45,094 | 2.22% |
| Manufacturing | 31-33 | \$879,439 | 43.22% |
| Food Manufacturing | 311 | \$47,696 | 2.34% |
| Wood Products Manufacturing | 321 | \$3,950 | 0.19% |
| Petroleum and Coal Products Mfg. | 324 | \$367,241 | 18.05% |
| Chemical Manufacturing | 325 | \$67,229 | 3.30% |
| Nonmetallic Mineral Product Mfg. | 327 | \$47,065 | 2.31% |
| Primary & Fabricated Metal Mfg. | 331-332 | \$135,414 | 6.65% |
| Machinery Manufacturing | 333 | \$15,664 | 0.77% |
| Computer and Electronic Product Mfg. | 334 | \$31,107 | 1.53% |
| Electrical Equipment & Appliance Mfg. | 335 | \$17,348 | 0.85% |
| Motor Vehicle & Trans. Equipment Mfg. | 336 | \$38,406 | 1.89% |
| Other Manufacturing | 312-339 | \$108,319 | 5.32% |
| Utilities | 22 | \$107,267 | 5.27% |
| Transportation & Warehousing | 48-49 | \$48,947 | 2.41% |
| Information | 51 | \$23,050 | 1.13% |
| Publishing Industries, Except Internet | 511 | \$1,760 | 0.09% |
| Motion Picture & Sound Recording | 512 | \$5,656 | 0.28% |
| Internet Services and data processing | 518, 519 | \$2,092 | 0.10% |
| Other Information | Other in 51 | \$13,543 | 0.67% |
| Wholesale Trade | 42 | \$96,979 | 4.77% |
| Retail Trade | 44-45 | \$259,324 | 12.74% |
| Car & Parts Dealers | 441 | \$9,979 | 0.49% |
| Gas Stations | 447 | \$164,311 | 8.07% |
| Other Retail Trade | Other in 44-45 | \$85,034 | 4.18% |
| Finance and Insurance | 52 | \$12,944 | 0.64% |
| Real Estate and Rental Leasing | 53 | \$38,722 | 1.90% |
| Services | 54-81 | \$383,687 | 18.86% |
| Professional and Technical Services | 54 | \$42,428 | 2.09% |
| Accommodation | 721 | \$8,397 | 0.41% |
| Food Services & Drinking Places | 722 | \$18,908 | 0.93% |
| Automotive Repairs & Maintenance | 8111 | \$65,682 | 3.23% |
| Dry Cleaning & Laundry Services | 8123 | \$21,965 | 1.08% |
| Health Care & Social Assistance | 62 | \$43,783 | 2.15% |
| Other Services | Other in 54-81 | \$182,525 | 8.97% |
| Public Administration | 92 | \$48,602 | 2.39% |
| Unclassified* | N/A | \$24,268 | 1.19% |
| Totals | | \$2,034,876 | 100% |

*Facilities with no NAICS codes assigned are categorized as "unclassified."

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ATTACHMENT J

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

Final Socioeconomic Assessment for Proposed Amended Regulation III - Fees

June 2017

Executive Officer
Wayne Nastri

Deputy Executive Officer
Planning, Rule Development & Area Sources
Philip M. Fine, Ph.D.

Assistant Deputy Executive Officer
Planning, Rule Development & Area Sources
Susan Nakamura

Authors: Anthony Oliver, Ph.D., Air Quality Specialist

Technical Assistance: Xin Chen, Systems and Programming Supervisor
Henry Pourzand, Air Quality Specialist

Reviewed By: Carol Gomez, Planning & Rules Manager
Jillian Wong, Ph.D., Planning & Rules Manager
Donna Peterson, Financial Services Manager
Kathryn Higgins, Program Supervisor
Elaine Shen, Ph.D., Program Supervisor
Teresa Barrera, Senior Deputy District Counsel

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
GOVERNING BOARD**

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Speaker of the Assembly Appointee

Vice Chairman: BEN BENOIT
Mayor Pro Tem, Wildomar
Cities of Riverside County

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Cities of Los Angeles County/Eastern Region

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DWIGHT ROBINSON
Councilmember, Lake Forest
Cities of Orange County

JANICE RUTHERFORD
Supervisor, Second District
County of San Bernardino

EXECUTIVE OFFICER:

WAYNE NASTRI

EXECUTIVE SUMMARY

A socioeconomic analysis was conducted to assess the potential impacts of the Proposed Amended Regulation III – Fees. This analysis provides background information, historical trends of SCAQMD revenues from various fees, sectoral distributions of these fees, estimated cost impacts of the proposed fee rate increases by industry, and the resultant macroeconomic job impacts. A summary of the analysis and findings is presented below.

| | |
|--|--|
| Proposed Fee Rate Increases | Proposed Amended Regulation III (PAR III) – Fees consists of three components with fee impacts: (1) a proposed 2.5 percent across-the-board fee rate increase pursuant to Rule 320 – Automatic Adjustment Based on Consumer Price Index (CPI) for Regulation III Fees; ¹ (2) Proposed Amended Rules (PARs) 301 and 306 would increase Title V annual operating permit renewal and permit processing fee rates by 16 percent per year over the next two Fiscal Years (FYs); (3) PARs 301, 306, and 309 would increase fee rates for annual operating permit renewal, permit processing, and plans for non-Title V facilities by 4 percent per year over the next two FYs. |
| Affected Facilities | Nearly all the facilities regulated by the SCAQMD would be affected by the proposed fee increases. These facilities belong to every sector of the economy. |
| Historical Revenue Analysis | This analysis examines the impact of the existing Regulation III fees on various industries. The fees examined include emissions fees, permit processing fees, annual permit renewal fees, toxic hot spot fees, source testing fees, and a portion of fees under Rule 2202 – On-Road Motor Vehicle Mitigation Options. The manufacturing sector is the largest contributor to the SCAQMD emission fees (65 percent), permit processing fees (44 percent), and annual permit renewal fees (36 percent). Overall, the costs of complying with the current Regulation III rates are very small relative to the region-wide industry output or value-added (less than 0.01 percent). |
| Estimated Fee Increases by Industry | <p>Based on the fee categories examined in this analysis and last year’s activity levels, the overall PAR III fee increases, which include the 2.5 percent across-the-board CPI-based fee rate increase for FY 17-18, the 16 percent per year permit-related fee rate increases for Title V facilities over the next two FYs, and the 4 percent per year permit-related fee rate increases for non-Title V facilities over the next two FYs, are projected to bring additional revenues totaling \$6.1 million for FY 17-18 and \$10.5 million for FY 18-19.</p> <p>The manufacturing sector is estimated to experience the largest fee increase, with an increase of \$2.8 million in FY 17-18 and \$4.9 million FY 18-19, incurred by about 4,000 permitted facilities. This is followed by the services sector which is estimated to experience an increase in fees by about \$1.0 million in FY 17-18 and \$1.7 million in FY 18-19, incurred by about 11,000 permitted facilities. Within the manufacturing sector, the petroleum and coal products manufacturing industry, mostly comprised of refineries, would experience an</p> |

¹Pursuant to the SCAQMD Governing Board Resolution for Rule 320, a Draft Socioeconomic Assessment of the Automatic CPI Adjustment was made publicly available on March 15, 2017. The report is available online at: <http://www.aqmd.gov/home/about/finance>.

| | |
|---|---|
| | increase in fees by approximately \$1.1 million in FY 17-18 and \$2.0 million in FY 18-19. |
| Projected Job Impacts of the Estimated Fee Increases | A macroeconomic job impact analysis was conducted based on the estimated increases in fees paid by various industry sectors. This analysis projects an average annual increase of 58 jobs in the four-county region over a five-year period (2018-2022). The positive job impact is a net result of projected increases in jobs in local government, professional, scientific, and technical services, and administrative and waste management services, combined with smaller decreases in the manufacturing and retail trade sectors. |

INTRODUCTION

The SCAQMD General Fund is comprised of revenues from a number of sources. The majority of SCAQMD revenues are derived from emission fees, annual renewal fees, permit processing fees, and a portion of vehicle registration fees collected by the state (mobile sources/clean fuels). Other sources of revenues include Hearing Board fees, source test/analysis fees, transportation program (Rule 2202) fees, reimbursement for work associated with the AB 2588 program (toxic hot spot program), civil penalties/settlements, and other revenues.

Various fee schedules are specified in Regulation III – Fees to cover the cost of evaluation, review, planning, inspection, and monitoring related to the issuance of permits. Preparation of the budget has revealed a shortfall in the recovery of these costs. This shortfall was also confirmed with respect to Title V facilities in a recent U.S. EPA Title V Program Evaluation Report (2016), which recommended that SCAQMD take measures to cover program funding deficits. As a result, the proposed amendments would apply a 16 percent per year increase in Title V fees to permit processing and annual permit renewal over the next two fiscal years² (FY). In addition, to partly compensate for a shortfall in non-Title V fees associated with permits, the proposed amendments would apply a 4 percent per year increase in fees to non-Title V permit processing, annual permit renewals, and plan fees over the next two FYs.³ These proposed increases in fee rates would be additional to the automatic adjustment of 2.5 percent by Rule 320, which is based on the California Consumer Price Index (CPI).

To examine the impact of a fee rate increase on various industry sectors, this report focuses the analysis on emission fees, permit processing fees, annual permit renewal fees, toxic hot spot fees, source test fees, and a portion of Rule 2202 fees.⁴ Other fees that are also subject to the fee increase are area source fees and Hearing Board fees; however, they account for a relatively small portion of the total revenue. These estimated increases in fees by industry are used as inputs into the macroeconomic job impact analysis along with the corresponding increase in SCAQMD spending to estimate the impact on jobs in the region.

REVENUE TREND

Table 1 lists historical revenue for two prior fiscal years, estimated revenue for the current FY 2016-2017, and projected revenue for FY 2017-2018, by major fee category. Estimated revenue for FY 2016-2017 is based on actual revenue received through March, 2017. FY 2017-2018 projected revenue is based on forecasts received from each office. Emission fees, permit processing fees, and annual permit renewal fees together represented approximately 62 percent of the SCAQMD's estimated total FY 2016-2017 revenues.

² A fiscal year runs from July 1 to June 30. For example, FY 2016-2017 refers to the period of July 1, 2016 to June 30, 2017. In comparison, calendar year (CY) 2017 refers to the period of January 1 to December 31, 2017.

³Please see the Staff Report for a complete list of amended fees.

⁴Employers that are subject to Rule 2202 can choose among various compliance options, including participation in the Air Quality Investment Program (AQIP). The AQIP program fees consist of a registration fee and an investment fee, the latter of which goes to a special revenue account to obtain necessary emissions reduction or air quality benefits and is not part of the General Fund.

Compared to the estimated revenue in FY 2016-2017, permit processing and annual operating fees would increase by \$0.9 million and \$5.0 million respectively, with the proposed 16 percent Title V permit-related fee rate increase, the 4 percent non-Title V related fee rate increase and the 2.5 percent across-the-board CPI-based increase due to Rule 320.

Table 1: Actual and Estimated SCAQMD Revenue

| Revenue Category | FY 2014-15 Actual (Thousands) | FY 2015-16 Actual (Thousands) | FY 16-17 Estimated (Thousands) | FY 17-18 Projected (Thousands) | % Rule 320 CPI Increase | % Title V Cost Recovery Fee Increase | % Non- Title V Above CPI Increase | Changes in Revenue (from FY 16-17 Estimated) | |
|--|-------------------------------------|-------------------------------------|--------------------------------------|--------------------------------------|-------------------------------------|---|--|--|-------------|
| | | | | | | | | Thousands | % |
| Emission Fees | \$19,839 | \$18,985 | \$19,023 | \$19,481 | 2.5% | N/A | N/A | \$458 | 2.4% |
| Annual Renewal Fees (w/o PERP) | \$44,700 | \$46,380 | \$48,453 | \$53,493 | 2.5% | 16% | 4.0% | \$5,041 | 10.4% |
| Permit Processing Fees | \$16,668 | \$17,240 | \$18,837 | \$19,694 | 2.5% | 16% | 4.0% | \$856 | 4.5% |
| Mobile Sources/Clean Fuels | \$20,988 | \$21,968 | \$26,879 | \$28,199 | N/A | N/A | N/A | \$1,321 | 4.9% |
| Source Test & Lab Analysis | \$746 | \$683 | \$715 | \$775 | 2.5% | N/A | N/A | \$60 | 8.4% |
| Hearing Board Fees | \$532 | \$164 | \$488 | \$308 | 2.5% | N/A | N/A | -\$180 | -37.0% |
| Transportation Program (Rule 2202) Fees | \$845 | \$892 | \$824 | \$861 | 2.5% | N/A | N/A | \$37 | 4.5% |
| Other Revenue | \$33,499 | \$28,093 | \$24,825 | \$24,700 | N/A | N/A | N/A | -\$125 | -0.5% |
| Total | \$137,818 | \$134,405 | \$140,043 | \$147,510 | | | | \$7,468 | 5.3% |

(Note: Numbers may not add up due to rounding.)

* Information as reported in the Comprehensive Annual Financial Reports (FYs 2014-15 & 2015-16).

** Estimates are based on actual revenue received through March 2017.

*** Other Revenues include: CARB Subvention; Federal Grants; Interest; Lease Income; Penalties/Settlements;

Subscriptions; AB 2588 Reimbursement; Miscellaneous Revenues; Portable Equipment Registration Program (PERP); Area Sources; and Transfers In (from special revenue funds).

HISTORICAL REVENUE ANALYSIS

The following sub-sections examine the distribution of revenues from various fee categories among key industries. The SCAQMD is required to undertake socioeconomic analyses by Health & Safety Code Sections 40440.8(a) and (b) for proposed rules and rule amendments that *"will significantly affect air quality or emissions limitations."* The proposed CPI-based fee adjustment does not satisfy this criterion, but the analysis herein is presented per October 29, 2010 Special Governing Board Resolution related to Rule 320. It should be noted that this analysis has used the most recent invoiced amounts at the current fee rates to arrive at an estimated picture of the current fee revenue by industry. Thus, the figures below may differ slightly from Table 1 because data sources may reflect different time periods.

Emission Fees

Emission fees accounted for approximately 14 percent of the SCAQMD's estimated total revenue based on actual revenue received through March 2017 (Table 1). In May 2001, an

emissions flat fee was introduced for all facilities with at least one operating permit.⁵ The flat fee implemented recommendations by the California State Auditor in 1998, the Revenue Committee established by the Executive Officer in 2000, and the independent consultant for the Fee Structure Study—Thompson, Cobb, Bazilio & Associates (March 1999).

