

BOARD MEETING DATE: June 6, 2014

AGENDA NO. 28

PROPOSAL: Amend Regulation III - Fees

SYNOPSIS: Staff is proposing a 1.6 % Consumer Price Index adjustment to most of the current Regulation III – Fees for FY 2014-15 to keep pace with inflation and address revenue shortfall from legally mandated programs. Staff is also proposing an additional 6% increase in permit processing and annual operating renewal fees over the next two fiscal years, (3% in FY 2014-15 and an additional 3% in FY 2015-16), to recover the cost of specific programs and services.

COMMITTEE: Board Budget Workshop, April 25, 2014, Reviewed

RECOMMENDED ACTION:

Adopt the attached resolution:

1. Certifying the Notice of Exemption for 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 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.
2. 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 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.

Barry R. Wallerstein, D.Env.  
Executive Officer

## **Background**

Regulation III – Fees, establishes the fee rates and schedules associated with permitting, annual renewals, emissions, and other activities that help fund most of the SCAQMD's Permitted Source Program. The regulatory activities and services of the Permitted Source Program is primarily supported by three fees that provide over 60% of the SCAQMD budget, namely permit processing fees, annual operating permit renewal fees, and annual operating emission fees contained in Rule 301. In addition, the Permitted Source Program includes other activities for which fees are charged separately, such as source testing, hearing board variances, and permit appeals. Also included in the permit related fee program are filing fees and plan fees under Rule 306, since filings and plans are similar to permits for the sources to which they apply. Regulation III – Fees also establishes fees for other programs that are unrelated to the Permitted Source Program, such as transportation programs and area source (architectural coatings).

Due to declining revenues, the SCAQMD began experiencing significant shortfalls in its budget in the 1990's that threatened the continuity of its many programs and services. Shortfalls continue despite the significant budget reductions adopted, increasing staff vacancy rates, and continuous improvements in performance and efficiency. In the upcoming years, the SCAQMD will also face many challenges, including higher operating costs due to increased contributions to the retirement system, streamlining operations while meeting program commitments and uncertainties in the business environment as the economy tries to reverse the economic downturn of the past several years. These uncertainties also lie in the performance of the financial markets over the next few years, which in turn will determine the performance of the SCAQMD's retirement system and other investments.

To address the remaining shortfall in revenues from legally mandated programs and to keep pace with inflation, staff recommends that for FY 2014-15, the current Regulation III fees be adjusted by 1.6% in accordance with the Consumer Price Index (CPI) set for calendar year (CY) 2013 pursuant to Rule 320 - Automatic Adjustment Based on Consumer Price Index for Regulation III - Fees. Staff further recommends that permit processing and annual operating renewal (equipment-based) fees be adjusted by an additional 6% phased in over the next two fiscal years (3% in FY 2014-15 and an additional 3% in FY 2015-16) to recover the cost of specific programs and services within the Permitted Source Program that have never been fully recovered, and whose funding shortfall has escalated due to factors such as increased retirement rates and the economic downturn of recent years. It is expected that an automatic CPI adjustment according to the CY 2014 CPI would also affect the fee rates in FY 2015-16.

While the specific permit related fee adjustment above the CPI rate is necessary to better recover the reasonable regulatory costs of mandated services and programs provided, it is also equitable since these services confer a commensurate benefit directly to the beneficiaries (including but not limited to providing permits to construct/operate source

equipment, annual compliance audits and inspections, and case-by-case source review). Furthermore these costs are also allocated based on the relative burden placed on the permitted source programs.

Staff's proposal has been incorporated into the FY 2014-15 Draft Budget and Work Program. It is projected that the proposed 3% fee increase for FY 2014-15 will allow the SCAQMD to avoid further staff reductions this year and together with the additional 3% for 2015-2016, for future years.

Despite the proposed fee amendments, staff currently projects a \$4.7 million deficit in programs covered by permit processing fees even after annual operating fee revenues cover associated overhead costs. Factors impacting budget shortfalls include legally mandated funding for the San Bernardino County Employee Retirement Association, decreasing annual operating emissions fees revenues, flat revenues from permit processing and annual permit renewal fees, and declining emissions fees at rates exceeding annual CPI rates as a result of declining emissions.

### **Proposal**

For FY 2014-15, proposed amendments to Regulation III - Fees include: (1) a CPI adjustment to most fees in Regulation III and (2) an additional 6% adjustment to permit processing and annual operating renewal fees, implemented over FY 2014-2015 and 2015-2016.

### **CPI ADJUSTMENT**

Staff recommends that for FY 2014-15, the current Regulation III - Fees be adjusted by 1.6% in accordance with the CPI set for CY 2013 per Rule 320 - Automatic Adjustment Based on Consumer Price Index for Regulation III Fees, 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 (PERP fees since they 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)
- 4) Rule 311(c) – Air Quality Investment Program (AQIP)

### **PERMIT PROCESSING AND ANNUAL RENEWAL FEE ADJUSTMENT**

Staff proposes that in addition to the 1.6% CPI adjustment, permit processing and annual operating renewal fees in Regulation III be increased by 6% phased in over the next two fiscal years, (3% in FY 2014-15 and an additional 3% in FY

2015-16). Note that fees excluded from the 1.6 % CPI adjustment are also excluded from the proposed 6% increase.

### **Revenue Impacts**

The 1.6% CPI adjustments to most Regulation III - Fees will result in \$1.4 million partial cost recovery for FY 2014-15. The proposed additional 6% adjustment in permit processing and annual operating renewals fees, implemented over the next two fiscal years (3% in FY 2014-15 and 3% in FY 2015-16) will result in an additional 1.7 million for FY 2014-15 and a total \$3.5 million for FY 2015-16.

### **California Environmental Quality Act**

Since the proposed amendments to Regulation III – Fees (Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315) involves fees adjustment by public agencies for the purpose of meeting operating expenses and financial reserve requirements, it is statutorily exempt from CEQA, pursuant to CEQA Guidelines § 15273 – Rates, Tolls, Fares, and Charges. A Notice of Exemption will be filed with the county clerks of Los Angeles, Orange, Riverside and San Bernardino counties immediately following adoption of the proposed amended rules.

### **Socioeconomic Assessment**

The socioeconomic assessment analyzing the impacts of the 1.6% CPI adjustment to most Regulation III - Fees is included as Attachment H to the staff report. Although nearly all facilities regulated by the SCAQMD would be affected by the proposed CPI increase, the compliance costs are projected to be limited.

In addition, a socioeconomic impact report for the proposed 6% fee increase in permit processing and annual operating renewal fees, implemented over the next two years, is also included as Attachment I to the staff report. Nearly all facilities regulated by the SCAQMD would be affected by this proposed fee adjustment, while the manufacturing sector is the largest contributor to both the permit processing fees (39 percent) and annual permit renewal fees (38 percent).

### **Resource Impacts**

No additional resource impacts are expected.

### **Attachments**

- A. Summary of Proposals
- B. Abstract of FY 2014-15 Draft Budget and Work Program
- C. Rule Development Process
- D. Key Contacts
- E. Resolution
- F. Proposed Rule Language
- G. Staff Report

- H. Socioeconomic Assessment For Automatic CPI Increase
- I. Socioeconomic Assessment For PAR III – Fees
- J. Notice of Exemption

## ATTACHMENT A SUMMARY OF PROPOSALS

### A. CPI ADJUSTMENT

For FY 2014-15, staff is recommending that all Regulation III - Fees be allowed to adjust, pursuant to the automatic action of Rule 320, by the 1.6% adjustment commensurate with the change in the CY 2013 CPI, 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.

### B. PERMIT PROCESSING AND ANNUAL RENEWAL FEES

The following tables summarize specific permit processing and annual operating renewal fees that would be subject to the additional 6% increase, phased in over two years (H&SC Section 40510.5(b)):

#### 1) *Permit Processing Fees*

(adjusted by the 1.6% change in the CPI and an additional 3% for FY 2014-15 and an additional 3% for FY 2015-16):\*

301(c)(1)(J)	Standard Streamlined Permits
301(c)(3)(A)	Change of Operating Condition, Alteration/Modification/Addition
301(c)(3)(B)	Change of Operating Condition, Alteration/Modification/Addition
301(c)(3)(C)	Change of Operating Condition, Alteration/Modification/Addition
301(e)(9)	Request to Amend Emissions Report and Refund of Emission Fees
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)	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)(7)	Fees for Inter-basin, Inter-District, or Interpollutant Transfers of ERCs
301(l)(4)	Facility Permit Fees (RECLAIM)
301(l)(5)	Facility Permit Fees Amendment (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)	Title V Facilities Initial Fee
301(m)(3)(B)	Title V Facilities Final Fee
301(m)(6)	Administrative Permit Revision Fee (Title V)
301(m)(7)	Permit Revision Fee (Title V)
301(m)(9)	Public Notice Fee (Title V)
301(m)(10)	Public Hearing Fees (Title V)
301(n)(5)	Fee for Change of Operator
301(q)	NESHAP Evaluation Fee
301(u)(1)	Initial Filing Fee (Rule 222)
301(u)(2)	Change of Operator/Location (Rule 222)
301(v)(1)	Permit Processing Fee (Expedited Processing)
301(v)(2)	CEQA Fee (Expedited Processing)
301(v)(3)	CEMS, FSMS, and ACEMS Fee (Expedited Processing)
301(v)(4)	Air Dispersion Modeling, HRA, Source Test & Report Fees (Expedited Processing)
301(v)(5)	ERC/STC Application Fees (Expedited Processing)
301 Table	Summary Permit Fee Rates – Permit Processing, Change of Conditions, Alteration/Modification
301 Table	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 IIC FOOTNOTES ONLY	CEMS, FSMS And ACEMS Fee Schedule
301 Table VII	Summary of RECLAIM and Title V 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
306(q)	Optional Expedited Protocol/Report Evaluation Processing Fee

2) *Annual Renewal Fees*

(adjusted by the 1.6% change in the CPI and an additional 3% for FY 2014-15 and an additional 3% for FY 2015-16):\*

301(d)(2)	Annual Operating Fees
301(d)(3)	Credit for Solar Energy Equipment
301(l)(10)(E)	RECLAIM Pollutant Emission Fee (Special operating fee for refineries)
301(m)(8)	Renewal Fees (Title V)
301(u)(3)	Annual Renewal Fee (Non-permitted Emission Sources Subject to Rule 222)
306(h)	Annual Review/Renewal Fee (Plans)

\* These fees may also be adjusted by the change in the CY 2014 CPI for FY 2015-16.