Table 2 shows the estimated revenue collected or to be collected from more than 21,000 facilities for flat emission fees (\$2.6 million, imposed on sources emitting less than the threshold amount of pollutants subject to emission fees) and emissions-based fees (\$15.59 million), the latter of which contributed approximately 86 percent of total emission fees collected.⁶ These emissions include permitted and non-permitted emissions of NO_x, SO_x, VOC, TSP, CO, and specific organic gasses (SPOG) as well as toxic air contaminants⁷ for facilities required to report their actual emissions each year. Also included were clean fuels fees for stationary sources.

The services sector (NAICS 54-81) with about 7,000 facilities paying emission-based fees contributed the highest share of the flat emission fee, contributing \$0.86 million or 33 percent of the total amount. It is followed by the retail trade sector (NAICS 44-45), with \$0.44 million paid by about 3,600 facilities. In comparison, emission-based fees were mostly collected from larger-sized businesses located within certain industry sectors. Among the 974 facilities that were subject to emission-based fees, nearly half were manufacturers (NAICS 31-33), and they contributed 73 percent of the total emission-based fees invoiced in 2016. Within this sector, the petroleum and coal industry (NAICS 324) alone contributed \$9.12 million to emissions-based fees, accounting for 80 percent of the sectoral total.

⁵ Excluding equipment in Rule 222—Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation II.

⁶ Differences between the emission-based fees estimates in Table 3 compared to Table 1 result from Table 3 estimates being derived from 2016 emissions and the invoiced amount, or the amount a facility should have paid, in Calendar Year 2016 based on the existing Rule 301 fee rates, compared to the fiscal year approach in Table 1.

⁷ Listed in Table IV of Rule 301.

Permit Processing Fees and Annual Permit Renewal Fees

Permit processing and annual permit renewal fees by industry are shown in Table 3. Applicants for permits to construct/operate equipment listed in Rule 301 pay a permit processing fee which varies by equipment type and size. Permit fees also include other charges based on additional time and materials billed for SCAQMD staff time (if specified by the applicable rule), and other fees as required (modeling, Title V fees, CEQA analysis fees, etc.) The fee, except for time and material fees, is paid at the beginning of the permit application process. Variances in permit processing fee amounts between Table 3 - Estimated Permit Processing Revenue and Table 1 - Actual Revenues for FY 2015-2016 reflect the fact that application fees are collected at time of application, but are recognized as revenues at the time the majority of permit work is completed.

As Table 3 indicates, an estimated total of \$13.25 million from about 5,000 facilities that applied for permits to construct or operate was invoiced during FY 2015-2016. It should be noted that a facility could apply for multiple permits. As with emission fees, the majority of the permit processing fee revenue came from the manufacturing sector. It contributed \$5.78 million, or 44 percent, of the total revenue in this fee category, followed by the services sector with \$2.77 million (21 percent).

Operating permits must be renewed annually. An annual fee is assessed on the renewed permits to support continuing SCAQMD inspection and compliance activities and other permit related activities. Approximately 27,000 facilities held operating permits as of February 7, 2017. The revenue from these facilities at the current fee rate is estimated to be \$46.31 million (Table 3). The manufacturing sector, with nearly 4,000 facilities, was the largest contributor, paying \$16.81 million or 36 percent of the total annual renewal fee revenue, it is followed by the service sector with about 11,000 facilities paid about \$9 million, and the retail trade sector with about 4,000 facilities that paid about \$8 million.

Area Source Fees (Architectural Coatings)

Rule 314 – Fees for Architectural Coatings, was adopted on June 6, 2008 requiring manufacturers to pay fees, as well as report sales and emissions of architectural coatings to the SCAQMD. The rule affects about 200 architectural coatings manufacturers. Beginning in 2009 and each subsequent calendar year, Rule 314 requires architectural coatings manufacturers to report to SCAQMD the total annual quantity (in gallons) and emissions of each of their architectural products distributed or sold into or within the SCAQMD for use in the SCAQMD during the previous calendar year. Fees are assessed on the manufacturers' reported annual quantity of architectural coatings as well as the cumulative VOC emissions from the reported annual quantity of coatings. All fees collected from architectural coating sales in FY 2015-2016 pursuant to Rule 314 were about \$2.2 million which is around 1.6 percent of the SCAQMD's total revenue for that FY. These fees are collected from paint manufacturers who are classified under the chemical manufacturing sector (NAICS 325). The \$2.2 million fees collected from architectural coatings represent about 0.01 percent of the chemical manufacturing industry's economic output (Table 4).

Table 3: Estimated Permit Processing & Annual Permit Renewal Fee Revenue by Industry Sector at Current Fee Rates in Millions of Dollars (FY 15-16)

| Industry | NAICS | Permit Processing Fees ¹ | | | Annual Permit Renewal Fees ² | | |
|---|----------------|-------------------------------------|---------------|--------------|---|---------------|---------------|
| | | MMS\$ | % | # of Fac. | MMS\$ | % | # of Fac. |
| Agriculture, Forestry, Fishing & Hunting | 111-115 | \$0.03 | 0.23% | 24 | \$0.14 | 0.31% | 118 |
| Mining | 21 | \$0.34 | 2.58% | 41 | \$1.37 | 2.95% | 351 |
| Oil and Gas Extraction | 211 | \$0.21 | 1.55% | 27 | \$0.97 | 2.10% | 243 |
| Mining (except oil and gas) | 212-213 | \$0.14 | 1.02% | 14 | \$0.40 | 0.85% | 108 |
| Construction | 23 | \$0.37 | 2.83% | 237 | \$1.26 | 2.71% | 958 |
| Manufacturing | 31-33 | \$5.78 | 43.61% | 749 | \$16.81 | 36.30% | 3,746 |
| Food Manufacturing | 311 | \$0.37 | 2.81% | 65 | \$1.33 | 2.87% | 225 |
| Wood Products Manufacturing | 321 | \$0.04 | 0.30% | 12 | \$0.09 | 0.19% | 89 |
| Petroleum and Coal Products Mfg. | 324 | \$1.22 | 9.22% | 30 | \$4.25 | 9.17% | 90 |
| Chemical Manufacturing | 325 | \$0.58 | 4.37% | 87 | \$1.81 | 3.91% | 348 |
| Nonmetallic Mineral Product Mfg. | 327 | \$0.30 | 2.26% | 41 | \$1.20 | 2.59% | 238 |
| Primary & Fabricated Metal Mfg. | 331-332 | \$1.21 | 9.17% | 135 | \$3.33 | 7.20% | 860 |
| Machinery Manufacturing | 333 | \$0.21 | 1.55% | 36 | \$0.34 | 0.73% | 200 |
| Computer and Electronic Product Mfg. | 334 | \$0.41 | 3.08% | 65 | \$0.71 | 1.53% | 274 |
| Electrical Equipment & Appliance Mfg. | 335 | \$0.18 | 1.38% | 20 | \$0.45 | 0.96% | 129 |
| Motor Vehicle & Trans. Equipment Mfg. | 336 | \$0.42 | 3.15% | 51 | \$0.89 | 1.93% | 246 |
| Other Manufacturing | 312-339 | \$0.84 | 6.32% | 207 | \$2.42 | 5.22% | 1,047 |
| Utilities | 22 | \$1.00 | 7.54% | 143 | \$1.96 | 4.23% | 947 |
| Transportation & Warehousing | 48-49 | \$0.31 | 2.33% | 107 | \$1.16 | 2.51% | 609 |
| Information | 51 | \$0.18 | 1.37% | 266 | \$0.52 | 1.13% | 814 |
| Publishing Industries, Except Internet | 511 | \$0.01 | 0.06% | 9 | \$0.05 | 0.11% | 35 |
| Motion Picture & Sound Recording | 512 | \$0.06 | 0.45% | 22 | \$0.12 | 0.27% | 74 |
| Internet Services and data processing | 518,519 | \$0.01 | 0.10% | 17 | \$0.05 | 0.11% | 53 |
| Other Information | Other in 51 | \$0.10 | 0.76% | 218 | \$0.30 | 0.64% | 652 |
| Wholesale Trade | 42 | \$0.60 | 4.50% | 208 | \$2.71 | 5.86% | 1,181 |
| Retail Trade | 44-45 | \$0.93 | 7.03% | 930 | \$8.41 | 18.15% | 4,033 |
| Car & Parts Dealers | 441 | \$0.10 | 0.74% | 37 | \$0.22 | 0.48% | 306 |
| Gas Stations | 447 | \$0.35 | 2.65% | 220 | \$5.73 | 12.38% | 1,837 |
| Other Retail Trade | Other in 44-45 | \$0.48 | 3.64% | 673 | \$2.45 | 5.29% | 1,890 |
| Finance and Insurance | 52 | \$0.08 | 0.59% | 86 | \$0.31 | 0.68% | 352 |
| Real Estate and Rental Leasing | 53 | \$0.34 | 2.58% | 244 | \$0.94 | 2.03% | 1,147 |
| Services | 54-81 | \$2.77 | 20.88% | 1,594 | \$9.01 | 19.46% | 10,593 |
| Professional and Technical Services | 54 | \$0.40 | 3.05% | 210 | \$1.11 | 2.39% | 723 |
| Accommodation | 721 | \$0.05 | 0.39% | 48 | \$0.21 | 0.45% | 267 |
| Food Services & Drinking Places | 722 | \$0.09 | 0.65% | 236 | \$0.63 | 1.37% | 2,438 |
| Automotive Repairs & Maintenance | 8111 | \$0.43 | 3.25% | 245 | \$1.61 | 3.48% | 2,279 |
| Dry Cleaning & Laundry Services | 8123 | \$0.10 | 0.78% | 99 | \$0.55 | 1.19% | 1,310 |
| Health Care & Social Assistance | 62 | \$0.28 | 2.08% | 159 | \$1.06 | 2.30% | 807 |
| Other Services | Other in 54-81 | \$1.41 | 10.66% | 597 | \$3.83 | 8.28% | 2,769 |
| Public Administration | 92 | \$0.24 | 1.85% | 184 | \$1.12 | 2.42% | 1,518 |
| Unclassified* | N/A | \$0.28 | 2.09% | 145 | \$0.58 | 1.26% | 460 |
| Totals | | \$13.25 | 100% | 4,958 | \$46.31 | 100% | 26,827 |

¹ Based on permit applications in FY 2015-2016.

² Based on permits held on February 7, 2017.

* Facilities with no NAICS codes assigned are categorized as "unclassified."

Toxic Hot Spots Fees

AB 2588 toxic hot spots fees were calculated based on health risks and priority scores. The most recent invoiced revenue for FY 2015-2016 was approximately \$2.34 million. The services sector's share of this total was 33 percent, followed by manufacturing (19 percent) and retail trade (17 percent).

Lab Source Testing Fees

The revenue from source testing fees was based on the invoiced source test fees during FY 2015-2016. During this period of time, the source test fee revenue from Rules 304 and 304.1 was \$0.49 million. The manufacturing sector accounted for 59 percent of this revenue, followed by services (17 percent).

Rule 2202 Fees

Rule 2202 – On-Road Motor Vehicle Mitigation Options applies to employers with 250 or more employees, at a facility, in the SCAQMD's jurisdiction. It provides employers with three compliance options: (1) the Employee Commute Reduction Program (ECRP); (2) emission reduction strategies (ERS) such as the purchase of emission credits, use of clean fuel vehicles, re-powering of diesel engine marine vessels, and vehicle scrapping; and (3) the Air Quality Investment Program (AQIP). Employers choosing the ECRP option pay a plan review fee to the SCAQMD at the time they file their ECRP Plan. Employers choosing an ERS pay a registration fee. Employers choosing to invest in AQIP pay a registration fee and an investment fee. The investment fee portion goes to a special revenue account which is not part of the General Fund.

The revenue from Rule 2202 fees herein was based on the invoiced Rule 2202 fees during FY 2015-2016. A total of \$0.89 million was collected from Rule 2202 fees for ECRP, ERS, and AQIP (Table 1). The services sector accounted for approximately 35 percent of the estimated Rule 2202 fee revenue. Unlike most of the other fee categories, only 14 percent of the revenue came from the manufacturing sector.

Share of Major Revenue Sources by Industry

Approximately 62 percent of the SCAQMD's FY 2016-2017 estimated revenue comes from the following major revenue categories: emission fees, permit processing fees, annual permit renewal fees, toxic hot spot fees, source test fees, and a portion of Rule 2202 fees. Table 4 shows the percentage of fees from these categories relative to each industry's total (gross) output and value-added to evaluate them relative to different economic measures of industries in the SCAQMD.⁸ Value-added is a measure of compensation of employees, production taxes less subsidies, and gross operating surplus; thus to a certain degree reflects each industry's profit margin. Collectively, revenue from these fees is estimated to amount to approximately \$81 million, based on invoiced amounts at the current fee rates.

As shown in Table 4, the amount of fees paid by each industry is relatively small compared to that industry's regional output or value-added. This is the case for industries which are predominantly comprised of small businesses, such as retail trade, and for industries predominately comprised of large businesses, such as refineries.

The petroleum and coal products manufacturing industry (NAICS 324) paid a total of \$14.69 million in various fees, which represented four hundredths of one percent of the sector's output and less than fifth of a percent of the sector's value-added. Other industries that also paid among the highest amount of fees relative to their outputs or value-added were the pipeline transportation industry (NAICS 486), the mining industry (NAICS 212), the nonmetallic mineral product manufacturing industry (NAICS 327), and waste management and remediation services (NAICS 562). Overall, major SCAQMD fee revenue, as a whole, represented less than one-hundredth of one percent of the aggregate industry output or value-added in the four-county region.

Table 4: Share of Major Revenue by Detailed Industry

| Industry Sector | NAICS | MM\$ | % of Total Fees | % of Total Output | % of Total Value-Added |
|---|-----------|--------|-----------------|-------------------|------------------------|
| Farm (Agricultural Products) | 111-112 | \$0.24 | 0.29% | 0.00% | 0.01% |
| Agriculture & Forestry support activities | 115 | \$0.07 | 0.08% | 0.02% | 0.02% |
| Oil & Gas Extraction | 211 | \$1.55 | 1.90% | 0.02% | 0.03% |
| Mining (except oil and gas) | 212 | \$0.63 | 0.77% | 0.06% | 0.09% |
| Support Activities for Mining | 213 | \$0.18 | 0.22% | 0.03% | 0.04% |
| Utilities | 22 | \$4.29 | 5.27% | 0.03% | 0.04% |
| Construction | 23 | \$1.80 | 2.22% | 0.00% | 0.01% |
| Wood Products Mfg. | 321 | \$0.16 | 0.19% | 0.01% | 0.03% |
| Nonmetallic Mineral Product Mfg. | 327 | \$1.88 | 2.31% | 0.05% | 0.12% |
| Primary Metal Mfg. | 331 | \$1.54 | 1.90% | 0.02% | 0.08% |
| Fabricated Metal Product Mfg. | 332 | \$3.87 | 4.76% | 0.02% | 0.04% |
| Machinery Manufacturing | 333 | \$0.63 | 0.77% | 0.01% | 0.01% |
| Computer & Electronic Product Mfg. | 334 | \$1.24 | 1.53% | 0.00% | 0.01% |
| Electrical Equipment & Appliance Mfg. | 335 | \$0.69 | 0.85% | 0.01% | 0.03% |
| Motor Vehicle Mfg. | 3361-3363 | \$0.37 | 0.45% | 0.00% | 0.02% |
| Transport Equip. Mfg. Excl. Motor Veh. | 3364-3369 | \$1.17 | 1.44% | 0.00% | 0.01% |
| Furniture & Related Product Mfg. | 337 | \$0.38 | 0.46% | 0.01% | 0.02% |

⁸ Output and Value-added data for 2014 by detailed industry were compiled by Regional Economic Modeling, Inc. (REMI). They are converted to 2016 dollars based on the GDP price index (available at: <https://www.bea.gov/>).

Table 4: Share of Major Revenue by Detailed Industry (continued)

| Industry Sector | NAICS | MMS\$ | % of Total Fees | % of Total Output | % of Total Value-Added |
|--|--------------|---------|-----------------|-------------------|------------------------|
| Miscellaneous Mfg. | 339 | \$0.71 | 0.87% | 0.00% | 0.01% |
| Food Mfg. | 311 | \$1.91 | 2.34% | 0.01% | 0.03% |
| Beverage and Tobacco Product Mfg. | 312 | \$0.41 | 0.50% | 0.00% | 0.01% |
| Textile & Textile Product Mills | 313-314 | \$0.41 | 0.50% | 0.01% | 0.04% |
| Apparel, Leather & Allied Product Mfg. | 315-316 | \$0.05 | 0.06% | 0.00% | 0.00% |
| Paper Mfg. | 322 | \$0.40 | 0.49% | 0.01% | 0.02% |
| Printing & Related Support Activities | 323 | \$0.58 | 0.71% | 0.01% | 0.03% |
| Petroleum and Coal Products Mfg. | 324 | \$14.69 | 18.05% | 0.04% | 0.17% |
| Chemical Mfg. | 325 | \$2.69 | 3.30% | 0.01% | 0.02% |
| Plastics and Rubber Products Mfg. | 326 | \$1.40 | 1.72% | 0.01% | 0.04% |
| Wholesale Trade | 42 | \$3.88 | 4.77% | 0.00% | 0.01% |
| Retail Trade | 44-45 | \$10.37 | 12.74% | 0.01% | 0.02% |
| Air Transportation | 481 | \$0.06 | 0.07% | 0.00% | 0.00% |
| Rail Transportation | 482 | \$0.02 | 0.02% | 0.00% | 0.00% |
| Water Transportation | 483 | \$0.02 | 0.02% | 0.00% | 0.00% |
| Truck Transportation | 484 | \$0.13 | 0.16% | 0.00% | 0.00% |
| Couriers & Messengers | 491-492 | \$0.04 | 0.05% | 0.00% | 0.00% |
| Transit & Ground passenger Transportation | 485 | \$0.10 | 0.12% | 0.00% | 0.01% |
| Pipeline Transportation | 486 | \$0.65 | 0.79% | 0.08% | 0.11% |
| Scenic & Sightseeing Transportation | 487-488 | \$0.65 | 0.80% | 0.01% | 0.01% |
| Warehousing & Storage | 493 | \$0.30 | 0.37% | 0.00% | 0.01% |
| Publishing Industries, Except Internet | 511 | \$0.07 | 0.09% | 0.00% | 0.00% |
| Motion Picture & Sound Recording Industries | 512 | \$0.23 | 0.28% | 0.00% | 0.00% |
| Internet Services & Data Processing | 518-519 | \$0.08 | 0.10% | 0.00% | 0.00% |
| Broadcasting, Except Internet | 515 | \$0.12 | 0.14% | 0.00% | 0.00% |
| Telecommunications | 517 | \$0.42 | 0.52% | 0.00% | 0.00% |
| Monetary Authorities | 521-522, 525 | \$0.19 | 0.23% | 0.00% | 0.00% |
| Securities, Commodity Contracts, Investments | 523 | \$0.23 | 0.28% | 0.00% | 0.00% |
| Insurance Carriers & Related Activities | 524 | \$0.10 | 0.12% | 0.00% | 0.00% |
| Real Estate | 531 | \$1.26 | 1.55% | 0.00% | 0.00% |
| Rental & Leasing Services | 532-533 | \$0.29 | 0.36% | 0.00% | 0.00% |
| Professional and Technical Services | 54 | \$1.70 | 2.09% | 0.00% | 0.00% |
| Management of Companies & Enterprises | 55 | \$0.05 | 0.06% | 0.00% | 0.00% |
| Administrative & Support Services | 561 | \$2.27 | 2.79% | 0.00% | 0.01% |
| Waste Management & Remediation Services | 562 | \$2.04 | 2.50% | 0.05% | 0.10% |
| Education Services | 61 | \$1.26 | 1.55% | 0.01% | 0.01% |
| Ambulatory Health Care Services | 621 | \$0.57 | 0.70% | 0.00% | 0.00% |
| Hospitals | 622 | \$0.91 | 1.12% | 0.00% | 0.01% |
| Nursing & Residential Care Facilities | 623 | \$0.15 | 0.19% | 0.00% | 0.00% |
| Social Assistance | 624 | \$0.12 | 0.15% | 0.00% | 0.00% |
| Performing Arts & Spectator Sports | 711 | \$0.08 | 0.10% | 0.00% | 0.00% |
| Museums, Historical Sites, Zoos, and Parks | 712 | \$0.03 | 0.04% | 0.00% | 0.01% |
| Amusement, Gambling, and Recreation | 713 | \$0.42 | 0.52% | 0.00% | 0.01% |
| Accommodation | 721 | \$0.34 | 0.41% | 0.00% | 0.01% |
| Food Services & Drinking Places | 722 | \$0.76 | 0.93% | 0.00% | 0.00% |
| Repair & Maintenance | 811 | \$3.05 | 3.75% | 0.03% | 0.04% |
| Personal & Laundry Services | 812 | \$1.24 | 1.53% | 0.01% | 0.02% |
| Membership Associations and Organizations | 813 | \$0.36 | 0.44% | 0.00% | 0.01% |
| Government | 92 | \$1.94 | 2.39% | 0.00% | 0.00% |
| Unclassified* | N/A | \$0.97 | 1.19% | | |
| Totals | | \$81.40 | 100% | 0.005% | 0.008% |

REVENUE IMPACTS OF PROPOSED FEE RATE INCREASES BY INDUSTRY

PAR III – Fees consist of three components with fee impacts: (1) a proposed 2.5 percent across-the-board fee rate increase pursuant to Rule 320 – Automatic Adjustment Based on CPI for Regulation III Fees; (2) PARs 301 and 306 would increase Title V annual operating permit renewal and permit processing fee rates by 16 percent per year over the next two FYs; (3) PARs 301, 306, and 309 fees would increase fee rates for annual operating permit renewals, permit processing, and plans for non-Title V facilities by 4 percent per year over the next two FYs. Based on the 2016 emissions and current equipment and activity profile of individual facilities, these fee rate increases are expected to increase total SCAQMD revenue by approximately \$6.1 million for FY 17-18 and \$10.5 million for FY 18-19 and beyond.⁹

Table 5 shows the distribution of these fee changes across the affected industries. It includes the majority subset of the fees subject to the PAR III fee increases. They include emission fees, permit processing fees, annual permit renewal fees, toxic hot spot fees, source test fees, and a portion of Rule 2202 fees.

The manufacturing sector is estimated to experience the largest increase in fees, with an increase of \$2.8 million in FY 17-18 and \$4.9 million FY 18-19, incurred by about 4,000 permitted facilities. This is followed by the services sector which is estimated to experience an increase in fees by about \$1.0 million in FY 17-18 and \$1.7 million in FY 18-19, incurred by about 11,000 permitted facilities. Within the manufacturing sector, the petroleum and coal products manufacturing industry, mostly comprised of refineries, would experience an increase in fees by approximately \$1.1 million in FY 17-18 and \$2.0 million in FY 18-19.

⁹ Revenue projections for the next two FYs from emission-based fees are based on calendar year 2016 emissions.

Table 5: Revenue Impacts of Proposed Fee Rate Increases by Industry

| Industry | NAICS | FY 17-18 | | FY 18-19 | |
|---|----------------|---|-------------------|--|-------------------|
| | | Revenue Change Due to CPI and PAR III Fee Increases | Share of Increase | Revenue Change Due to PAR III Fee Increases* | Share of Increase |
| Agriculture, Forestry, Fishing & Hunting | 111-115 | \$14,859 | 0.2% | \$22,154 | 0.2% |
| Mining | 21 | \$139,008 | 2.3% | \$224,064 | 2.1% |
| Oil and Gas Extraction | 211 | \$91,947 | 1.5% | \$148,272 | 1.4% |
| Mining (except oil and gas) | 212-213 | \$47,061 | 0.8% | \$75,792 | 0.7% |
| Construction | 23 | \$115,713 | 1.9% | \$185,540 | 1.8% |
| Manufacturing | 31-33 | \$2,796,371 | 45.9% | \$4,930,315 | 46.9% |
| Food Manufacturing | 311 | \$156,259 | 2.6% | \$276,542 | 2.6% |
| Wood Products Manufacturing | 321 | \$10,768 | 0.2% | \$18,488 | 0.2% |
| Petroleum and Coal Products Mfg. | 324 | \$1,137,008 | 18.6% | \$2,033,638 | 19.4% |
| Chemical Manufacturing | 325 | \$224,070 | 3.7% | \$371,455 | 3.5% |
| Nonmetallic Mineral Product Mfg. | 327 | \$163,427 | 2.7% | \$292,455 | 2.8% |
| Primary & Fabricated Metal Mfg. | 331-332 | \$446,896 | 7.3% | \$791,437 | 7.5% |
| Machinery Manufacturing | 333 | \$47,139 | 0.8% | \$81,489 | 0.8% |
| Computer and Electronic Product Mfg. | 334 | \$88,254 | 1.4% | \$146,958 | 1.4% |
| Electrical Equipment & Appliance Mfg. | 335 | \$45,325 | 0.7% | \$74,469 | 0.7% |
| Motor Vehicle & Trans. Equipment Mfg. | 336 | \$159,496 | 2.6% | \$295,927 | 2.8% |
| Other Manufacturing | 312-339 | \$317,728 | 5.2% | \$547,456 | 5.2% |
| Utilities | 22 | \$449,269 | 7.4% | \$841,919 | 8.0% |
| Transportation & Warehousing | 48-49 | \$203,697 | 3.3% | \$381,364 | 3.6% |
| Information | 51 | \$59,729 | 1.0% | \$98,300 | 0.9% |
| Publishing Industries, Except Internet | 511 | \$5,680 | 0.1% | \$9,889 | 0.1% |
| Motion Picture & Sound Recording | 512 | \$18,336 | 0.3% | \$32,537 | 0.3% |
| Internet Services and data processing | 518,519 | \$4,689 | 0.1% | \$7,390 | 0.1% |
| Other Information | Other in 51 | \$31,024 | 0.5% | \$48,483 | 0.5% |
| Wholesale Trade | 42 | \$308,153 | 5.1% | \$534,289 | 5.1% |
| Retail Trade | 44-45 | \$642,019 | 10.5% | \$1,037,493 | 9.9% |
| Car & Parts Dealers | 441 | \$23,212 | 0.4% | \$36,854 | 0.4% |
| Gas Stations | 447 | \$402,379 | 6.6% | \$659,771 | 6.3% |
| Other Retail Trade | Other in 44-45 | \$216,428 | 3.5% | \$340,868 | 3.2% |
| Finance and Insurance | 52 | \$29,164 | 0.5% | \$45,680 | 0.4% |
| Real Estate and Rental Leasing | 53 | \$98,222 | 1.6% | \$160,450 | 1.5% |
| Services | 54-81 | \$1,040,461 | 17.1% | \$1,720,820 | 16.4% |
| Professional and Technical Services | 54 | \$117,298 | 1.9% | \$181,212 | 1.7% |
| Accommodation | 721 | \$19,231 | 0.3% | \$30,286 | 0.3% |
| Food Services & Drinking Places | 722 | \$47,407 | 0.8% | \$77,317 | 0.7% |
| Automotive Repairs & Maintenance | 8111 | \$151,987 | 2.5% | \$239,552 | 2.3% |
| Dry Cleaning & Laundry Services | 8123 | \$49,293 | 0.8% | \$77,123 | 0.7% |
| Health Care & Social Assistance | 62 | \$135,577 | 2.2% | \$232,534 | 2.2% |
| Other Services | Other in 54-81 | \$519,668 | 8.5% | \$882,796 | 8.4% |
| Public Administration | 92 | \$118,691 | 1.9% | \$193,840 | 1.8% |
| Unclassified** | N/A | \$81,629 | 1.3% | \$131,006 | 1.2% |
| Totals | | \$6,096,986 | 100% | \$10,507,232 | 100% |

*Estimated without automatic 2017 CPI increase, which is not yet known.