## **ATTACHMENT B**

Abstract of Fiscal Year 2014-15 Draft Budget and Draft Work Program  
of the  
South Coast Air Quality Management District

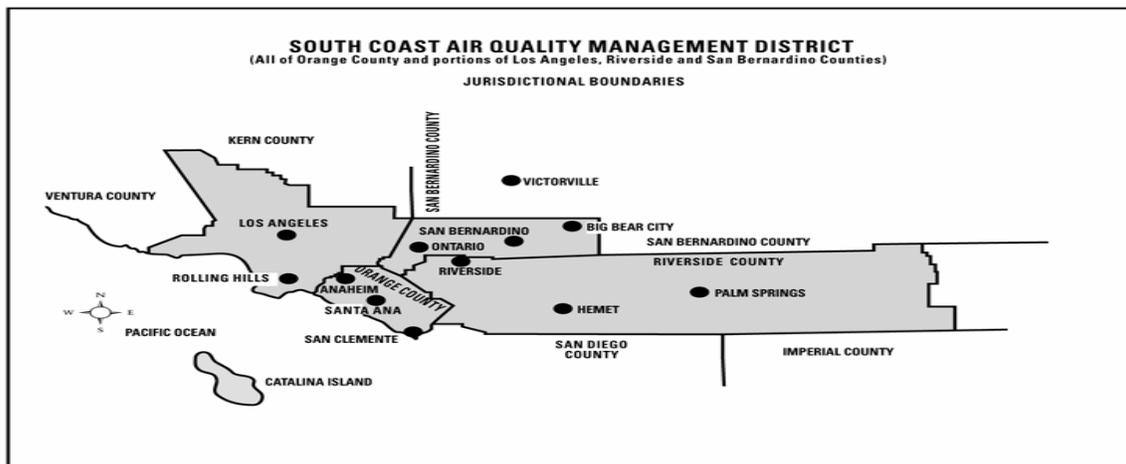
# SUMMARY

## Preface

This document represents the proposed FY 2014-15 Draft Budget and Work Program of the South Coast Air Quality Management District (SCAQMD). The proposed budget is available for public review and comment during the month of April. Two workshops are scheduled to discuss the budget, one for the public on April 11, 2014 and one for the Governing Board on April 25, 2014. A final Draft Budget and Work Program, which may include changes based on input from the public and Board, will be presented for adoption at a public hearing on June 6, 2014.

## Introduction

The South Coast Air Quality Management District (SCAQMD) began operation on February 1, 1977 as a regional governmental agency established by the California Legislature pursuant to the Lewis Air Quality Management Act. The SCAQMD encompasses all of Orange County and parts of Los Angeles, San Bernardino and Riverside Counties. It succeeded the Southern California Air Pollution Control District (APCD) and its predecessor four county APCDs, of which the Los Angeles County APCD was the oldest in the nation, having been formed in 1947. The SCAQMD Governing Board is composed of 13 members, including four members appointed by the Boards of Supervisors of the four counties in SCAQMD's jurisdiction, six members appointed by cities in the SCAQMD's jurisdiction and three members appointed by the Governor, the Speaker of the State Assembly and the Rules Committee of the State Senate, respectively. The members appointed by the Boards of Supervisors and cities consist of one member of the Board of Supervisors of Los Angeles, Orange, Riverside, and San Bernardino Counties, respectively, and a mayor or member of the city council of a city within Orange, Riverside, and San Bernardino Counties. Los Angeles County cities have three representatives, one each from the western and eastern portions and one member representing the City of Los Angeles.



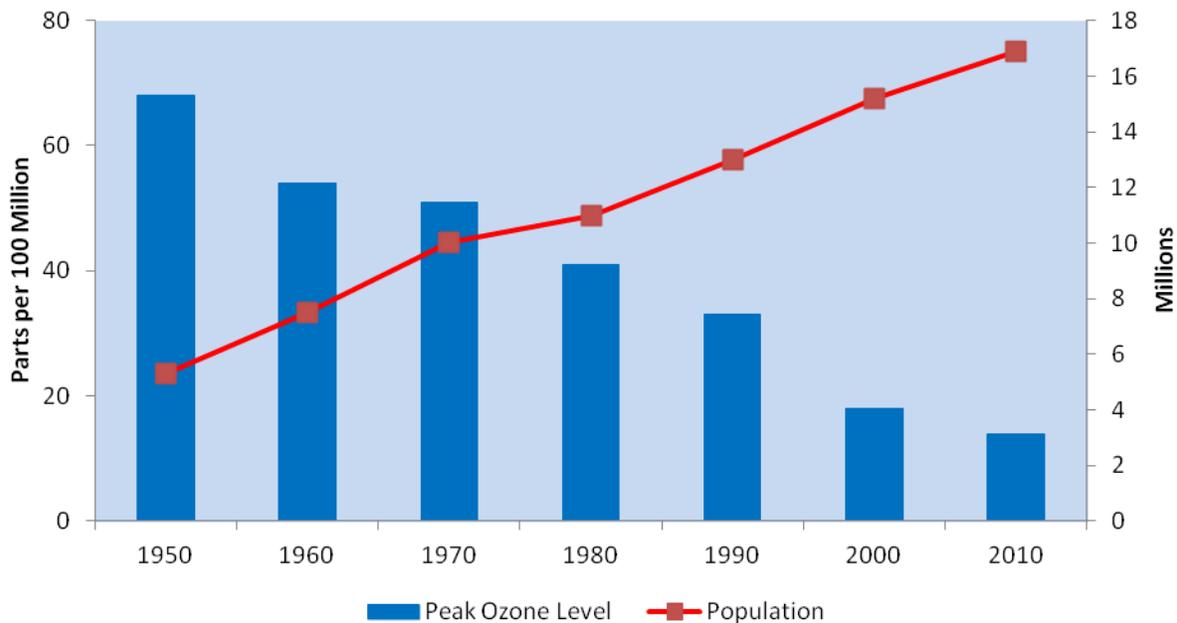
## Air Quality History

The South Coast Air Basin has suffered unhealthy air since its rapid population growth and industrialization during World War II. While air quality has improved, the residents of the Basin still breathe some of the most polluted air in the nation.

The 66-year history of the region's air pollution control efforts is, in many ways, one of the world's key environmental success stories. Peak ozone levels have been cut by almost three-fourths since air monitoring began in the 1950s. Population exposure was cut in half during the 1980s alone.

Since the late 1940s when the war on smog began, the region's population has more than tripled from 4.8 million to over 16.4 million; the number of motor vehicles has increased over five-fold from 2.3 million to over 12.3 million; and the area has grown into one of the most prosperous regions of the world. This phenomenal economic growth illustrates that pollution control and strong economic growth can coincide.

### 60 Years of Progress in Reducing Ozone Levels



### Mission

The SCAQMD believes all residents have a right to live and work in an environment of clean air and is committed to undertaking all necessary steps to protect public health from air pollution, with sensitivity to the impacts of its actions on the community and businesses. This mission is

pursued through a comprehensive program of planning, regulation, education, enforcement, compliance incentives, technical innovation and promoting public understanding of air quality issues. The SCAQMD has implemented a policy of working with regulated businesses to ensure their participation in making the rules which will impact them. This cooperative approach has resulted in greater business support for air that is more healthful to breathe.

To carry out its mission the SCAQMD develops a set of Goals and Priority Objectives which are evaluated and revised annually and presented at a public hearing. The following Goals have been established for FY 2014-15:

- I. Ensure expeditious progress toward meeting clean air standards and protecting public health.
- II. Enhance public education and ensure equitable treatment for all communities.
- III. Operate efficiently and in a manner sensitive to public agencies, businesses, the public and SCAQMD staff.

These goals are the foundation for the SCAQMD's Work Program. Each goal is supported by multiple activities, which target specific areas of program performance. A public hearing to receive input on the Goals and Priority Objectives for FY 2014-15 will be held on April 4, 2014.

## **Air Quality**

### Overview

The four-county Southern California region, designated for air quality purposes as the South Coast Air Basin, has some of the highest air pollution levels in the United States. The federal government has designated seven pollutants that are pervasive enough across the nation to warrant national health standards. Called "criteria pollutants," these are: ozone (O<sub>3</sub>); nitrogen dioxide (NO<sub>2</sub>); particulates (PM<sub>10</sub>); fine particulates (PM<sub>2.5</sub>); carbon monoxide (CO); lead (Pb); and sulfur dioxide (SO<sub>2</sub>).

In addition, the State of California through the California Air Resources Board (CARB) sets ambient air quality standards for these same pollutants. California's standards are in some cases tighter than the federal Environmental Protection Agency's (EPA) standards, reflecting the conclusion on CARB's part that some of the federal standards are not adequate to protect public health in this region. Toxic compounds also are a potential problem. More toxic pollution is emitted into the air in the South Coast Basin than in any other region in California. The Basin's large number of vehicles and small sources—including small businesses and households using ozone-forming consumer products and paints—compounds the problem.