**Facilities with no NAICS codes assigned are categorized as "unclassified."

MACROECONOMIC IMPACTS ON THE REGIONAL ECONOMY

The REMI model (PI+ v2.0.3) was used to assess the total socioeconomic impacts of PAR III fee increases and the corresponding SCAQMD revenue increase. It links the economic activities in the counties of Los Angeles, Orange, Riverside, and San Bernardino, and for each county, it is comprised of five interrelated blocks: (1) output and demand, (2) labor and capital, (3) population and labor force, (4) wages, prices and costs, and (5) market shares.¹⁰

The assessment herein was performed relative to a baseline scenario where PAR III fee increases, including Rule 320, would not be implemented. PAR III would create a policy scenario under which the affected facilities would incur additional annual costs of \$6.1 million for FY 17-18 and \$10.5 million for FY 18-19 and following years (Table 5). As the permitting fee increases above CPI are recommended for cost recovery purposes, the baseline scenario represents a situation where SCAQMD is not able to fully cover its costs and is in a deficit situation. For purposes of the macroeconomic impact analysis, the estimated fee increase was converted from FY to calendar year and was analyzed for a 5-year period from 2018 to 2022, where the full amount of the fee increase is realized by 2019 and is held constant for the following three years of the analysis horizon.

The impact of the proposed fee rate increases was simulated with the REMI model using estimates of the fee increase, along with the corresponding increase in SCAQMD revenue. The estimated increase in fees by industry (Table 5) were input into the REMI model as an increase in production cost for the affected industries, by county.¹¹ The distribution of the fee increase by county was estimated based on facility location, indicating that Los Angeles County would incur 66 percent of the estimated total fee increase, Orange County would incur 16 percent, Riverside County would incur 12 percent, and San Bernardino County would incur 5 percent. The resulting increase in SCAQMD revenue was input in the REMI model as an increase in local government spending, distributed by the proportion of population in each of the four counties.¹² This modeling approach assumes a balanced government budget, where an increase in revenue, relative to the baseline scenario, must be equivalent to an increase in government spending.¹³

¹⁰ Within each county, producers are made up of 66 private non-farm industries, three government sectors, and a farm sector. Trade flows are captured between sectors as well as across the four counties and the rest of U.S. Market shares of industries are dependent upon their product prices, access to production inputs, and local infrastructure. The demographic/migration component has 160 age/gender/race/ethnicity cohorts and captures population changes in births, deaths, and migration. (For details, please refer to REMI online documentation at <http://www.remi.com/products/pi>.)

¹¹ The real (adjusted for inflation) dollar cost of the fee increase is input into REMI, thereby assuming implementation of Rule 320 - Automatic CPI Adjustment of Fees in all future years of the analysis.

¹² Instead of using the default “local government spending” policy variable in REMI, staff elected to use a “custom local government spending” policy variable that it considers to more accurately reflect the SCAQMD spending portfolio. This custom policy variable has a lower proportion of local government spending going into the construction industry and proportionately allocates the difference to local government and professional services sectors. The simulation using this custom policy variable results in a prediction of a lower net job gain than would have been found with the default policy variable.

¹³ This increase in revenue and equivalent increase in spending is relative to the baseline scenario, where SCAQMD is not fully recovering cost and is in a deficit situation.

Based on these inputs into the REMI model, the macroeconomic impacts of the estimated fee increases on the regional economy was simulated. The total effect on jobs consists of the effect on the directly affected sectors combined with the indirect and induced effects, which result as increased industry costs and government spending cascade through the regional economy. The overall PAR III fee increases are projected to lead to a net gain of 58 jobs on average per year above the baseline scenario job forecast from 2018 to 2022 (Table 6). As the baseline scenario represents a deficit situation for SCAQMD, direct job gain estimates are relative to that, therefore they can more precisely be described as a combination of prevented job losses and job gains. The net gain of jobs is a result of a gain in jobs from increased SCAQMD spending and foregone jobs in the industries most affected by the proposed fee increases. The foregone jobs are most concentrated in the manufacturing and retail trade sector, with each foregoing about 8 jobs per year, followed by the construction and other services sectors, with each foregoing about 4 jobs per year. These jobs foregone either occur in industries most significantly affected by the fee increase (Table 5) or industries which are significant intermediate suppliers to the affected industries, such as construction. The jobs gained from the increase in SCAQMD spending are most highly concentrated in the local government sector, which includes SCAQMD and all other local government agencies in the region, along with small gains in industries servicing the local government sector, such as professional, scientific, and technical services and administrative and waste management services.

The gain in jobs refers to a change from the baseline scenario without PAR III fee increases, in which case SCAQMD would have an estimated \$10.5 million less per year in revenue going forward from FY 18-19. As this revenue is required to recover costs, without it SCAQMD could be in a deficit situation that is not sustainable and could potentially result in staffing reductions and program cuts, including delaying progress on the permit backlog reduction plan. This potential employment impact pertinent to SCAQMD is not specifically considered in this job impact analysis due to modeling constraints.¹⁴ These changes in jobs however, are very small relative to the size of the regional economy (10.7 million payroll and self-employment jobs), representing a change of about 0.001 percent.

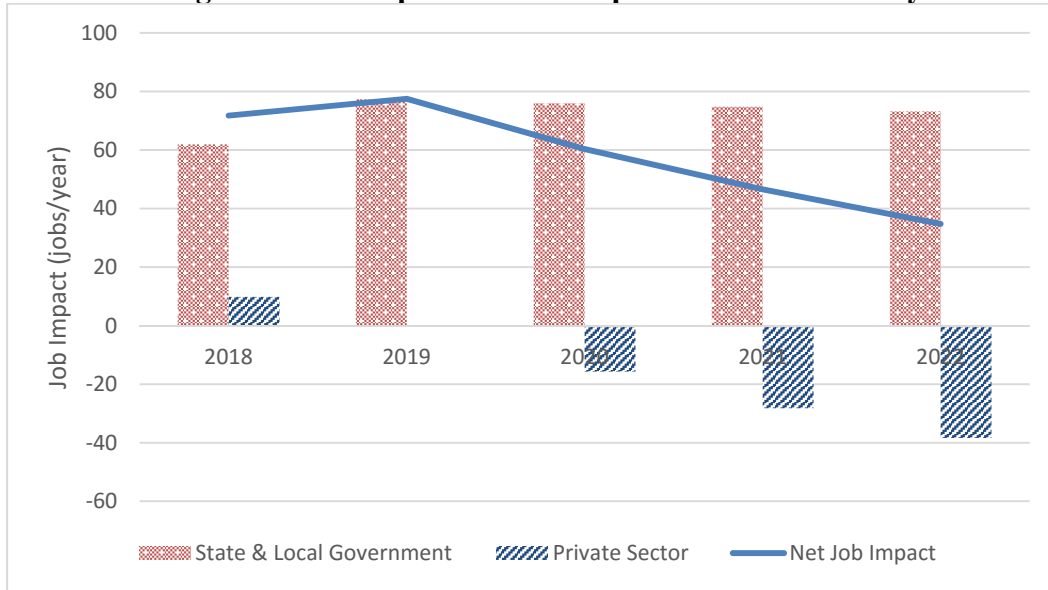
¹⁴ As common in economic modelling, each economic sector is represented by the average behavior of all entities belonging to that sector. Therefore the REMI model's representation of an average local government agency will not precisely predict any specific staffing changes, timing of changes, nor specific labor costs of SCAQMD.

Table 6: Projected Job Impacts of Proposed Fee Rate Increases by Sector

| Sector | NAICS | Change in Jobs | | Average Annual (2018-2022) | | |
|--|-------|----------------|------|----------------------------|---------------|----------|
| | | 2018 | 2022 | Change in Jobs | Baseline Jobs | % Change |
| Agriculture, Forestry, and Related Activities | 11 | 0 | 0 | 0 | 28,825 | 0.000% |
| Mining, Oil and Gas Extraction | 21 | 0 | -2 | -1 | 28,873 | -0.004% |
| Utilities | 22 | 0 | -1 | 0 | 20,552 | -0.002% |
| Construction | 23 | 0 | -7 | -4 | 478,583 | -0.001% |
| Manufacturing | 33 | -3 | -11 | -8 | 654,698 | -0.001% |
| Wholesale Trade | 42 | 0 | -2 | -1 | 475,052 | 0.000% |
| Retail Trade | 44-45 | -4 | -10 | -8 | 990,988 | -0.001% |
| Transportation and Warehousing | 48-49 | 0 | -2 | -1 | 384,822 | 0.000% |
| Information | 51 | 0 | -1 | 0 | 318,458 | 0.000% |
| Finance and Insurance | 52 | 3 | 1 | 2 | 484,433 | 0.000% |
| Real Estate and Rental and Leasing | 53 | 1 | 0 | 0 | 622,196 | 0.000% |
| Professional, Scientific, and Technical Services | 54 | 6 | 3 | 5 | 872,981 | 0.001% |
| Management of Companies and Enterprises | 55 | 0 | -1 | -1 | 113,974 | -0.001% |
| Administrative and Waste Mgmt. Services | 56 | 4 | 1 | 3 | 797,501 | 0.000% |
| Educational Services | 61 | 0 | -1 | 0 | 237,779 | 0.000% |
| Health Care and Social Assistance | 62 | 4 | 1 | 3 | 1,316,549 | 0.000% |
| Arts, Entertainment, and Recreation | 71 | 0 | -1 | 0 | 335,725 | 0.000% |
| Accommodation and Food Services | 72 | 1 | -1 | 0 | 835,607 | 0.000% |
| Other Services, except Public Administration | 81 | -1 | -4 | -3 | 712,412 | 0.000% |
| State and Local Government | 92 | 62 | 73 | 73 | 1,028,791 | 0.007% |
| Total | | 72 | 35 | 58 | 10,738,798 | 0.001% |

Figure 1 illustrates the net change in jobs over the 2018-2022 time period. The first year impact of about 72 job gains increases to about 77 jobs in the second year due to the increased spending from the full second-year phase in of the fee increases. Following 2019 the net job gains diminish, as jobs foregone in the affected industries increase and local government job gains slightly decrease. The decreasing trend of net positive job impacts continues past 2022, but still remains positive 10 years after implementation of PAR III fee increases.

Figure 1: Job Impacts of the Proposed Fee Increases by Year



SUMMARY

The above analysis provides background information on SCAQMD revenue and analyzes the socioeconomic impact of the overall PAR III fee increases. The historical revenue analysis shows that the amount of existing SCAQMD fees paid by each industry is small relative to the industry's economic output (less than 0.01 percent overall). Based on the fee categories examined in the analysis and last year’s activity levels, SCAQMD revenues are expected to increase by \$6.1 million in FY 17-18 and \$10.5 million in FY 18-19 as a result of these PAR III fee increases. The manufacturing sector is estimated to incur the greatest increases in fees, followed by the services sector. Based on the estimated fee increases by industry and the corresponding increases in SCAQMD revenue, the macroeconomic job impact of the estimated fee increase was simulated. The job impact analysis projects a net gain in jobs over the 2018-2022 period relative to the baseline scenario, resulting primarily from prevented job losses and job gains in local government and jobs foregone in manufacturing and retail trade sectors. Ultimately, the projected job impact is very small relative to the regional economy, representing a change of about 0.001 percent.

REFERENCES

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ATTACHMENT K



South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 • www.aqmd.gov

SUBJECT: NOTICE OF EXEMPTION FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

PROJECT TITLE: PROPOSED AMENDED REGULATION III – FEES

Pursuant to the California Environmental Quality Act (CEQA) Guidelines, the South Coast Air Quality Management District (SCAQMD) is the Lead Agency and has prepared a Notice of Exemption for the project identified above.

The proposed project is amending Regulation III – Fees (Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315). SCAQMD staff has reviewed the proposed project, pursuant to CEQA Guidelines § 15002(k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA and CEQA Guidelines § 15061 – Review for Exemption, procedures for determining if a project is exempt from CEQA. With respect to the proposed amendments to Rules 301, 306, 308 and 314 which are identified as being strictly administrative in nature, it can be seen with certainty that there is no possibility that the proposed project may have a significant adverse effect on the environment. Thus, the project is considered to be exempt from CEQA pursuant to CEQA Guidelines § 15061(b)(3) – Activities Covered by General Rule. Additionally, the proposed amendments to Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315 reflect increases in fees, and the administrative amendments to Rules 301, 306, 308, and 314 also involve fees charged by the District, such that all of the amendments are statutorily exempt from CEQA requirements pursuant to CEQA Guidelines § 15273 – Rates, Tolls, Fares, and Charges, because the proposed amendments involve charges by a public agency for the purpose of meeting operating expenses, purchasing supplies, equipment and materials, and meeting financial reserve requirements. A Notice of Exemption has been prepared pursuant to CEQA Guidelines § 15062 – Notice of Exemption. If the project is approved, the Notice of Exemption will be filed with the county clerks of Los Angeles, Orange, Riverside and San Bernardino counties.

Any questions regarding this Notice of Exemption should be sent to Barbara Radlein (c/o Planning, Rule Development and Area Sources) at the above address. Ms. Radlein can also be reached at (909) 396-2716. Ms. Donna Peterson is also available at (909) 396-2310 to answer any questions regarding the proposed amended regulation.

Date: May 3, 2017

Signature:

A handwritten signature in black ink, appearing to read "Barbara Radlein".

Barbara Radlein
Program Supervisor, CEQA Section
Planning, Rules, and Area Sources

Reference: California Code of Regulations, Title 14

NOTICE OF EXEMPTION

| | |
|--|---|
| To: County Clerks Counties of Los Angeles, Orange, Riverside and San Bernardino | From: South Coast Air Quality Management District 21865 Copley Drive Diamond Bar, CA 91765 |
|--|---|

Project Title: Proposed Amended Regulation III – Fees

Project Location: The SCAQMD has jurisdiction over the four-county South Coast Air Basin (all of Orange County and the non-desert portions of Los Angeles, Riverside and San Bernardino counties), and the Riverside County portions of the Salton Sea Air Basin (SSAB) and Mojave Desert Air Basin (MDAB). The SCAQMD’s jurisdiction includes the federal nonattainment area known as the Coachella Valley Planning Area, which is a sub-region of Riverside County and the SSAB.

Description of Nature, Purpose, and Beneficiaries of Project: Amendments to Regulation III rules consist of four proposed components. First, pursuant to Rule 320 – Automatic Adjustment Based on Consumer Price Index for Regulation III - Fees, staff is proposing to update most fees in Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315 on July 1, 2017 corresponding to the increase in the Calendar Year 2016 California Consumer Price Index (CPI) of 2.5 percent. Second, staff is proposing to amend Rules 301 and 306 to increase Title V Annual Operating Permit Renewal and Permit Processing Fees by an additional increment of 16 percent above the CPI for each of the next two fiscal years (FYs) in response to the U.S. EPA Title V Operating Permit Program Evaluation Report recommendation to more fully recover Title V program costs. Third, staff is proposing to amend Rules 301, 306, and 309 to increase Annual Operating Permit Renewal, Permit Processing and Plan Fees for non-Title V facilities by a further additional increment of four percent above the CPI for each of the next two FYs in order to better align program costs with revenues. Fourth, staff is proposing various administrative amendments with no fee impacts to Rules 301, 306, 308, and 314.

| | |
|--|--|
| Public Agency Approving Project: South Coast Air Quality Management District | Agency Carrying Out Project: South Coast Air Quality Management District |
|--|--|

Exempt Status:
CEQA Guidelines § 15002(k) - General Concepts (Three Step Process)
CEQA Guidelines § 15061(b)(3) – Activities Covered by General Rule
CEQA Guidelines § 15273 – Rates, Tolls, Fares, and Charges

Reasons why project is exempt: SCAQMD staff has reviewed the proposed project, pursuant to CEQA Guidelines § 15002(k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA and CEQA Guidelines § 15061 – Review for Exemption, procedures for determining if a project is exempt from CEQA. With respect to the proposed amendments to Rules 301, 306, 308 and 314 which are identified as being strictly administrative in nature, it can be seen with certainty that there is no possibility that the proposed project may have a significant adverse effect on the environment. Thus, the project is considered to be exempt from CEQA pursuant to CEQA Guidelines § 15061(b)(3) – Activities Covered by General Rule. Additionally, the proposed amendments to Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315 reflect increases in fees, and the administrative amendments to Rules 301, 306, 308, and 314 also involve fees charged by the District, such that all of the amendments are statutorily exempt from CEQA requirements pursuant to CEQA Guidelines § 15273 – Rates, Tolls, Fares, and Charges, because the proposed amendments involve charges by a public agency for the purpose of meeting operating expenses, purchasing supplies, equipment and materials, and meeting financial reserve requirements. A Notice of Exemption has been prepared pursuant to CEQA Guidelines § 15062 – Notice of Exemption. If the project is approved, the Notice of Exemption will be filed with the county clerks of Los Angeles, Orange, Riverside and San Bernardino counties.

Date When Project Will Be Considered for Approval (subject to change):
SCAQMD Governing Board Hearing: June 2, 2017; SCAQMD Headquarters

| | | | |
|--|--|---|-------------------------------|
| CEQA Contact Person: Ms. Barbara Radlein | Phone Number: (909) 396-2716 | Email: bradlein@aqmd.gov | Fax: (909) 396-3982 |
|--|--|---|-------------------------------|

| | | | |
|---|--|---|-------------------------------|
| Regulation Contact Person: Ms. Donna Peterson | Phone Number: (909) 396-2310 | Email: dpeterson@aqmd.gov | Fax: (909) 396-2765 |
|---|--|---|-------------------------------|

Date Received for Filing: _____ **Signature:** _____ *(Signed Upon Board Approval)*
Barbara Radlein
Program Supervisor, CEQA Section
Planning, Rule Development & Area Sources

DRAFT

Item 9

BOARD MEETING DATE: June 2, 2017

AGENDA NO.

PROPOSAL: Report of RFQs Scheduled for Release in June

SYNOPSIS: This report summarizes the RFQs for budgeted services over \$75,000 scheduled to be released for advertisement for the month of June.

COMMITTEE: Administrative, May 12, 2017; Recommended for Approval

RECOMMENDED ACTION:

Approve the release of RFQs for the month of June.

Wayne Natri
Executive Officer

MBO:lg

Background

At its January 8, 2010 meeting, the Board approved a revised Procurement Policy and Procedure. Under the revised policy, RFQs for budgeted items over \$75,000, which follow the Procurement Policy and Procedure, no longer require individual Board approval. However, a monthly report of all RFQs over \$75,000 is included as part of the Board agenda package and the Board may, if desired, take individual action on any item. The report provides the title and synopsis of the RFQ, the budgeted funds available, and the name of the Deputy Executive Officer/Asst. Deputy Executive Officer responsible for that item. Further detail including closing dates, contact information, and detailed proposal criteria will be available online at <http://www.aqmd.gov/grants-bids> following Board approval on June 2, 2017.

Outreach

In accordance with SCAQMD's Procurement Policy and Procedure, a public notice advertising the RFPs and inviting bids will be published in the Los Angeles Times, the Orange County Register, the San Bernardino Sun, and Riverside County's Press Enterprise newspapers to leverage the most cost-effective method of outreach to the South Coast Basin.

Additionally, potential bidders may be notified utilizing SCAQMD's own electronic listing of certified minority vendors. Notice of the RFQs will be emailed to the Black and Latino Legislative Caucuses and various minority chambers of commerce and business associations, and placed on the Internet at SCAQMD's website (<http://www.aqmd.gov>) where it can be viewed by making the selection "Grants & Bids."

Proposal Evaluation

Proposals received will be evaluated by applicable diverse panels of technically-qualified individuals familiar with the subject matter of the project or equipment and may include outside public sector or academic community expertise.

Attachment

Report of RFQs Scheduled for Release on June 2, 2017

**June 2, 2017 Board Meeting
Report on RFQs Scheduled for Release on June 2, 2017**

(For detailed information visit SCAQMD's website at
<http://www.aqmd.gov/grants-bids> following Board approval on June 2, 2017)

RESEARCH AND DEVELOPMENT OR SPECIAL TECHNICAL EXPERTISE

RFQ #Q2017-12 Issue RFQ to Purchase Compressed U.S. EPA Protocol Calibration Gases, Ultrapure Air, and Other Specialty Gases for the SCAQMD Laboratory Miyasato/3249

SCAQMD expects to spend approximately \$75,000 to purchase compressed U.S. EPA protocol calibration gases, ultrapure air, and other gases needed in support of Federal air monitoring programs in stations for calibration, auditing, and to assess data quality. This action is to issue an RFQ to purchase U.S. EPA protocol calibration gases, ultrapure air, and other specialty gases needed in support of ambient monitoring programs in FY 2017-18. Funding for this purchase has been requested in the FY 2017-18 Budget.

RFQ #Q2017-13 Issue RFQ to Purchase Compressed Gases and Cryogenic Liquids for the SCAQMD Laboratory Miyasato/3249

The SCAQMD laboratory expects to spend approximately \$200,000 in FY 2017-18 for the purchase of compressed gases and cryogenic liquids. These gases are used as part of a wide variety of analytical and monitoring needs; most commonly compressed gases are used as carrier and purging agents, and cryogenic liquids to concentrate samples for gas chromatographic analysis related to various U.S. EPA programs, environmental justice assessments, compliance, special studies and other network monitoring. This action is to issue an RFQ to purchase compressed gases and cryogenic liquids in fiscal year 2017-2018. Funding for this purchase has been requested in the FY 2017-18 Budget.

DRAFT

Item 10

BOARD MEETING DATE: June 2, 2017

AGENDA NO.

PROPOSAL: Transfer and Appropriate Funding, Execute Contract, Authorize Release of RFQ and Issue Purchase Orders

SYNOPSIS: Field monitoring of PM and gravimetric analysis of PM samples continues to be an important part of ongoing efforts to better characterize air quality in the South Coast Basin. The effectiveness and efficiency of such monitoring and analysis efforts can be enhanced by upgrading existing laboratory facilities and investing in new and updated field platforms and equipment that would allow for more reliable instrument performance, rapid response and reporting. Consequently, this action is to upgrade the laboratory PM weighing room and purchase two state-of-the-art continuous Federal Equivalent Method monitors and two mobile air monitoring platforms. This action is to also transfer and appropriate up to \$323,500 into Science & Technology Advancement's FY 2016-17 and/or 2017-18 Budgets for the weighing room upgrade and equipment purchases and to transfer up to \$230,000 between Major Objects within Science & Technology Advancement's FY 2016-17 Budget to realign expenditures for the FY 2016-17 Enhanced Particulate Monitoring Program.

COMMITTEE: Administrative, May 12, 2017; Recommended for Approval

RECOMMENDED ACTIONS:

1. Transfer and appropriate up to \$323,500 into Science & Technology Advancement's FY 2016-17 and/or 2017-18 Budgets, Capital Outlays Major Object, from the U.S. EPA Section 103 Grant, AES Settlement Projects Fund (35), Supplemental CARB Subvention funds, BP ARCO Settlement Projects Fund (46) and Air Toxics Fund (15), as indicated in Table 1.
2. Authorize the Executive Officer to execute a contract with Willdan Energy Solutions to upgrade the laboratory PM weighing room in an amount not to exceed \$140,000 from Science & Technology Advancement's FY 2017-18 Budget, Capital Outlays Major Object, as listed in Table 2.

3. Authorize the Procurement Manager, in accordance with SCAQMD Procurement Policy and Procedure, to:
 - a. Issue a sole source purchase order with Teledyne API in an amount not to exceed \$65,500 for the purchase of two Federal Equivalent Method (FEM) continuous monitors for measuring PM2.5 and PM10, as listed in Table 3; and
 - b. Release an RFQ and based on the results of the RFQ, issue a subsequent purchase order for two mobile air monitoring platforms in an amount not to exceed \$118,000, as listed in Table 4.
4. Transfer up to \$230,000 into Science & Technology Advancement's FY 2016-17 Budget from Salaries and Employee Benefits Major Object (Org 44), Salaries Account, to Services and Supplies Major Object (Org 47), Temporary Agency Account, to realign expenditures for the FY 2016-17 Enhanced Particulate Monitoring Program.

Wayne Nastri
Executive Officer

MMM:JCL:AP:AK

Background

Federal monitoring programs for air quality (i.e., PM2.5 monitoring, near-road monitoring and enhanced particulate monitoring) and special monitoring projects (i.e., Aliso Canyon and Paramount) represent some of the core activities conducted in the Monitoring and Analysis Division within the Office of Science & Technology Advancement. Furthermore, field monitoring and gravimetric analysis of PM samples continues to be an important part of ongoing efforts to better characterize air quality in the South Coast Basin. The effectiveness and efficiency of such monitoring and analysis efforts, however, can be enhanced by upgrading existing laboratory facilities and investing in new and updated field platforms and equipment that would allow for more reliable instrument performance, rapid response and reporting.

PM Weighing Room Upgrade

In compliance with the U.S. EPA 40 CFR Part 50, the SCAQMD monitors for PM2.5 at approximately 20 locations within the South Coast Basin. These requirements also stipulate that the analysis must be conducted in an environmentally controlled weighing room. On an annual basis, approximately 5,000 filters are processed through the SCAQMD laboratory weighing room before and after distribution to field sites. Improvements are necessary to this room to protect against sample loss and ensure that temperature and relative humidity conditions are maintained within the strict parameters established by the U.S. EPA. An RFP (#P2016-23) to upgrade the PM2.5 weighing

room was released in June 2016 in an amount not to exceed \$65,000, but no responses were received. The RFP was re-released without a targeted dollar amount in November 2016, and one response was received.

Continuous PM Monitoring Equipment

Over the last few years, a number of continuous monitors for measuring PM_{2.5} and PM₁₀ have been approved as Federal Equivalent Methods (FEMs). Data obtained using these continuous FEM instruments are eligible for comparison to U.S. EPA's health-based National Ambient Air Quality Standards (NAAQS) for PM and have the potential to replace several filter-based Federal Reference Method (FRM) samplers. FRMs are more resource intensive as they require the operation of a number of integrated samplers in the field as well as pre- and post-sampling laboratory analysis and provide only 24-hour average data. On the other hand, FEM monitors can provide hourly PM data in addition to 24-hour average concentrations that are required for NAAQS comparison. The SCAQMD received \$65,500 in supplemental funds (revenue was already recognized in the FY 2016-17 Budget) through CARB's subvention program for purchasing two near real-time continuous PM samplers to expand its PM_{2.5} and PM₁₀ monitoring capabilities.

Mobile Air Monitoring Platforms

On June 6, 2014, RFQ #Q2014-11 was released for the purchase of one mobile air monitoring platform to carry and support a variety of air monitoring instruments and samplers. Several bids were evaluated, and the bid provided by Shelter One was selected as the most competitive and responsive to the RFQ specifications. In 2016, staff recognized the need for two additional mobile platforms, identical to the one authorized for purchase in 2014, to house and deploy instruments that can conduct discrete and near real-time measurements of air pollutants. At that time Shelter One agreed to accept the same price for the purchase of the two additional mobile platforms. Consequently, on December 2, 2016, the Board authorized the Procurement Manager to issue a prior-bid, last-price purchase order in an amount not to exceed \$118,000 for two mobile platforms. Ultimately, however, the quote received from Shelter One was higher than the original bid price so the purchase could not be completed.

Enhanced Particulate Monitoring Program

Since 2003, SCAQMD has provided enhanced particulate monitoring support including sample collection as part of a national monitoring program and will continue to do so for the foreseeable future. In July 2016, the Board recognized the remaining FY 2016-17 revenue for this Program and approved allocations among Major Objects within Science & Technology Advancement's FY 2016-17 Budget. Staff recommends transferring funds between Major Objects to better align FY 2016-17 expenditures.

Outreach

In accordance with SCAQMD's Procurement Policy and Procedure, a public notice advertising the RFP (PM weighing room re-released RFP #P2016-23r) and inviting bids was published in the Los Angeles Times, the Orange County Register, the San Bernardino Sun, and Riverside County's Press Enterprise newspapers to leverage the most cost-effective method of outreach to the South Coast Basin.

Additionally, potential bidders may have been notified utilizing SCAQMD's own electronic listing of certified minority vendors. Notice of the RFP has been emailed to the Black and Latino Legislative Caucuses and various minority chambers of commerce and business associations, and placed on the Internet at SCAQMD's website (<http://www.aqmd.gov>).

Bid Evaluation

When final bidding closed on December 14, 2016, the re-released RFP to upgrade the weighing room resulted in a single qualified bid from Willdan Energy Solutions in an amount not to exceed \$140,000. An internal evaluation panel, consisting of a Laboratory Manager, Principal Chemist and Senior Chemist, evaluated the single qualified bid. The panel's composition comprised two Caucasians and one Hispanic; three males. The bidder's references were verified and the panel deemed that the bid satisfactorily addressed all aspects of the RFP. Thus, staff proposes a contract award to Willdan Energy Solutions.

Proposal

This action is to transfer and appropriate up to \$323,500 into Science & Technology Advancement's FY 2016-17 and/or FY 2017-18 Budgets for the weighing room upgrade and equipment purchases, from the U.S. EPA Section 103 Grant, AES Settlement Projects Fund (35), Supplemental CARB Subvention funds, BP ARCO Settlement Projects Fund (46) and Air Toxics Fund (15), as indicated in Table 1.