### Air Quality Trends

Ozone levels have fallen by about three-quarters since peaks in the mid-1950s. Nitrogen dioxide, sulfur dioxide, and carbon monoxide levels have gone down from nonattainment to full

attainment of federal health standards. In November 2008, EPA revised the lead standard from a 1.5  $\mu\text{g}/\text{m}^3$  quarterly average to a 0.15  $\mu\text{g}/\text{m}^3$  rolling 3-month average and added new near-source monitoring requirements. The Los Angeles County portion of the Basin has since been designated non-attainment for lead due to monitored concentrations near one facility. However, the most recent preliminary 2013 data shows that the Basin meets the current lead standard. EPA revised the 8-hour ozone standard, effective May 2008, from concentrations exceeding 0.08 ppm to concentrations exceeding 0.075 ppm. In 2013, the current federal 8-hour ozone standard was exceeded on 94 days, the lowest number of exceedance days so far, based on preliminary 2013 data. The federal ozone standard was exceeded on 111 days in 2012 and 106 days in 2011. The maximum observed ozone levels show some year-to-year variability, but have generally been decreasing over the years. The highest 8-hour ozone level in the 2013 preliminary data was 0.112 ppm in 2013, compared to 0.112 ppm and 0.136 ppm in 2012 and 2011 respectively.

In 2007, EPA formally re-designated the Basin from nonattainment to full attainment of the federal health standard for carbon monoxide. Basin-wide maximum levels of carbon monoxide have been consistently measured at more than 30% below the federal standard since 2004. In 2010, EPA established a new  $\text{NO}_2$  1-hour standard at a level of 100 ppb (0.100ppm) and  $\text{SO}_2$  1-hour standard at a level of 75 ppb (0.075 ppm). In 2013, no sites exceeded the 1-hour  $\text{NO}_2$  standard in the preliminary data.

In 2006, EPA rescinded the annual federal standard for  $\text{PM}_{10}$  but retained the 24-hour standard. Ambient levels of  $\text{PM}_{10}$  in the Basin meet the federal 24-hour  $\text{PM}_{10}$  standard. EPA has re-designated the Basin as attainment of the health based standard for  $\text{PM}_{10}$ .  $\text{PM}_{2.5}$  levels have decreased dramatically in the Basin since the beginning of the decade; however, concentrations are still slightly above the federal annual and 24-hour standards at one monitoring station. While our air quality continues to improve, the South Coast Air Basin remains one of the most unhealthful areas in the nation in terms of air quality.

### Mandates

The SCAQMD is governed and directed by several state laws and a comprehensive federal law which provide the regulatory framework for air quality management in this Basin. These laws require the SCAQMD to take prescribed steps to improve air quality.

Generally speaking, SCAQMD is responsible for stationary sources such as factories and businesses. The CARB is primarily responsible for motor vehicles. The SCAQMD and CARB share responsibilities with respect to area sources. The SCAQMD and Southern California Association of Governments (SCAG) share some responsibilities with CARB regarding some aspects of mobile source emissions. Control of emissions from sources such as airports, harbors, and trains is shared by the federal EPA, CARB and the SCAQMD.

Under state law, the SCAQMD must periodically develop and submit to the state an Air Quality Management Plan (AQMP) demonstrating how the region will achieve state and federal ambient air quality standards, or at a minimum demonstrate that all feasible measures are

being carried out to meet state air quality standards. Each iteration of the plan is an update of the previous plan. To date, the SCAQMD's Governing Board has adopted such plans demonstrating attainment in 1989, 1991, 1994, 1997, 1999 (amendments to plan adopted in 1997), 2003, 2007 and 2012. Earlier plans in 1979 and 1982 did not show attainment and predicted continued unhealthful air well into this century. The current 2012 AQMP demonstrates attainment of the federal 24-hour PM<sub>2.5</sub> standard by 2014. Revisions to the federal annual PM<sub>2.5</sub> standard, adopted by EPA to further protect public health, will extend the projected attainment of the new annual PM<sub>2.5</sub> standard to the 2020-2025 timeframe. The revised 2008 federal 8-hour ozone standard is projected to extend attainment to 2032. Determination of the final attainment date will be part of the 2016 AQMP already under development.

State Laws include:

- California Clean Air Act (AB 2595) requires air districts in California to adopt plans to expeditiously meet state ambient air quality standards. It mandates that SCAQMD's attainment plans meet several specific requirements including:
  - ◆ a 5% per year reduction in emissions (the plan can achieve less than 5% annual reduction if it includes every feasible measure and an expeditious adoption schedule);
  - ◆ Best Available Control Technology (BACT) for new and modified sources;
  - ◆ Best Available Retrofit Control Technology (BARCT) for existing sources.
- Lewis-Presley Air Quality Management Act (SB 151) specifies additional, more stringent requirements for air quality plans in the South Coast area. It specifies that SCAQMD has responsibility to prepare the plan in conjunction with SCAG, which must prepare the portions of the plan relating to demographic projections, land use, and transportation programs.
- Air Toxics "Hot Spots" Information & Assessment Act (AB 2588) requires facilities that emit significant quantities of pollutants to prepare health risk assessments describing the impact of toxic contaminants on neighboring areas. If the SCAQMD determines that the toxic emissions create a significant risk, the public must be notified, and facilities must reduce emissions to below significant levels.
- Tanner Air Toxics Process (AB 1807) requires CARB to adopt air toxic control measures to limit emissions of toxic air contaminants from classes of industrial facilities. Local air districts are required to enforce these regulations or adopt equally stringent regulations of their own.

State law also includes the following measures:

- authorizes SCAQMD to adopt market incentives such as the emissions trading program known as RECLAIM as long as the emitters achieve reductions equivalent to command-and-control regulations;
- requires SCAQMD to establish a program to encourage voluntary participation in projects to increase the use of clean-burning fuels;

- requires SCAQMD to adopt and enforce rules to ensure no net emission increases from stationary sources.

Under the Federal Clean Air Act, the SCAQMD must develop and submit to CARB for review, followed by submittal to the EPA, an element of the State Implementation Plan (SIP) demonstrating how the region will achieve federal ambient air quality standards. In the case of ozone, the plan was required to be submitted by November 15, 1994 and for fine particulates, PM<sub>10</sub>, the plan was required to be submitted by February 8, 1997. Plans for other pollutants were submitted in earlier years. In 1997, EPA adopted new ambient air quality standards for PM<sub>2.5</sub> and replaced the 1-hour ozone standard with the new standard measured over an eight-hour period. Plans to attain these federal standards were submitted to EPA in November, 2007. The plan to attain the 24-hour PM<sub>2.5</sub> standard by 2014 was submitted in early 2013. The Federal Clean Air Act mandates that sanctions be imposed on an area if a suitable plan is not adopted. These sanctions can include loss of key federal funds and more stringent requirements on new or expanding industries. Specific requirements for SCAQMD's AQMP include stringent requirements plus Lowest Achievable Emission Rate (LAER) and offsets for major new sources. Federal law also requires an operating permit program for major stationary sources, known as Title V, which must be supported by permit fees. Also, air toxics regulations adopted by EPA pursuant to Title III must be implemented by SCAQMD.

### Air Quality Control

Developing solutions to the air quality problem involve highly technical processes and a variety of resources and efforts to meet the legal requirements of California and federal laws.

**Monitoring:** The first step is to determine the smog problem by measuring air pollution levels. SCAQMD operates 41 monitoring stations throughout its four-county jurisdiction. These range from full-service stations that measure all criteria pollutants, as well as some toxic pollutant levels, to those which measure specific pollutants in critical areas. These measurements provide the basis of our knowledge about the nature of the air pollution problem and for planning efforts to address the problem.

**Pollution Sources:** The SCAQMD, in cooperation with CARB and SCAG, estimates the sources of emissions causing the air pollution problem. Nature itself causes a small portion of the emissions and must be considered. In general, the SCAQMD estimates stationary and natural sources of emissions, SCAG develops the information necessary to estimate population and traffic, and CARB develops the information necessary to estimate mobile and area source emissions using the SCAG traffic data. This data is then pulled together in the AQMP for use in developing the necessary control strategies.

**Air Quality Modeling:** Using air quality, meteorological and emissions models, SCAQMD planners simulate air pollution to demonstrate attainment of the air quality standards and the impacts of sources to local and regional air quality. Due to the nature of air pollution, air quality models can be very complex. Some pollutants are not emitted directly into the air but

are products of photochemical reactions in the atmosphere. For example, VOCs mix with nitrogen dioxide (NO<sub>2</sub>) and react in sunlight to form ozone; similarly, nitrogen oxide gases from tailpipes and smokestacks can be transformed into nitrates or particulates (PM<sub>2.5</sub> and PM<sub>10</sub>). The planners thus must take into account transport, land use characteristics and chemical reactions of emissions in the atmosphere to evaluate air quality impacts. Using model output, planners can look at different control scenarios to determine the best strategies to reduce air pollution for the lowest cost.

The considerable data required for these analyses is collected on an ongoing basis by SCAQMD staff. Modeling data is prepared and delivered using a geographic information system (GIS). GIS capability is used to prepare and produce data and spatial analysis maps for rulemaking, Environmental Impact Report (EIR) development and for other Offices within SCAQMD.

Planning: With emissions data and an air quality model in place, planners can develop possible control strategies and scenarios. The SCAQMD focuses most of its effort on stationary source controls. As mentioned earlier, for the most part, strategies to reduce driving are developed by SCAG, while mobile source control standards are developed by CARB.

Once a plan of emission controls to achieve federal standards is outlined, SCAQMD is required to hold multiple public meetings to present the proposed control strategies and receive public input. The SCAQMD also conducts a socioeconomic analysis of the strategies. The SCAQMD maintains an ongoing and independent advisory group of outside experts for both its air quality modeling and socioeconomic assessment methodologies.

To meet federal air quality standards, the 2007 AQMP called for significant reductions from projected baseline emissions (2015 for annual PM<sub>2.5</sub> and 2024 for eight-hour ozone). These combined reductions, while meeting federal standards, will still not result in attainment of all California air quality standards since these are more stringent than federal standards. The 2012 AQMP addresses the 24-hour PM<sub>2.5</sub> standard, demonstrating attainment by 2014 primarily through enhancements to existing episodic mandatory burn restrictions. The SCAQMD is working on improving the emissions inventory and modeling techniques to address the new federal annual PM<sub>2.5</sub> and 8-hour ozone air quality standards for the next AQMP revision, the 2015 AQMP.