PM Weighing Room Upgrade

Willdan Energy Solutions will engineer a robust solution to account for variability in external ambient temperature and humidity conditions in the laboratory weighing room. The circulation of air through the room will be designed and modeled to stabilize temperature and humidity levels, while ensuring the required conditions are met and are compliant with U.S. EPA regulations. To mitigate any sample loss during construction, Willdan will research and provide a temporary environmental control chamber for sample preparation and weighing. This action is to execute a contract with Willdan Energy Solutions in an amount not to exceed \$140,000 to upgrade the PM weighing room (see Table 2).

Continuous PM Monitoring Equipment

Staff has been evaluating PM_{2.5} continuous FEM monitors over the past several years, but none of the instruments evaluated so far has shown good comparability to more traditional (and more universally accepted) FRM methods. A number of new FEM instruments for measuring PM_{2.5} and PM₁₀ in near real-time are now available, including PM mass monitors based on broadband spectroscopy recently commercialized by Teledyne API (models T640 and T640x). These instruments have high resolution, fast response, low power consumption, and based on a three-week evaluation conducted by staff, appear to be highly sensitive and precise as well as easy to operate and maintain. Staff proposes to purchase two of these newly commercialized FEM monitors for measuring PM_{2.5} and PM₁₀ to evaluate their long-term performance and assess the possibility of using them for NAAQS determination at critical monitoring stations, thus potentially replacing existing labor and resource intensive FRM samplers. This action is to issue a sole source purchase order with Teledyne API in an amount not to exceed \$65,500 for the purchase of two FEM continuous monitors (see Table 3).

Mobile Air Monitoring Platforms

Mobile platforms are self-contained mobile air quality monitoring shelters that can be rapidly deployed and are flexible in both monitoring capability and power requirements. Previous applications of similar mobile platforms or trailers by SCAQMD staff included monitoring of air pollutants near airports, freeways, metal processing facilities and other locations with limited accessibility. Both trailers will be able to utilize a variety of air monitoring and sampling instrumentation for the measurements of particle and gaseous pollutants, including air toxics. SCAQMD staff will install and change instrumentation depending on specific air monitoring needs. The Procurement Manager will release an RFQ to solicit competitive formal bids, in accordance with SCAQMD's Procurement Policy and Procedure, for the purchase of two trailers. Based on the results of the RFQ, the Procurement Manager will issue a purchase order for two mobile air monitoring platforms not to exceed \$118,000 (see Table 4).

Enhanced Particulate Monitoring Program

This action is to transfer up to \$230,000 into Science & Technology Advancement's FY 2016-17 Budget from Salaries and Employee Benefits Major Object (Org 44), Salaries Account, to Services and Supplies Major Object (Org 47), Temporary Agency Account, to realign expenditures for the FY 2016-17 Enhanced Particulate Monitoring Program.

Sole Source Justification

Section VIII, B.3 of the Procurement Policy and Procedure identifies four major provisions under which a sole source award may be justified. Specifically, this request for sole source awards is made under the provisions B.2.c (2): The desired services are available from only the sole-source based upon one or more of the following reasons: The project involves the use of proprietary technology. There is currently only one

vendor, Teledyne API, that produces PM2.5 and PM10 FEM continuous monitors (T640 model and T640x model) based on broadband spectrometry.

Outreach

In accordance with SCAQMD's Procurement Policy and Procedure, a public notice advertising the RFQ (for mobile platforms) and inviting bids will be published in the Los Angeles Times, the Orange County Register, the San Bernardino Sun, and Riverside County's Press Enterprise newspapers to leverage the most cost-effective method of outreach to the South Coast Basin.

Additionally, potential bidders may be notified utilizing SCAQMD's own electronic listing of certified minority vendors. Notice of the RFQ will be emailed to the Black and Latino Legislative Caucuses and various minority chambers of commerce and business associations, and placed on the Internet at SCAQMD's website (<http://www.aqmd.gov>) where it can be viewed by making the selection "Grants & Bids."

Benefits to SCAQMD

The proposed upgrades to the laboratory's PM weighing room will ensure that conditions are maintained within the strict parameters established by the U.S. EPA, hence minimizing PM sample and data loss. The purchase of two FEM monitors based on broadband spectroscopy for measuring PM2.5 and PM10 will allow staff to evaluate their long-term performance and assess the possibility of using them for NAAQS determination at critical monitoring stations such as the Mira Loma and Rubidoux sites. The purchase of two additional monitoring platforms to house and deploy integrated and near real-time instruments will enhance current monitoring capabilities for emergency situations and special monitoring activities such as those currently being conducted in the City of Paramount and other areas of the Basin.

Resource Impacts

The transfer and appropriation for the contract award and equipment purchases will not exceed \$323,500 as indicated in Tables 1-4 and as follows: \$65,000 from the EPA Section 103 PM2.5 Grant; \$75,000 from the AES Settlement Projects Fund (35); \$65,500 from Supplemental CARB Subvention funds; \$59,000 from the BP ARCO Settlement Projects Fund (46); and \$59,000 from the Air Toxics Fund (15). The use of the AES Settlement Projects Fund (35) is not restricted by the applicable statutes or settlement agreement. However, while in the past the Board had restricted the use of these funds for fleet rules, they have the authority to direct use of the monies in the AES Settlement Projects Fund (35) for other priorities and have previously done so (i.e., December 2016 action to use funds to procure other laboratory equipment). Finally, the contract with Willdan Energy Solutions will not exceed \$140,000 as indicated in Table 2.

U.S. Government funding, previously recognized and appropriated, will fully support the Enhanced Particulate Monitoring Program. The transfer from Salaries and Employee Benefits Major Object (Org 44), Salaries Account, to Services and Supplies Major Object (Org 47), Temporary Agency Account, within Science & Technology's FY 2016-17 Budget to realign expenditures for FY 2016-17 Program will not exceed \$230,000.

Attachments

Table 1 – Proposed Appropriations and Transfers

Table 2 – Award of Contract

Table 3 – Proposed Purchase through Sole Source Purchase Order

Table 4 – Proposed Purchase through RFQ Process

**Table 1
Proposed Appropriations and Transfers**

| Fiscal Year | Item | Funding Source | Action | Amount |
|--------------------|-------------------------------------|---|--------------------------|----------------------------------|
| 2017-18 | Weighing Room | EPA Section 103 Grant | Appropriate | \$65,000 |
| | | AES Settlement Projects Fund (35) | Transfer/ Appropriate | \$75,000 |
| 2016-17 | Two Teledyne Samplers | Supplemental CARB Subvention | Appropriate | \$65,500 |
| 2017-18 | Two Mobile Air Monitoring Platforms | BP ARCO Settlements Projects Fund (46) and Air Toxics Fund (15) | Transfer/ Appropriate | \$118,000 (\$59,000 per fund) |
| | | | | Total: \$323,500 |

**Table 2
Award of Contract**

| Description | Quantity | Funding Source | Estimated Cost |
|--------------------------|-----------------|-----------------------------------|-------------------------|
| PM Weighing Room Upgrade | 1 | AES Settlement Projects Fund (35) | \$75,000 |
| | | EPA Section 103 Grant | \$65,000* |
| | | | Total: \$140,000 |

*This grant funding recognized in July 8, 2016 Board Letter (#12)

**Table 3
Proposed Purchase through Sole Source Purchase Order**

| Description | Quantity | Funding Source | Estimated Cost |
|---------------------------|-----------------|------------------------------------|------------------------|
| PM2.5 and PM10 monitor** | 1 | Supplemental CARB Subvention funds | \$26,000 |
| PM2.5 and PM10 monitor*** | 1 | | \$39,500 |
| | | | Total: \$65,500 |

**FEM approved method for PM2.5 only

***FEM approved method for both PM2.5 and PM10

Table 4
Proposed Purchase through RFQ Process

| Description | Quantity | Funding Source | Estimated Cost |
|---------------------------------|-----------------|--|----------------------------------|
| Mobile Air Monitoring Platforms | 2 | BP ARCO Settlement Projects Fund (46) and the Air Toxics Fund (15)**** | \$118,000 (\$59,000 per fund) |

****As originally requested in the December 2, 2016 Board letter (#4)

DRAFT

Item 11

BOARD MEETING DATE: June 2, 2017

AGENDA NO.

PROPOSAL: Extend Contract for Targeted YouTube Videos and Banner Ads for the 2017-18 Check Before You Burn Program

SYNOPSIS: On April 1, 2016, the Board directed the Executive Officer to execute a contract with Google for \$250,000 for a targeted outreach program utilizing YouTube videos and banner ads to help promote the 2016-17 Check Before You Burn program. The contract with Google is currently set to expire on June 30, 2017. This action is to authorize the Executive Officer to extend the current contract with Google, Inc. for \$250,000, for the 2017-18 Check Before You Burn program. This contract will be executed from the Rule 1309.1 Priority Reserve Fund (36).

COMMITTEE: Administrative, May 12, 2017; Recommended for Approval

RECOMMENDED ACTION:

Authorize the Executive Officer to extend SCAQMD's contract with Google, Inc. for targeted outreach for the Check Before You Burn program's 2017-18 season in an amount not to exceed \$250,000 from the Rule 1309.1 Priority Reserve Fund (36).

Wayne Nastri
Executive Officer

SA

Background

SCAQMD's Check Before You Burn program and its regulatory framework, Rule 445 – Wood Burning Devices, are key measures in the agency's Air Quality Management Plan to achieve the federal health-based air quality standard for PM2.5. Check Before You Burn and Rule 445 seek to reduce PM2.5 emissions from wood burning in residential fireplaces from November 1 through the end of February on days when unhealthy air quality is forecast.

The 2016-17 Check Before You Burn season included targeted outreach through Google, Inc. using YouTube videos and digital display ads to enhance the media, advertising and public outreach campaign. Such outreach is highly targeted by Google using search

words, ZIP codes and other demographics. Similar techniques can be utilized for digital display campaigns. The Google outreach component was recommended for the Check Before You Burn program after results of a pilot program in the fall of 2016 showed this approach to be highly successful.

At the conclusion of the 2016-17 Check Before You Burn season, the Google advertising campaign had achieved:

- More than 110 million impressions, meaning each time your ad is shown on a search result page or other site on the Google Network;
- More than 2.9 million interactions, meaning clicks on ads or videos watched;
- An average cost per interaction of approximately \$0.07; and
- Nearly 20 percent of viewers watching the entire pre-roll video.

For the 2017-18 Check Before You Burn program, there is a need to continue to promote the program through Google utilizing YouTube videos and digital display ads to enhance the overall media, advertising and public outreach campaign for the upcoming season.

Sole Source Justification

Section VIII.B.2 of the Procurement Policy and Procedure identifies four major provisions under which a sole source award may be justified. This request for sole source award is made under provision B.2.c.: The desired services are available from only the sole source. Specifically, B.2.c.(1): The unique experience and capabilities of the proposed contractor or contractor team.

Consumers are increasingly turning to digital media for their news and information. In turn, companies are making increasing use of digital advertising to promote their brand and services. Google is a leader in assisting companies with online advertising and its ownership of YouTube positions the company as a leader in online video messaging. For these reasons, Google remains uniquely qualified to assist SCAQMD with outreach for the Check Before You Burn program, utilizing online digital advertising using video pre-roll ads and website image ads. In addition, a Google digital strategist who is up-to-date on the latest digital advertising trends will assist SCAQMD to craft a strategy to reach its target audience; set goals to measure progress; launch the online advertising campaign and provide hands-on personalized support throughout the process

Proposed Budget

The overall budget for the proposed project is \$250,000 for a sole-source contract with Google, Inc.

Resource Impacts

Funding will be provided from Rule 1309.1 Priority Reserve Funds (Fund 36) to implement the 2017-18 Check Before You Burn outreach program.

Item 13

DRAFT

BOARD MEETING DATE: June 2, 2017

AGENDA NO.

PROPOSAL: Appropriate Funds and Authorize Amending Contracts with Outside Counsel and Specialized Legal Counsel and Services

SYNOPSIS: Legal is currently being assisted in environmental lawsuits by outside law firms and in other matters requiring specialized legal counsel and services, including on-going litigation. This action is to appropriate \$250,000 from Undesignated Fund Balance to Legal's FY 2016-17 Budget and amend contracts to expend these funds with prequalified counsel approved by the Board as well as specialized legal counsel and services.

COMMITTEE: Administrative, May 12, 2017; Recommended for Approval

RECOMMENDED ACTIONS:

1. Appropriate \$250,000 from Undesignated (Unassigned) Fund Balance to Legal's FY 2016-17 Budget, Services and Supplies Major Object, Professional and Special Services.
2. Authorize the Chairman or the Executive Officer, depending on whether the amount exceeds \$75,000, to amend or initiate contracts with legal counsel handling existing matters, as well as prequalified counsel approved by the Board, and specialized legal counsel and services, as the need arises. This action will bring the total amount of outside counsel costs approved by FY 2016-17 to \$1,529,500.

Wayne Nastri
Executive Officer

KRW:vmr

Background

The FY 2016-17 Budget for Legal included \$279,500 for litigation expenses in environmental law cases and specialized legal counsel and services. Periodically, the Board has authorized additional amounts. However, the total amount currently allocated

will not cover current and anticipated costs of legal counsel and specialized counsel and services.

Due to the complexity of certain cases and the number of matters handled by specialized legal counsel and related services, the SCAQMD will require an additional amount of up to \$250,000 for these services. Monies will be expended on lawsuits and legal proceedings, including the civil penalties claims against Exide; defending an appeal filed by Communities for a Better Environment to a CEQA challenge of a project by Phillips 66 at its Los Angeles/Carson Refinery that will reduce ship emissions; retaining expert witnesses to assist with an abatement proceeding involving the PBF Refinery in Torrance; defending environmentalists' challenge to the December 2015 RECLAIM amendments; and assisting with responses to comments on the EIR for the Tesoro Los Angeles Refinery Integration Project and defending litigation if this project is approved. In the Phillips 66 case we will be reimbursed for litigation costs once the case is closed. Through March of this year, litigation costs on the Phillips 66 matter have totaled \$303,463.58. Also, any litigation expenses to defend the Tesoro EIR, if it is approved will be reimbursed. However, at the current rate of expenditures, an additional \$250,000 will be needed to cover costs in April through June 2017. Accordingly, Legal is requesting an appropriation of funds in the amount of \$250,000, for a total expected expenditure of \$1,529,500 this fiscal year, which is approximately \$1.2 million less than last fiscal year.

Proposal

In order to defend on-going and threatened litigation, it is necessary to appropriate additional funds for expenditure by outside counsel. It is expected that on-going lawsuits as well as matters requiring specialized legal counsel will require an additional \$250,000 to be appropriated to prequalified counsel approved by the Board and with specialized legal counsel and services, as the need arises.

Resource Impacts

Sufficient funds will be available in Legal's FY 2016-17 Budget upon approval of this Board letter.



South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 • www.aqmd.gov

Item 14

LOCAL GOVERNMENT & SMALL BUSINESS ASSISTANCE ADVISORY GROUP FRIDAY FEBRUARY 10, 2017 MEETING MINUTES

MEMBERS PRESENT:

Ben Benoit, Mayor Pro Tem, City of Wildomar and LGSBA Chairman
Geoffrey Blake, Metal Finishers of Southern California/All Metals
Todd Campbell, Clean Energy
LaVaughn Daniel, DancoEN
John DeWitt, JE DeWitt, Inc.
Bill LaMarr, California Small Business Alliance
Rita Loof, RadTech International
Cynthia Moran, Council Member, City of Chino Hills
David Rothbart, Los Angeles County Sanitation District

MEMBERS ABSENT:

Janice Rutherford, Supervisor, Second District, San Bernardino County
Felipe Aguirre
Paul Avila, P.B.A. & Associates
Maria Elena Kennedy, Kennedy Communications

OTHERS PRESENT:

Mark Abramowitz, Board Consultant (*Lyou*)
Ruthanne Taylor-Berger, Board Consultant (*Benoit*)
Mark Taylor, Board Consultant (*Rutherford*)

SCAQMD STAFF:

Derrick Alatorre, Deputy Executive Officer
Henry Hogo, Assistant Deputy Executive Officer
Fabian Wesson, Assistant Deputy Executive Officer/Public Advisor
Nancy Feldman, Principal Deputy District Counsel
Tracy Goss, Planning & Rules Manager
Kathryn Higgins, Program Supervisor
Elaine Joy Hills, AQ Inspector II
Lori Langrell, Secretary

Agenda Item #1 - Call to Order/Opening Remarks

Chair Ben Benoit called the meeting to order at 11:30 a.m.

Agenda Item #2 – Approval of January 13, 2017 Meeting Minutes/Review of Follow-Up/Action Items

Chair Benoit called for approval of the January 13, 2017 meeting minutes. The Minutes were approved unanimously.

Agenda Item #3 – Follow Up/Action Items

Mr. Derrick Alatorre indicated that pursuant to Ms. Rita Loof's request for a BARCT presentation, we have reached out to staff, and will try to present in either March or April.

Agenda Item #4 – Update on the SCAQMD Clean Fleet Vehicle Rules

Mr. Henry Hogo provided an overview of the SCAQMD's regulatory authority for in-use-on-road fleet vehicle regulations, and an update on the implementation of SCAQMD Clean Fleet Vehicle Rules.

Mr. Geoff Blake asked how you fuel if you want to drive up the coast. Mr. Hogo responded that there are compressed natural gas (CNG) stations all the way to Washington, along the highway corridor.

Mr. John DeWitt inquired where funding comes from. Mr. Hogo indicated it is through a settlement with manufacturers. Mr. DeWitt further asked what the cost was to businesses and taxpayers. Mr. Hogo provided an example of City of Los Angeles trash trucks. The city budgets for alternative fuel trucks and seeks approval, while also looking for public funding to offset the cost. From the public side, we have funding through the Carl Moyer program and Mobile Source Review Committee (MSRC), which provides typically \$5 million per year for on road trucks. Similarly, MSRC matching through AB2766, provides \$2 million. There are fleets that purchase natural gas through public funding.

Mr. Bill LaMarr commented that in the definition you are calling these low-emission vehicles, but you are talking about heavy-duty vehicles, and Supervisor Kuehl mentioned in her amendment to the Air Quality Management Plan (AQMP) that she wants to accelerate the purchase and use of zero-emission, heavy-duty vehicles. Mr. LaMarr asked if Supervisor Kuehl is talking about the same low-emitting vehicles. Mr. Hogo replied he is speaking of the definition, not of the amendment itself.

Mr. Rothbart indicated that in his experience with essential public services, they need to be able to respond to an emergency without limitations. For example, the public does not like sewage going into the streets, and we need to respond with a functioning vacuum truck that is reliable. CNG works very well, and we are converting slowly, but if we have a remote emergency, how do I fuel? We have three (3) refueling stations, but we still need to be able to provide this necessary service. Mr. Hogo replied that the fleet rule recognized that commercially there needs to be the ability to operate under certain routes and situations, that a number of vehicles are to remain diesel-powered, and we work closely on the implementation of that.

Ms. Loof asked how this is going to play out in the future context of the AQMP. Mr. Hogo replied that there is talk of expanding the fleet rules to private entities, and fleet rules for the public sector is actually moving forward, with near-zero, commercially available vehicles. Near-zero natural gas is available, with funding being provided through MSRC to help offset the cost.

Mr. Rothbart inquired with the encouragement to update and upgrade, what is the ripple effect on small businesses as the bills must be paid and you have to upgrade the facilities? Are the fees then passed on to rate payers? Mr. Hogo indicated it will translate into higher fees. Mr. Alatorre indicated it will affect small businesses and residents as well.

Ms. Loof asked, in the context of the fleet rule, if the staff analysis will show the costs passed on to the consumer, as well as the life cycle analysis of the costs. Mr. Hogo replied that the AQMP proposal is to work with industry and look for the ability to accelerate turnover to near-zero and zero-emission technologies. Funding is made available as it is a mandate, and industry is getting interested in working with staff. Chair Benoit commented when a rule comes before the Governing Board, there is a socioeconomic study done on the rule for the overall cost, which we have been doing on every rule that comes across.

Mr. DeWitt asked if cost is measured after the fact. Mr. Hogo indicated not for fleet rules.

Mr. Rothbart inquired pertaining to the health and safety code listed, given the Supreme Court ruling, and looking at advancing technology in the bigger picture of reducing emissions, as the heavy duty on-road trucks were not analyzed, if there is a thought at taking another stab at it. Mr. Hogo replied that in spanning to private fleets we need to get a waiver from the US EPA.

Agenda Item #5 – Status Report on Rule 1147 Technology Assessment

Mr. Tracy Goss provided an update on the Technology Assessment for Rule 1147: NOx Reductions from Miscellaneous Sources.

Mr. LaMarr asked about the 3,400 spray booths and eight (8) prep stations mentioned, if they were auto body shops. Mr. Goss replied that they include both auto body and manufacturing facilities, but the majority are auto body shops. Mr. Goss can provide a breakdown from staff. Mr. LaMarr further asked in regards to Handbill Printers, if they will be able to get some relief, and if they will have to go through new source review. Mr. Goss responded that we can work with them, especially if they emit less than a pound per day. We have provided in the rules recordkeeping options, but they will still have to go through the permitting process.

Ms. Loof asked about the 3,400 spray booths and 1,500 small ovens where the afterburners were mentioned, if the 0.9 tons per day of NOx emissions included the emissions from the afterburners. Ms. Loof also asked if there were calculations done for particulate matter (PM) emissions. Mr. Goss indicated yes regarding the emissions from the afterburners, and that he was not sure about PM emissions; however, the calculations were focused on NOx.

Agenda Item #6 – Implementation of AB 2766 Requirements

Ms. Kathryn Higgins provided an overview of the FY 2014-15 AB2766 Subvention Fund Program emission reduction and financial activity reported by participating local governments.

Ms. Loof asked for some examples of the public education projects. Ms. Higgins indicated that the public education projects were mostly implemented as joint projects with Councils of Governments, such as Clean Cities projects in Riverside, and some extend and align with CicLaVia-type projects, where the information is provided to, not only to their employers, but also to the public and students.

Agenda Item #7 – Monthly Report on Small Business Assistance Activities

No comments.

Agenda Item #8 - Other Business

Ms. Loof indicated that she just noticed a typo on page three of the approved minutes, instead of layer, it should say LAER. Chair Benoit indicated since the change is typographical and not changing content, the change will be made.

Agenda Item #9 - Public Comment

No comments.

Adjournment

The meeting adjourned at 12:47 p.m.

5/9/2017 10:33 AM

Item 15

DRAFT

MEETING, JUNE 2, 2017

A meeting of the South Coast Air Quality Management District Board will be held at 9:00 a.m., in the Auditorium at SCAQMD Headquarters, 21865 Copley Drive, Diamond Bar, California.

The agenda and documents in the agenda packet will be made available upon request in appropriate alternative formats to assist persons with a disability. Disability-related accommodations will also be made available to allow participation in the Board meeting. Any accommodations must be requested as soon as practicable. Requests will be accommodated to the extent feasible. Please telephone the Clerk of the Boards Office at (909) 396-2500 from 7:00 a.m. to 5:30 p.m. Tuesday through Friday.

All documents (i) constituting non-exempt public records, (ii) relating to an item on the agenda, and (iii) having been distributed to at least a majority of the Governing Board after the agenda is posted, are available prior to the meeting for public review at the South Coast Air Quality Management District Clerk of the Boards Office, 21865 Copley Drive, Diamond Bar, CA 91765.

Please note: This is a draft agenda and is subject to change.

CALL TO ORDER

- Pledge of Allegiance
- Opening Comments: William A. Burke, Ed.D., Chair
Other Board Members
Wayne Nastri, Executive Officer

Staff/Phone (909) 396-

CONSENT CALENDAR (Items 1 through XX)

Note: Consent Calendar items held for discussion will be moved to Item No. XX

9786. Approve Minutes of May 5, 2017 Board Meeting **Garzaro/2500**

9788. Set Public Hearings July 7, 2017 to Consider Adoption of and/or Amendments to SCAQMD Rules and Regulations **Nastri/3131**

9804. Set Public Hearing July 7, 2017 to Amend Rule 1118 - Control of Emissions from Refinery Flares **Fine/2239**

Refineries are required to minimize their flaring under Rule 1118. Recent significant flaring events at some local refineries have shown that additional actions are needed to further reduce flaring emissions. PAR 1118 will incorporate U.S. EPA's new provisions from their Refinery Sector Rule that prohibits the frequency of certain flaring events. PAR 1118 will also require facilities to prepare a Scoping Document to evaluate the feasibility of reducing or eliminating Planned Flaring Events, update emission factors based on recent U.S. EPA guidance, remove the annual cap on mitigation fees paid for flaring, enhance current reporting requirements, and other administrative updates. (Reviewed: Stationary Source Committee, May 19, 2017)

9806. Set Public Hearing July 7, 2017 to Adopt Rule 1466 – Control of Particulate Emissions from Soils with Toxic Air Contaminants **Nakamura/3105**

Proposed Rule 1466 establishes requirements to minimize fugitive particulate matter emissions that contain certain toxic air contaminants from earth-moving activities at sites that have been designated as cleanup sites. The proposal will establish a PM10 ambient dust limit, dust control measures, notification to the SCAQMD when these activities are occurring, and signage requirements for the site. (Reviewed: Stationary Source Committee, May 19, 2017)

Budget/Fiscal Impact

9782. Execute Contract for Secondary Organic Aerosol Formation Study and Amend Technical Assistance Contracts for In-Use Emissions Testing for Heavy-Duty Vehicles **Miyasato/3249**
- Secondary organic aerosol (SOA) is an important component of suspended fine atmospheric particulate matter with significant environmental risks. Design of an effective emission control strategy to reduce the risks requires further understanding of the formation of SOA. As part of an in-use emissions test previously approved by the Board, staff is proposing to assess SOA concentrations from heavy-duty diesel and natural gas vehicles. These actions are to execute a contract with University of California Riverside CE-CERT to evaluate the SOA formation from heavy-duty diesel and natural gas vehicles and amend contracts with Gladstein, Neandross & Associates, LLC, and AEE Solutions, LLC, to provide technical assistance for in-use emissions testing for heavy-duty vehicles at a total cost not to exceed \$85,000, \$50,000 and \$50,000, respectively, from the Clean Fuels Fund (31). (Reviewed: Technology Committee, May 19, 2017; Recommended for Approval)
9755. Transfer and Appropriate Funding, Execute Contract, Authorize Release of RFQ and Issue Purchase Orders **Miyasato/3249**
- Field monitoring of PM and gravimetric analysis of PM samples continues to be an important part of ongoing efforts to better characterize air quality in the South Coast Basin. The effectiveness and efficiency of such monitoring and analysis efforts can be enhanced by upgrading existing laboratory facilities and investing in new and updated field platforms and equipment that would allow for more reliable instrument performance, rapid response and reporting. Consequently, this action is to upgrade the laboratory PM weighing room and purchase two state-of-the-art continuous Federal Equivalent Method monitors and two mobile air monitoring platforms. This action is to also transfer and appropriate up to \$323,500 into Science & Technology Advancement's FY 2016-17 and/or 2017-18 Budgets for the weighing room upgrade and equipment purchases and to transfer up to \$230,000 between Major Objects within Science & Technology Advancement's FY 2016-17 Budget to realign expenditures for the FY 2016-17 Enhanced Particulate Monitoring Program. (Reviewed: Administrative Committee, May 12, 2017; Recommended for Approval)
9756. Approve Awards for Electric School Buses **Minassian/2641**
- At its December 2, 2016 meeting, the Board issued a Program Announcement to solicit applications for electric school buses. This action is to approve awards for 33 electric school buses and associated charging infrastructure in an amount not to exceed \$8,844,000 from the Carl Moyer Program AB 923 Fund (80). (Reviewed: Technology Committee, April 21, 2017; Recommended for Approval)

9780. **Reallocate Funding Sources for Awarded Projects Under Carl Moyer Program** **Minassian/2641**

On October 7, 2016, the Board awarded contracts under the FY 2015-16 "Year 18" Carl Moyer Program, including two contracts executed for \$249,050 to repower a marine vessel and \$627,873 to replace one off-road agricultural equipment, respectively, from the Carl Moyer Program Fund (32). Subsequently, staff identified \$225,136 in turn-back funds from withdrawn projects from a 2012 Diesel Emissions Reduction Act (DERA) grant. This action is to amend both contracts, substituting \$225,136 in Carl Moyer funds with the unencumbered portion of the 2012 DERA grant in the Advanced Technology, Outreach and Education Fund (17). (Reviewed: Technology Committee, May 19, 2017; Recommended for Approval)