Rulemaking: The regulatory process, known as rulemaking, takes the concepts of control measures outlined in the AQMP and turns them into proposed rule language. This process involves the following: extensive research on technology; site inspections of affected industries to determine feasibility; typically a year or more of public task force and workshop meetings; in-depth analyses of environmental, social and economic impacts; and thorough review with appropriate Governing Board Committees.

This extensive process of public and policymaker participation encourages consensus in development of rule requirements so that affected sources have an opportunity for input into the rules which will regulate their operations. Once the requirements are developed, the proposed rule, along with an environmental impact report and a socioeconomic report, is

presented to SCAQMD's Governing Board at a public hearing. Public testimony is presented and considered by the Board before any rule is adopted. The adopted or amended rules are then submitted to CARB and EPA for their approval. It is not uncommon that rulemaking will include follow-up implementation studies. These studies may extend one or more years past rule adoption/amendment and prior to rule implementation. Such studies are typically submitted to the Governing Board or appropriate Governing Board Committees.

**Enforcement and Education:** The SCAQMD issues permits to construct and operate equipment to companies to ensure equipment is operated in compliance with adopted rules. Follow-up inspections are made to ensure that equipment is being operated under permit conditions.

**Technical Innovation:** In the late 1980s, SCAQMD recognized that technological innovation, as well as rule enforcement, would be necessary to achieve clean air standards. Thus the Technology Advancement Office was created to look for and encourage technical innovation to reduce emissions. The California State Legislature supported this effort by providing a \$1 surcharge on every DMV registration fee paid within the SCAQMD. These funds have been matched at a ratio of approximately three-to-one with funds from the private sector to develop new technologies such as low-emission vehicles, low-NO<sub>x</sub> burners for boilers and water heaters, zero-pollution paints and solvents, fuel cells and other innovations.

An additional \$4 vehicle registration fee was authorized by the state legislature in 1990. These fees are administered through the SCAQMD with \$1.20 going to the SCAQMD for mobile source emissions reductions, \$1.60 subvended directly to cities and counties to support their air quality programs, and \$1.20 to the Mobile Source Reduction Review Committee (MSRC). The MSRC is an outside panel established by state law whose function is to make the decisions on the actual projects to be funded from that portion of the revenue.

**Public Education:** In the end, SCAQMD's efforts to clean up the air will be successful only to the extent that the public understands air quality issues and supports and participates in our cleanup effort. Thus, the SCAQMD strives to involve and inform the public through the Legislative and Public Affairs office, public meetings, publications, the press, and public service announcements.

## **Budget Synopsis**

The SCAQMD's annual budget is adopted for the General Fund for a fiscal year that runs from July 1 through June 30 of the following year. The period covered by the FY 2014-15 budget is from July 1, 2014 to June 30, 2015. The General Fund budget is the agency's operating budget and is structured by Office and account. 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, measureable outputs, legal mandates, activity changes and revenue categories.

The annual budget is adopted on a modified accrual basis. All annual expenditure appropriations lapse at fiscal year end to the extent that they have not been expended or encumbered. Budgeted revenues are projected to be collected during the fiscal year. Throughout the year, budget amendments may be necessary to accommodate additional revenue streams and expenditure needs. Any amendments due to budget increases or transfers between expenditure accounts in different Major Objects must be approved by SCAQMD's Governing Board. They are submitted to the Governing Board for approval at a monthly Board meeting in the format of a board letter which documents the need for the request and the source of the additional revenue or funding for the expenditure. Budget amendments resulting from transfers between expenditure accounts within the same Major Object are approved at the Office level.

SCAQMD does not adopt annual budgets for its Special Revenue Funds. Special Revenue Funds are used to record transactions applicable to specific revenue sources that are legally restricted for specific purposes. All transactions in Special Revenue Funds are approved by the Governing Board.

#### Budget Process

The SCAQMD budget process begins by establishing Goals and Priority Objectives for the fiscal year. The proposed annual budget and multi-year forecast is then developed by the Offices, Finance, Executive Council, and the Executive Officer based on the Goals and Priority Objectives as well as guidelines issued by the Executive Officer. Each Office submits requests for staffing, select Salary accounts, Services and Supplies accounts, and the Capital Outlays account. The remaining salary and benefit costs are developed by Finance. Capital expenditure requests are reviewed by an in-house committee who prioritizes the requests. Revenue projections are developed by Finance based on input received from the appropriate Offices and incorporating any proposed changes to the fee schedules. This information is integrated into an initial budget request, including a top-level multi-year forecast, and then fine-tuned under the direction of the Executive Officer to arrive at a proposed budget. The public, business community, and other stakeholders have several opportunities to participate in the budget process, up to and at the budget adoption hearing by the Governing Board, including:

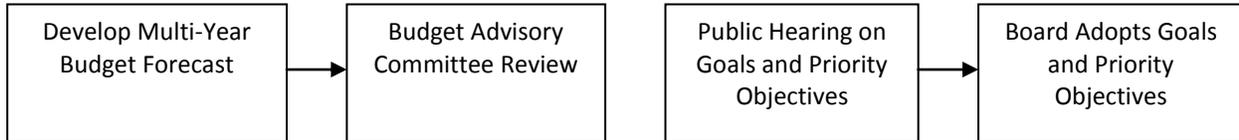
- two meetings of the Budget Advisory Committee whose members include various stakeholder representatives
- a public workshop to discuss proposed changes to the fee schedules and to discuss the proposed budget
- two public hearings, including one on the Goals and Priority Objectives and one on the proposed budget

The proposed budget is presented to SCAQMD's Governing Board at a budget workshop and to SCAQMD's Administrative Committee. Any public comment and Budget Advisory Committee

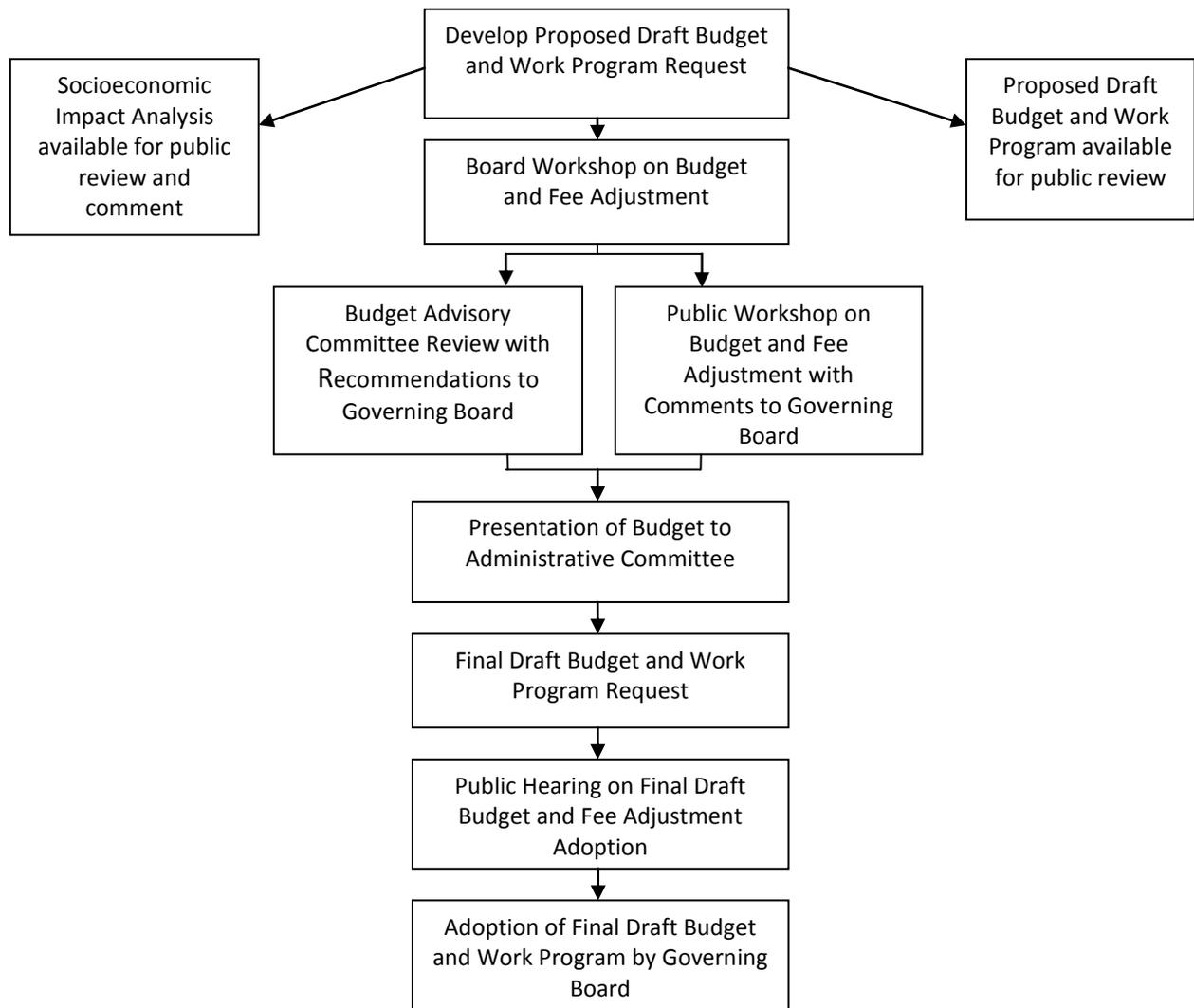
recommendations are also submitted to the Governing Board. The final proposed budget, including final fee schedules, is adopted by the Governing Board and is in place on July 1 for the start of the new fiscal year.

The following flow charts represent the major milestones and processes that take place in the development of the SCAQMD budget:

Preliminary Budget Process



Annual Budget Process



<b>Budget Timeline</b>	
Budget packages distributed to Offices	Mid November
Budget submissions received from Offices	Mid January
Budget Advisory Committee meeting	Mid January
Proposed budget available for public review	April
Public Hearing on Goals & Priority Objectives	April
Budget Advisory Committee meeting on proposed budget	April
Public Workshop on proposed budget	April
Public comments and Budget Advisory Committee recommendations submitted to Governing Board	April
Governing Board budget workshop	April
Budget presented to Administrative Committee	May
Public Hearing & Governing Board adoption of budget	June

## **Proposed Draft Budget & Work Program**

### Budget Overview

The proposed budget for FY 2014-15 is a balanced budget with expenditures and revenues of \$132.2 million. To compare against prior years, the following table shows SCAQMD amended budget and actual expenditures for FY 2012-13, adopted and amended budgets (as of March 2014) for FY 2013-14 and proposed budget for FY 2014-15.

<b>Description</b>	<b>FY 2012-13 Amended</b>	<b>FY 2012-13 Actual</b>	<b>FY 2013-14 Budget</b>	<b>FY 2013-14 Amended<sup>1</sup></b>	<b>FY 2014-15 Budget</b>
Revenue/Transfers In	\$133.7	\$135.2	\$129.2	\$134.2	\$132.2
Program Costs/Transfers Out	\$150.3	\$144.1	\$129.2	\$134.2	\$132.2

<sup>1</sup> Includes Board approved changes through March 2014

This budget reflects a decrease of approximately \$2 million in expenditures from the FY 2013-14 amended budget and a \$3 million increase in expenditures from the budget adopted for FY 2013-14. The increase in expenditures from the FY 2013-14 adopted budget can be attributed to increases in retirement, building operations, and infrastructure improvement costs. The FY 2014-15 proposed budget increases the funded staffing level by 1 position (from 797 to 798) from the FY 2013-14 adopted budget.

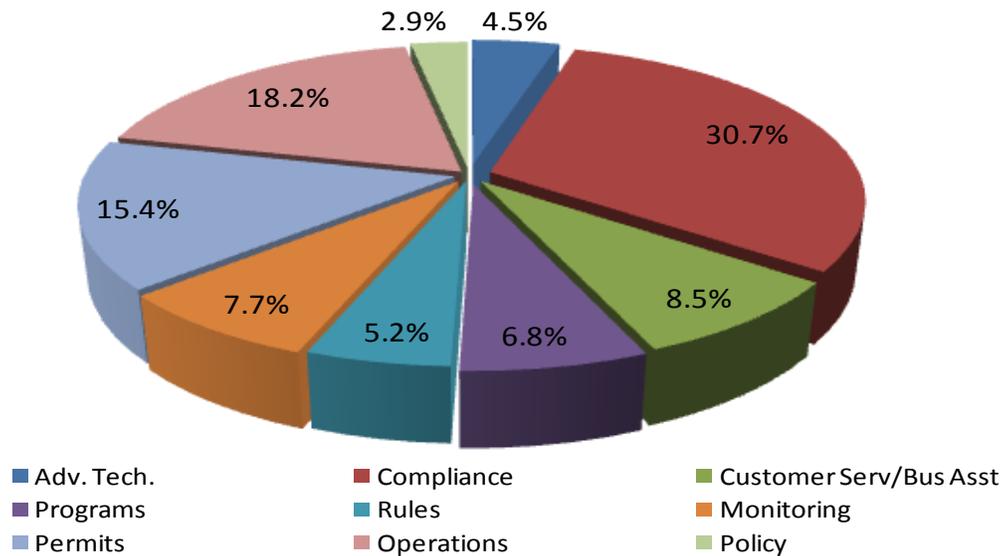
## Expenditures

### Work Program

SCAQMD expenditures are organized into nine Work Program Categories: Advance Clean Air Technology; Ensure Compliance with Clean Air Rules; Customer Service and Business Assistance; Develop Programs to Achieve Clean Air; Develop Rules to Achieve Clean Air; Monitoring Air Quality; Operational Support; Timely Review of Permits; and Policy Support. Each category consists of a number of Work Programs, or activities, which are classified according to the nature of the activity being performed.

Each Work Program ties to the goals and objectives of the agency and identifies resources, performance measures/outputs and legal mandates. A complete description of each program category along with a detailed work program sort by program is included in the Work Program section. The pie chart that follows represents the budgeted expenditures by Program Category for FY 2014-15.

### Work Program Category Expenditures



The following table compares SCAQMD Work Program expenditures by category for the FY 2013-14 adopted budget and FY 2014-15 proposed budget.

<b>Work Program Categories</b>	<b>FY 2013-14 Adopted Budget</b>	<b>FY 2014 -15 Proposed Budget</b>
Advance Clean Air Technology	\$ 5,779,722	\$ 5,943,279
Ensure Compliance with Clean Air Rules	38,125,605	40,595,094
Customer Service and Business Assistance	10,537,656	11,257,410
Develop Programs to Achieve Clean Air	9,845,401	9,001,281
Develop Rules to Achieve Clean Air	6,539,563	6,937,646
Monitoring Air Quality	11,197,603	10,159,755
Operational Support	23,237,586	24,127,044
Timely Review of Permits	19,923,476	20,331,852
Policy Support	4,016,316	3,866,713
<b>Total</b>	<b>\$ 129,202,928</b>	<b>\$ 132,220,074</b>

#### Account Categories

The following table compares the FY 2013-14 adopted budget to the proposed budget for FY 2014-15 by account category. The middle column is the FY 2013-14 amended budget that includes the Board-approved mid-year adjustments through March 2014.

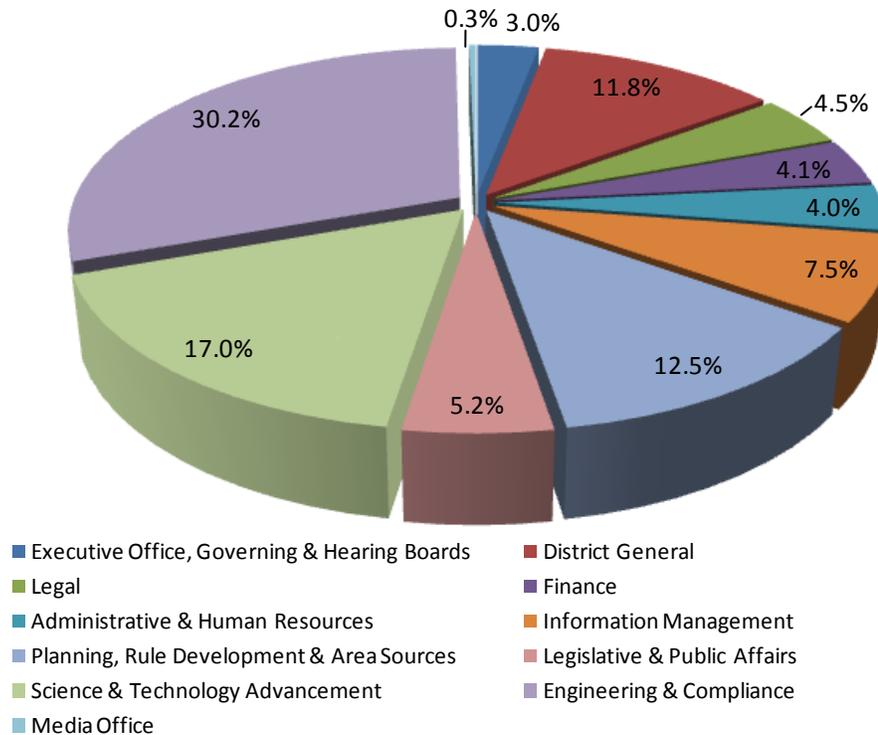
<b>Account Description</b>	<b>FY 2013-14 Adopted Budget</b>	<b>FY 2013-14 Amended Budget</b>	<b>FY 2014-15 Proposed Budget</b>
Salaries/Benefits	\$ 103,992,299	\$ 103,654,844	\$ 106,539,331
Insurance	1,097,400	1,121,249	1,317,400
Rents	424,780	666,506	431,234
Supplies	2,443,780	3,047,249	2,449,483
Contracts and Services	7,121,050	9,786,534	7,116,845
Maintenance	1,456,619	1,771,176	1,977,611
Travel/Auto Expense	696,502	891,039	693,502
Utilities	1,591,881	1,652,098	1,766,989
Communications	620,226	683,226	626,226
Capital Outlay	1,537,500	2,513,250	1,062,500
Other	1,004,850	1,166,,978	1,002,575
Debt Service	7,216,041	7,216,041	7,236,378
<b>Total</b>	<b>\$ 129,202,928</b>	<b>\$ 134,153,937</b>	<b>\$ 132,220,074</b>

As mentioned previously, the proposed budget for FY 2014-15 represents an approximately \$2 million decrease in expenditures from the FY 2013-14 amended budget. The FY 2013-14 amended budget includes mid-year increases associated with the purchase of hydrogen sulfide analyzer systems, software development work, the MATES IV study, the purchase of a PM<sub>2.5</sub> monitor, implementation costs for the Low Emissions Hearth Product Incentive Voucher Program as well as grant related expenditures offset by revenue.