9813. **Extend Contract for Targeted YouTube Videos and Banner Ads for the 2017-18 Check Before You Burn Program** **Atwood/3687**

On April 1, 2016, the Board directed the Executive Officer to execute a contract with Google for \$250,000 for a targeted outreach program utilizing YouTube videos and banner ads to help promote the 2016-17 Check Before You Burn program. The contract with Google is currently set to expire on June 30, 2017. This action is to authorize the Executive Officer to extend the current contract with Google, Inc. for \$250,000, for the 2017-18 Check Before You Burn program. This contract will be executed from the Rule 1309.1 Priority Reserve Fund (36). (Reviewed: Administrative Committee, May 12, 2017; Recommended for Approval)

9798. **Transfer Funds and Issue Purchase Orders for Necessary Software and Hardware to Develop Enterprise Geographical Information System** **O'Kelly/2828**

A recent strategic planning effort for an Enterprise Geographical Information System (EGIS) identified a need to use GIS more broadly across the diverse business processes at SCAQMD. In order to implement the recommended EGIS, SCAQMD needs to update the current spatial IT infrastructure, storage environment and delivery of geospatial services to serve a growing need for geospatial data and to enable integration with other supported business systems and databases. This action is to transfer funds within the Information Management (IM) FY 2016-17 Budget, and to issue purchase orders for the acquisition of computer hardware and software necessary for the development of an EGIS at a total cost not to exceed \$80,000. Funds are available in IM's FY 2016-17 Budget. (Reviewed: Administrative Committee, May 12, 2017; Recommended for Approval)

9851. Appropriate Funds and Authorize Amending Contracts with Outside Counsel and Specialized Legal Counsel and Services **Wiese/3460**

Legal is currently being assisted in environmental lawsuits by outside law firms and in other matters requiring specialized legal counsel and services, including ongoing litigation. This action is to appropriate \$250,000 from Undesignated Fund Balance to Legal's FY 2016-17 Budget and amend contracts to expend these funds with prequalified counsel approved by the Board as well as specialized legal counsel and services. (Reviewed: Administrative Committee, May 12, 2017; Recommended for Approval)

9852. Establish List of Prequalified Counsel to Represent and Advise the SCAQMD on Legal Matters Related to Environmental Law and List to Represent and Advise the SCAQMD Hearing Board **Wiese/3460**

On March 3, 2017, the Board approved issuance of an RFP to pre-qualify outside counsel having expertise in the California Environmental Quality Act, SCAQMD rulemaking and planning procedures, administrative law and related issues for both the SCAQMD and the SCAQMD Hearing Board. The RFP was issued jointly to limit costs. The evaluation of responding firms has been completed. This action is to establish two lists of prequalified counsel—one to represent the SCAQMD in environmental law matters and one to represent the SCAQMD Hearing Board. (Reviewed: Administrative Committee, May 12, 2017; Recommended for Approval)

9619. Approve Contract Awards and Modifications Approved by MSRC **Pettis**

Action Item/No Fiscal Impact

- XXX Authorize Staff to Submit Letter of Support for CARB Locomotive Petition to U.S. EPA **Baird/2302**

On April 13, 2017, CARB petitioned the U.S. EPA to adopt more stringent emission standards for locomotives. CARB seeks updated emission standards for new and remanufactured locomotives. New "Tier 5" standards for new locomotives, beginning in year 2025, would obtain up to 99% NOx and PM controls relative to uncontrolled locomotives. This would be equivalent to 02 g/bhp-hr NOx emissions, which is the standard SCAQMD has petitioned U.S. EPA to adopt for heavy-duty trucks. Such locomotives would also have the capability for zero-emission operations in designated areas. Standards for remanufactured locomotives would begin in year 2023 and would be gradually reduced over time. CARB states that its 2016 Technology Assessment for Freight Locomotives demonstrates that these standards are feasible. CARB's Petition is consistent with the need demonstrated in the 2016 AQMP for U.S. EPA to implement greater controls for sources that are under federal authority. Staff requests authorization to send a letter of support to U.S. EPA to support CARB's petition, and to urge U.S. EPA to adopt stringent new standards as soon as feasible. (Reviewed: Mobile Source Committee, May 19, 2017; Recommended for Approval)

Items XX through XX - Information Only/Receive and File

9686. Legislative, Public Affairs and Media Report **Alatorre/3122**

This report highlights the April 2017 outreach activities of Legislative, Public Affairs and Media, which include: Environmental Justice Update, Community Events/Public Meetings, Business Assistance, Media Relations, and Outreach to Business, Federal, State, and Local Government. (No Committee Review)

9808. Hearing Board Report **Camarena/2500**

This reports the actions taken by the Hearing Board during the period of April 1 through April 30, 2017. (No Committee Review)

9805. Civil Filings and Civil Penalties Report **Wiese/3460**

This reports the monthly penalties from April 1 through April 30, 2017, and legal actions filed in the General Counsel's Office from April 1 through April 30, 2017. An Index of District Rules is attached with the penalty report. (Reviewed: Stationary Source Committee, May 19, 2017)

9658. Lead Agency Projects and Environmental Documents Received by SCAQMD **Nakamura/3105**

This report provides, for the Board's consideration, a listing of CEQA documents received by the SCAQMD between April 1, 2017 and April 30, 2017, and those projects for which the SCAQMD is acting as lead agency pursuant to CEQA. (Reviewed: Mobile Source Committee, May 19, 2017)

9810. Report of RFQs Scheduled for Release in June **O'Kelly/2828**

This report summarizes the RFQs for budgeted services over \$75,000 scheduled to be released for advertisement for the month of June. (Reviewed: Administrative Committee, May 12, 2017; Recommended for Approval)

9799. Rule and Control Measure Forecast **Fine/2239**

This report highlights SCAQMD rulemaking activities and public workshops potentially scheduled for the year 2017. (No Committee Review)

9613. Status Report on Major Ongoing and Upcoming Projects for Information Management **O'Kelly/2828**

Information Management is responsible for data systems management services in support of all SCAQMD operations. This action is to provide the monthly status report on major automation contracts and planned projects. (Reviewed: Administrative Committee, May 12, 2017; Recommended for Approval)

XX. Items Deferred from Consent Calendar

BOARD CALENDAR

- | | | |
|---|-------------------------|-----------------------|
| 9647. Administrative Committee (Receive & File) | Chair: Burke | Nastri/3131 |
| 9811. Investment Oversight Committee (Receive & File) | Chair: Cacciotti | O'Kelly 2828 |
| 9672. Legislative Committee | Chair: Mitchell | Alatorre/3122 |
| 9773. Mobile Source Committee (Receive & File) | Chair: Parker | Fine/2239 |
| 9699. Stationary Source Committee (Receive & File) | Chair: Benoit | Tisopulos/3123 |

9586. Technology Committee (Receive & File) **Chair: Buscaino Miyasato/3249**
9624. Mobile Source Air Pollution Reduction Review Committee (Receive & File) **Board Liaison: Benoit Miyasato/3249**
9790. California Air Resources Board Monthly Report (Receive & File) **Board Rep: Mitchell Garzaro/2500**

PUBLIC HEARINGS

9812. Adopt Executive Officer's FY 2017-18 Proposed Goals and Priority Objectives, Draft Budget and Proposed Amended Regulation III – Fees **O'Kelly/2828**

The Executive Officer's Budget, Goals and Priority Objectives and Regulation III – Fee Rule Amendments for FY 2017-18 have been developed and the Executive Officer proposes that the Board adopt the FY 2017-18 Budget, Goals and Priority Objectives and Regulation III Amendments. The Fee Rule Amendments include a proposed 16% increase in specified fees for Title V sources in FY 2017-18 and an additional 16% in FY 2018-19, and a 4% increase in specified fees for non-Title V sources for FY 2017-18 and another 4% in FY 2018-19. Additionally, pursuant to Rule 320, almost all Regulation III fees will be increased by the 2.5% consumer price index for FY 2017-18. They have been presented at a Budget Study Session, Budget Advisory Committee and at two public workshops in April with recommendations and comments on the automatic fee increase pursuant to Rule 320 provided to the Board by April 15, 2017. (Reviewed: Special Governing Board Meeting/Budget Study Session, April 21, 2017)

9796. Amend Rule 1147 - NOx Reductions from Miscellaneous Sources **Nakamura/3105**

SCAQMD staff is proposing to amend Rule 1147 to reflect the recommendations made in the Final Rule 1147 Technology Assessment. PAR 1147 would allow in-use equipment with NOx emissions less than one pound per day to defer compliance with applicable emission limits until the unit is replaced or the burner is replaced. The proposed amended rule would also increase the NOx emission limit for certain equipment categories that were identified in the Final Rule 1147 Technology Assessment and exempt new and existing equipment rated at less than 325,000 btu per hour from the emissions limits of the rule. The proposed amended rule also provides options to demonstrate compliance. Other minor changes are proposed for clarity and consistency throughout the proposed amended rule. PAR 1147 is expected to result in NOx emission reductions delay of up to 0.9 tons per day in 2017. However, the emission reductions will be recaptured starting in 2017 because the existing units will be regularly replaced and upgraded over time, leaving less than 0.03 tons per day NOx emissions reductions foregone associated with the less than 325,000 btu per hour exemption. This action is to adopt the resolution: 1) Certifying the Final Subsequent Environmental Assessment for Proposed Amended Rule 1147 - NOx Reductions from Miscellaneous Sources; and 2) Amending Rule 1147 - NOx Reductions from Miscellaneous Sources. (Reviewed: Stationary Source Committee, April 21, 2017)

9740. Certify Nonattainment New Source Review Compliance
Demonstration for 2008 Ozone Standard

Fine/2239

The District has an existing federally-approved nonattainment New Source Review (NSR) program that covers the South Coast Air Basin and Coachella Valley, which are designated extreme and severe-15 nonattainment, respectively. The District program, which applies to new major stationary sources and major modifications to existing major sources, is at least as stringent as the requirements set forth by the U.S. EPA. States must submit a nonattainment NSR plan or plan revision for the 2008 ozone standard certifying that the current SIP-approved nonattainment NSR program meets the requirements for the implementation of the 2008 ozone NAAQS. This action is to seek Board certification of the nonattainment NSR compliance demonstration for submittal to CARB for its approval and to submit to U.S. EPA for inclusion in the SIP. (Reviewed: Stationary Source Committee, May 19, 2017)

PUBLIC COMMENT PERIOD – (Public Comment on Non-Agenda Items, Pursuant to Government Code Section 54954.3)

BOARD MEMBER TRAVEL – (*No Written Material*)

Board member travel reports have been filed with the Clerk of the Boards, and copies are available upon request.

CLOSED SESSION - (*No Written Material*)

Wiese/3460

ADJOURNMENT

****PUBLIC COMMENTS****

Members of the public are afforded an opportunity to speak on any listed item before or during consideration of that item. Please notify the Clerk of the Board, (909) 396-2500, if you wish to do so. All agendas are posted at SCAQMD Headquarters, 21865 Copley Drive, Diamond Bar, California, at least 72 hours in advance of the meeting. At the end of the agenda, an opportunity is also provided for the public to speak on any subject within the SCAQMD's authority. Speakers may be limited to three (3) minutes each.

Note that on items listed on the Consent Calendar and the balance of the agenda any motion, including action, can be taken (consideration is not limited to listed recommended actions). Additional matters can be added and action taken by two-thirds vote, or in the case of an emergency, by a majority vote. Matters raised under Public Comments may not be acted upon at that meeting other than as provided above.

Written comments will be accepted by the Board and made part of the record, provided 25 copies are presented to the Clerk of the Board. Electronic submittals to cob@aqmd.gov of 10 pages or less including attachment, in MS WORD, plain or HTML format will also be accepted by the Board and made part of the record if received no later than 5:00 p.m., on the Tuesday prior to the Board meeting.

ACRONYMS

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| AQ-SPEC = Air Quality Sensor Performance Evaluation Center | NGV = Natural Gas Vehicle |
| AQIP = Air Quality Investment Program | NOx = Oxides of Nitrogen |
| AQMP = Air Quality Management Plan | NSPS = New Source Performance Standards |
| AVR = Average Vehicle Ridership | NSR = New Source Review |
| BACT = Best Available Control Technology | OEHHA = Office of Environmental Health Hazard Assessment |
| Cal/EPA = California Environmental Protection Agency | PAMS = Photochemical Assessment Monitoring Stations |
| CARB = California Air Resources Board | PAR = Proposed Amended Rule |
| CEMS = Continuous Emissions Monitoring Systems | PEV = Plug-In Electric Vehicle |
| CEC = California Energy Commission | PHEV = Plug-In Hybrid Electric Vehicle |
| CEQA = California Environmental Quality Act | PM10 = Particulate Matter \leq 10 microns |
| CE-CERT =College of Engineering-Center for Environmental Research and Technology | PM2.5 = Particulate Matter \leq 2.5 microns |
| CNG = Compressed Natural Gas | PR = Proposed Rule |
| CO = Carbon Monoxide | RECLAIM=Regional Clean Air Incentives Market |
| CTG = Control Techniques Guideline | RFP = Request for Proposals |
| DOE = Department of Energy | RFQ = Request for Quotations |
| EV = Electric Vehicle | SCAG = Southern California Association of Governments |
| FY = Fiscal Year | SIP = State Implementation Plan |
| GHG = Greenhouse Gas | SOx = Oxides of Sulfur |
| HRA = Health Risk Assessment | SOON = Surplus Off-Road Opt-In for NOx |
| LEV = Low Emission Vehicle | SULEV = Super Ultra Low Emission Vehicle |
| LNG = Liquefied Natural Gas | TCM = Transportation Control Measure |
| MATES = Multiple Air Toxics Exposure Study | ULEV = Ultra Low Emission Vehicle |
| MOU = Memorandum of Understanding | U.S. EPA = United States Environmental Protection Agency |
| MSERCs = Mobile Source Emission Reduction Credits | VOC = Volatile Organic Compound |
| MSRC = Mobile Source (Air Pollution Reduction) Review Committee | ZEV = Zero Emission Vehicle |
| NATTS =National Air Toxics Trends Station | |
| NESHAPS = National Emission Standards for Hazardous Air Pollutants | |