## Office Categories

The following pie chart represents budgeted expenditures by Office for FY 2014-15

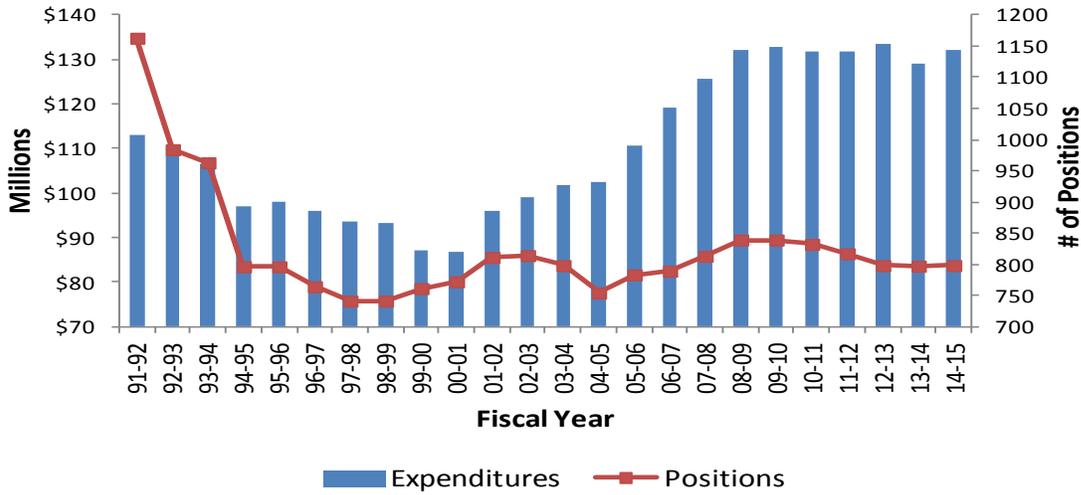
### **Expenditures by Office**



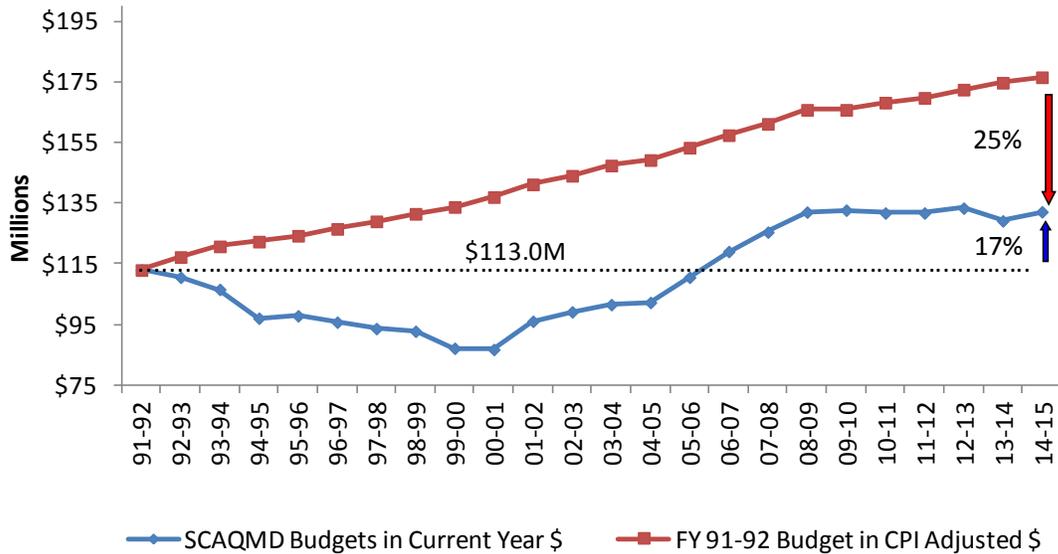
## Budget Changes

Over the years, SCAQMD has focused on streamlining many of its operations while still meeting its program commitments, despite new federal and state mandates and increased workload complexity. The focus has been on reducing expenditures in the Major Object of Services and Supplies and maximizing the efficient use of staff resources to enable select vacant positions to remain vacant, be deleted or be unfunded. This effort has resulted in reduced program costs and is reflected in the following charts showing SCAQMD's staffing and budget levels starting in FY 1991-92 when staffing was at 1,163 FTEs. The proposed budget for FY 2014-15 reflects a staffing level of 798 FTEs. This level is 31% (365 FTEs) below the FY 1991-92 level. The FY 2014-15 proposed budget when compared to the FY 1991-92 adopted budget of \$113M is only 17% higher. After adjusting the FY 1991-92 adopted budget for CPI over the last 23 years, the FY 14-15 proposal is 25% lower.

## Changes in Expenditure Budget



## Inflation Impact on SCAQMD Budgets FY 1991-92 through FY 14-15

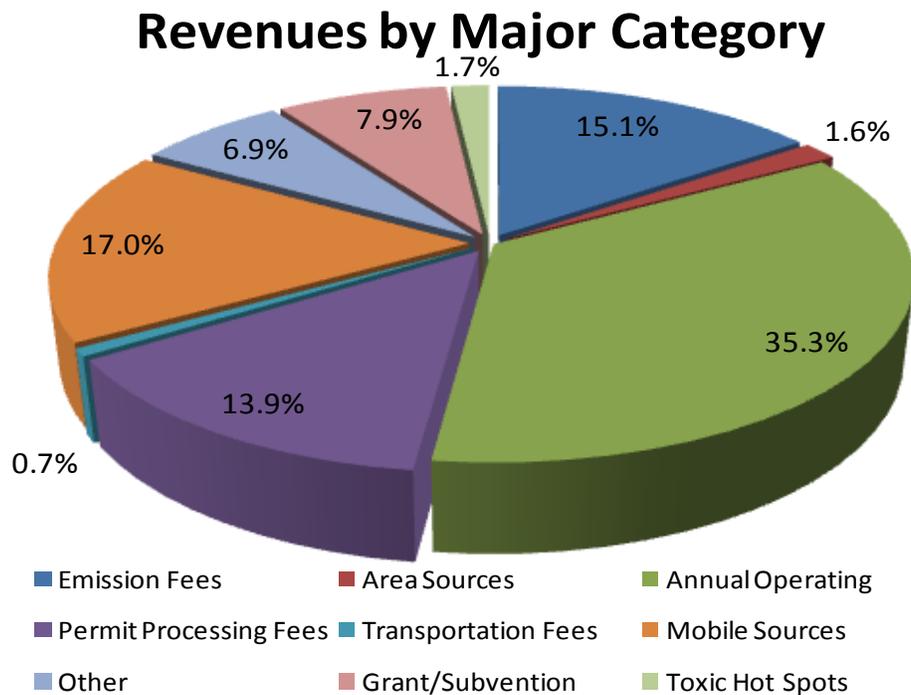


CPI adjustment based on California Consumer Price Index for preceding CY

## Revenues

### Revenue Categories

Each year, in order to meet its financial needs, the SCAQMD Governing Board adopts a budget supported by a system of annual operating and emission fees, processing fees, toxic “hot spots” fees, area sources fees, and transportation plan fees which are estimated to generate approximately \$90 million or about 68% of SCAQMD revenues. Other sources, which include penalties/settlements, interest, and miscellaneous income, generate approximately 7% of total revenues. The remaining 25% of revenue are projected to be received in the form of federal grants, California Air Resource Board (CARB) subvention, and California Clean Air Act motor vehicle fees. Beginning with its Fiscal Year 1978-79 Budget, the SCAQMD became a fee supported agency no longer receiving financial support from property taxes. The revenue budget includes a proposed CPI fee adjustment of 1.6% plus an additional fee adjustment of 3% in FY 2014-15 and an additional 3% in FY 2015-16 for Annual Operating Permit Renewal and Permit Processing Fees to better align program costs with revenues.



The following table compares the FY 2013-14 adopted revenues to the proposed revenues for FY 2014-15. The middle column is the adjusted revenues for FY 2013-14 that include Board-approved mid-year changes through March 2014.

<b>Revenue Description</b>	<b>FY 2013-14 Adopted Budget</b>	<b>FY 2013-14 Amended Budget</b>	<b>FY 2014-15 Proposed Budget</b>
Annual Operating Emission Fees	\$ 20,381,603	\$ 20,381,603	\$ 19,907,239
Annual Operating Permit Renewal Fees	43,077,692	43,077,692	45,519,161
Permit Processing Fees	18,199,082	18,199,082	18,340,435
Portable Equip Registration Prgm	745,780	745,780	1,184,169
Area Sources	2,040,720	2,040,720	2,133,600
Grant/Subvention	10,515,776	13,738,771	10,429,152
Mobile Sources	22,469,606	24,027,106	22,452,611
Transportation Program	954,037	954,037	894,080
Toxic Hot Spots	2,151,776	2,151,776	2,291,515
Other <sup>1</sup>	8,666,856	8,837,370	9,068,112
<b>Total</b>	<b>\$ 129,202,928</b>	<b>\$ 134,153,937</b>	<b>\$ 132,220,074</b>
<sup>1</sup> Includes revenues from Lease Income, Source Testing, Hearing Board, Penalties/Settlements, Interest, Subscriptions, Transfers In, and Other.			

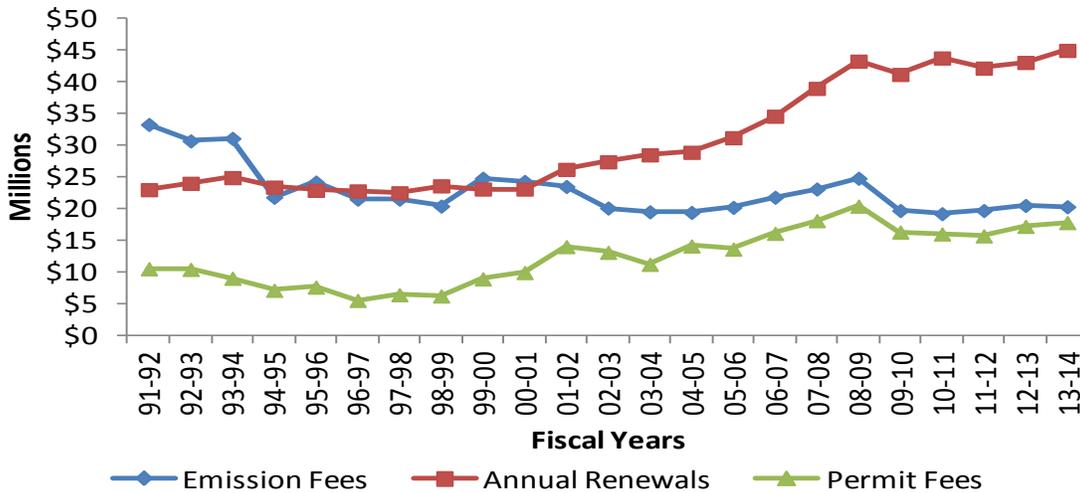
Over the past two decades, total permit fees (including permit processing, annual operating permit, and annual emissions based fees) collected from stationary sources has increased by about 24% from \$66.8 million in FY 1991-92 to \$83.1 million (estimated) in FY 2013-14. When adjusted for inflation however, stationary source revenues have decreased by 20% over this same period.

Mobile source revenues that are subvended to the SCAQMD by the Department of Motor Vehicles (DMV) are projected to stay flat from the FY 2013-14 budgeted amounts based on vehicle registration information from the DMV and recent revenue received. In addition, this category reflects incentive programs (Clean Fuels, Carl Moyer, and Prop 1B) whose contract activities and revenues are recorded in special revenue funds outside the General Fund. These incentive program costs are reimbursed to the General Fund from the various special revenue funds (subject to any administrative caps) and are reflected in the FY 2013-14 Amended Budget under the Mobile Source revenue category.

Revenues from the federal government, (Environmental Protection Agency, Department of Homeland Security, and Department of Energy) are projected to stay flat in FY 2014-15 from FY 2013-14 budgeted levels reflecting the anticipated amount of federal dollars from other one-

time and on-going grants in support of air quality efforts. State Subvention funding is expected to remain at the current level (reduced approximately 33% from FY 2001-02) for FY 2014-15. The following graph tracks actual stationary source revenues by type of fee from FY 1991-92 (when CPI limits were placed on SCAQMD fee authority) to estimated revenues for FY 2013-14.

## Stationary Source Fees



## Debt Structure

### Pension Obligation Bonds

These bonds were issued jointly by the County of San Bernardino and the SCAQMD in December 1995. In June 2004 the SCAQMD went out separately and issued pension obligation bonds to refinance its respective obligation to the San Bernardino County Employee's Retirement Association for certain amounts arising as a result of retirement benefits accruing to members of the Association.

The annual payment requirements under these bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2015	\$ 3,159,384	\$ 4,031,994	\$ 7,191,378
2016	3,235,598	3,954,554	7,190,152
2017-2018	6,763,808	7,620,198	14,384,006
2019-2023	18,867,074	14,029,476	32,896,550
2024	4,010,000	118,897	4,128,897
<b>Total</b>	<b>\$ 36,035,864</b>	<b>\$ 29,755,119</b>	<b>\$ 65,790,983</b>

## Fund Balance

The SCAQMD is projecting an Unreserved Undesignated Fund Balance for June 30, 2015 of \$23,103,647 in addition to the following Reserved and Unreserved Designated Fund Balances for FY 2014-15.

Classification	Reserve/Unreserved Designation	Amount
Committed	Reserve for Encumbrances	\$ 6,947,000
Nonspendable	Reserve for Inventory of Supplies	80,000
	Unreserved Designations:	
Assigned	For Enhanced Compliance Activities	883,018
Assigned	For Litigation/Enforcement	1,600,000
Assigned	For Other Post Employment Benefit (OPEB) Obligations	2,952,496
Assigned	For Permit Streamlining	288,385
Assigned	For Self-Insurance	2,000,000
Assigned	For Unemployment Claims	80,000
Total Reserves & Unreserved Designations		\$ 14,830,899

Reserves represent portions of the fund balance set aside for future use and are therefore not available for appropriation. These reserves are made-up of encumbrances which represent the estimated amount of current and prior years' unperformed purchase orders and contract commitments at year-end; and inventory which represents the value at cost of office, computer, cleaning and laboratory supplies on hand at year-end.

Designations in the fund balance indicate plans for use of financial resources in future years. The SCAQMD is self-insured for general liability, workers' compensation, automobile liability, premises liability, and unemployment. The Designation for Litigation/Enforcement provides funding for outside legal support. The Designation for Permit Streamlining was established to fund program enhancements to increase permitting efficiency and customer service. The Designation for Enhanced Compliance Activities provides funding for inspection/compliance efforts. The Designation for Other Post Employment Benefit Obligations (OPEB) provides funding to cover the current actuarial valuation of the inherited OPEB obligation for long-term healthcare costs from the County of Los Angeles resulting from the consolidation of the four county Air Pollution Control Districts (APCDs).

## Long-Term Projection

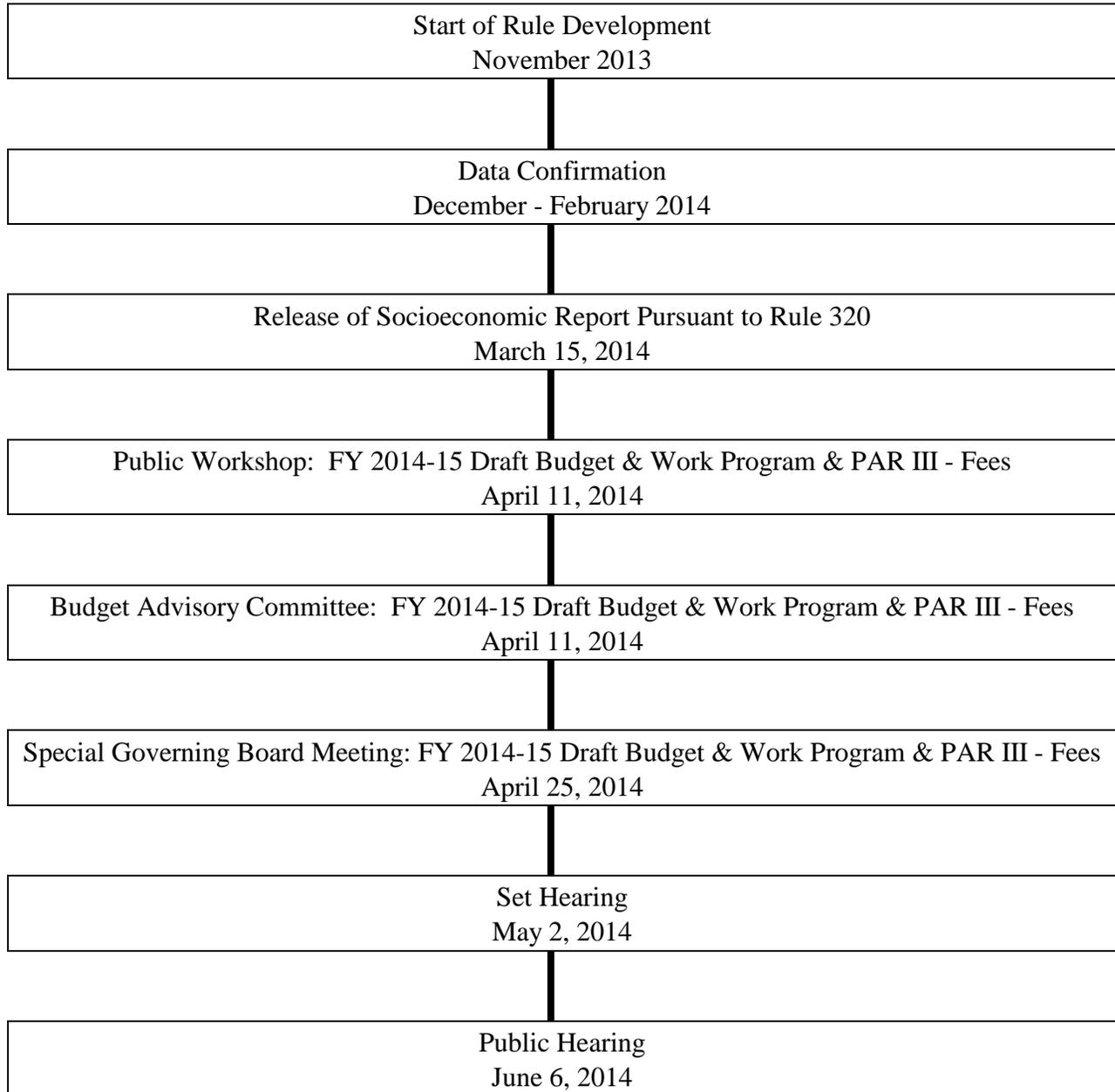
The SCAQMD continues to face a number of challenges in the upcoming years, including higher operating costs due to the market losses incurred by the retirement system and the need for major infrastructure improvement projects for an aging headquarters building, streamlining operations while meeting program commitments and uncertainties in the business environment as the economy overcomes the economic downturn of the past several years. A primary uncertainty is the degree of fluctuations the financial markets will take over the next few years which will determine the performance of our retirement investments and other investments. Another uncertainty is any legislative action that may impact the level of federal and state funding from grant awards and subvention funds. Cost recovery within the constraints of Prop 26 is a third uncertainty as SCAQMD strives to balance program operating expenses with revenues collected from fees.

In order to face these challenges, SCAQMD has a five year plan in place that provides for critical infrastructure improvement projects, maintains a stable vacancy rate in order to maximize cost efficiency, and sets the percentage of unreserved fund balance to revenue above the Governing Board mandate of 20%. In addition, the Governing Board approved a transfer of \$5 million from the General Fund Undesignated Fund Balance to the Debt Service Fund to provide funding for the debt service payments related to outstanding Pension Obligation Bonds over Fiscal Years 2015-16 through 2019-20.

The following chart, outlining SCAQMD’s financial projection over this time period, shows the agency’s commitment to meet these challenges and uncertainties while protecting the health of the residents within the SCAQMD boundaries and remaining sensitive to business.

<b>Fiscal 2013-14 Estimate and Five Year Projection</b>						
<b>(\$ in Millions)</b>						
	<b>FY 13-14 Estimate</b>	<b>FY 14-15 Proposed</b>	<b>FY 15-16 Projected</b>	<b>FY 16-17 Projected</b>	<b>FY 17-18 Projected</b>	<b>FY 18-19 Projected</b>
STAFFING	797	798	797	797	797	797
REVENUES*/TRANSFERS IN	\$136.2	\$132.2	\$133.7	\$135.2	\$135.4	\$137.5
EXPENDITURES/TRANSFERS OUT	\$132.2	\$132.2	\$133.7	\$135.2	\$135.4	\$136.3
Change in Fund Balance	\$4.0	\$0.0	\$0.0	\$0.0	\$0.0	\$1.2
UNRESERVED FUND BALANCE (at year-end)	\$35.9	\$30.9	\$30.9	\$30.9	\$30.9	\$32.1
% of REVENUE	26.4%	23.4%	23.1%	22.9%	22.8%	23.3%
*Includes projected CPI fee increase of 1.6% for FY 2014-15, 2.1% for FY 2015-16, and 2.2% for FY 2016-17, FY 2017-18 and FY 2018-19. In FY 2014-15 & FY 2015-16 an additional 3% increase to Permit and Annual Operating revenue is being proposed.						

**ATTACHMENT C**  
**RULE DEVELOPMENT PROCESS**



Time Spent in Rule Development: 8 months

## **ATTACHMENT D KEY CONTACTS**

Ed Camarena	SCAQMD Hearing Board (Budget Advisory Committee)
Ben Clymer	
Bryan Clymer	
Curtis Coleman	Southern California Air Quality Alliance (Budget Advisory Committee)
Randy Guttera	Walgreens
Bill Lamar	Center for Strategic and Budgetary Assessments (Budget Advisory Committee)
Baldomero Lopez	
Bill Quinn	California Council for Environmental and Economic Balance (Budget Advisory Committee)
Patrick Griffith	Los Angeles County Sanitation Districts
Xuyen Trieu	
Lee Wallace	Southern California Gas Company (Budget Advisory Committee)

**ATTACHMENT E**  
**RESOLUTION NO. 14-**

**A Resolution of the Governing Board of the South Coast Air Quality Management District (SCAQMD) certifying that 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 Governing Board of the SCAQMD 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 staff reviewed the proposed project and determined that it is statutorily exempt from the requirements of CEQA pursuant to CEQA Guidelines §15273; 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) 2014-15 and FY 2015-16 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 AQMD 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, 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, 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 FY 2014-15 and FY 2015-16 budgets; 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 certify the Notice of Exemption for Regulation III – Fees, including Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315 as proposed, completed in compliance with CEQA Guidelines Sections 15002(k)(1), 15061(b)(1), and 15273, and that it was presented to the Governing Board, whose members reviewed, considered, and approved the information therein before acting on Regulation III – Fees, including Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315 as proposed; 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, 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 2014-2015 Budget 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 2013 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, pages 40 through 44 and Sections III D and E, pages 12 through 16, as setting forth the bases for these findings and

**BE IT FURTHER RESOLVED**, that the SCAQMD Governing Board does hereby approve the Socioeconomic Impact Assessment; and

**BE IT FURTHER RESOLVED**, that the SCAQMD Governing Board does hereby amend Regulation III – Fees, including Rules pursuant to the authority by law, as set forth in the attached and incorporated herein by this reference.

DATE: \_\_\_\_\_

CLERK OF THE BOARD

## ATTACHMENT F

(Adopted Feb. 4, 1977)(Amended May 27, 1977)(Amended Jan. 6, 1978)(Amended June 16, 1978)  
(Amended April 4, 1980)(Amended Sept. 5, 1980)(Amended June 5, 1981)(Amended July 9, 1982)  
(Amended Dec. 3, 1982)(Amended June 3, 1983)(Amended May 4, 1984)(Amended July 6, 1984)  
(Amended Nov. 2, 1984)(Amended Dec. 6, 1985)(Amended May 1, 1987)(Amended June 3, 1988)  
(Amended December 2, 1988)(Amended January 6, 1989)(Amended June 2, 1989)  
(Amended June 1, 1990) (Amended June 7, 1991)(Amended December 6, 1991)  
(Amended June 5, 1992) (Amended July 10, 1992)(Amended June 11, 1993)  
(Amended October 8, 1993)(Amended June 10, 1994)(Amended May 12, 1995)  
(Amended October 13, 1995)(Amended May 10, 1996)(Amended May 9, 1997)  
(Amended May 8, 1998)(Amended June 12, 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)

**CPI increase to be effective on July 1, 2013**

### **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 ~~(k)~~~~(l)~~ and (m)], Facility Registrations [see subdivision (r)], 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; or conversion of emissions reduction credits, mobile source credits, or area source credits to short term emission reduction credits, pursuant to Regulation XIII [see paragraph (c)(4)].
- (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 ~~(k)~~].
- (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 (~~k~~)].
- (9) Non-Tradeable Allocation Credit Mitigation Fee [see subdivision (~~k~~)].
- (10) Environmental Impact Analysis, Air Quality Analysis, Health Risk Assessment, Public Notification on Significant Projects and Emission Reduction Credits (pursuant to Regulation XIII - New Source Review) [see paragraph (c)(4) and subdivision (i) of this rule].
- (11) Asbestos demolition and renovation activities [see subdivision (n)].
- (12) Lead abatement activities [see subdivision (o)].
- (13) Evaluation of permit applications submitted for compliance under a National Emission Standard for Hazardous Air Pollutants (NESHAP) [see subdivision (p)].
- (14) Certification of Clean Air Solvents [see subdivision (q)].

(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<sub>x</sub>, SO<sub>x</sub>, CO, Total Sulfur) and associated sample collection, transport, and conditioning equipment, and data acquisition and logging systems,
    - (ii) Diluent gas analyzer (O<sub>2</sub> or CO<sub>2</sub>),
    - (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 subparagraph (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<sub>x</sub> 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 (7)(A) but, as an alternative to directly monitoring SO<sub>x</sub> emissions at sources required to have SO<sub>x</sub> CEMS (at the same facility), SO<sub>x</sub> 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 (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 (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), sulfur hexafluoride (SF<sub>6</sub>), 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 small business, 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 ERC Processing Rates – Banking, Change of Title, Alteration/Modification and Conversion to Short Term Credits 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 paragraphs (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 ~~\$725.03~~\$758.73 for FY 14-15 and \$781.49 for FY 15-16 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 ~~\$725.03~~\$758.73 for FY 14-15 and \$781.49 for FY 15-16 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 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 ~~\$725.03~~**\$758.73 for FY 14-15 and \$781.49 for FY 15-16 and thereafter.**
- (B) Permits that must be reissued to reflect the permanent removal of a standby fuel supply, or to render equipment non-operational, which:
  - (i) Do not result in a new source review emission adjustment. A reissue permit fee of ~~\$530.89~~**\$555.57 for FY 14-15 and \$572.24 for FY 15-16 and thereafter** pursuant to Rule 301(f) shall be charged per equipment/reissued permit; or
  - (ii) Result in a new source review emission adjustment. A reissued permit fee of ~~\$1,391.92~~**\$1,456.62 for FY 14-15 and \$1,500.32 for FY 15-16 and thereafter** per equipment shall be charged.
- (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:

<b>Schedule</b>	<b>Re-Issuance Fee for FY 08-09 and Thereafter</b>
A	<del>\$530.89</del> <u>\$555.57 for FY 14-15 and \$572.24 for FY 15-16 and thereafter</u>
A1	<del>\$530.89</del> <u>\$555.57 for FY 14-15 and \$572.24 for FY 15-16 and thereafter</u>
B	<del>\$725.03</del> <u>\$758.73 for FY 14-15 and \$781.49 for FY 15-16 and thereafter</u>
B1	<del>\$725.03</del> <u>\$758.73 for FY 14-15 and \$781.49 for FY 15-16 and thereafter</u>
C	<del>\$725.03</del> <u>\$758.73 for FY 14-15 and \$781.49 for FY 15-16 and thereafter</u>
D	<del>\$725.03</del> <u>\$758.73 for FY 14-15 and \$781.49 for FY 15-16 and thereafter</u>
E	<del>\$725.03</del> <u>\$758.73 for FY 14-15 and \$781.49 for FY 15-16 and thereafter</u>
F	<del>\$725.03</del> <u>\$758.73 for FY 14-15 and \$781.49 for FY 15-16 and thereafter</u>
G	<del>\$725.03</del> <u>\$758.73 for FY 14-15 and \$781.49 for FY 15-16 and thereafter</u>
H	<del>\$725.03</del> <u>\$758.73 for FY 14-15 and \$781.49 for FY 15-16 and thereafter</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.

(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:

<b>Equipment/Process Schedules</b>	<b>Annual Operating Permit Renewal Fee</b>
Equipment/Processes appearing in Tables IA and IB as Schedule A1	<del>\$158.23</del> <u>\$165.58 for FY 14-15 and \$170.55 for FY 15-16 and thereafter</u>
Equipment/Processes appearing in Tables IA and IB as Schedules A, B, and B1 (excluding Rule 461 liquid fuel dispensing nozzles)	<del>\$317.07</del> <u>\$331.81 for FY 14-15 and \$341.76 for FY 15-16 and thereafter</u>
Equipment/Processes appearing in Tables IA and IB as Schedules C and D	<del>\$1,135.61</del> <u>\$1,188.39 for FY 14-15 and \$1,224.04 for FY 15-16 and thereafter</u>
Equipment/Processes appearing in Tables IA and IB as Schedules E, F, G, and H	<del>\$2,726.74</del> <u>\$2,853.48 for FY 14-15 and \$2,939.08 for FY 15-16 and thereafter</u>
Rule 461 liquid fuel dispensing system	<del>\$93.74</del> <u>\$98.10 for FY 14-15 and \$101.04 for FY 15-16 and thereafter</u> per product dispensed per nozzle

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	<del>\$459.69</del> <u>\$481.06 for FY 14-15 and \$495.49 for FY 15-16 and thereafter</u> per facility
RECLAIM Facility	<del>\$762.81</del> <u>\$798.27 for FY 14-15 and \$822.22 for FY 15-16 and thereafter</u> per Major Device
	<del>\$152.57</del> <u>\$159.66 for FY 14-15 and \$164.45 for FY 15-16 and thereafter</u> per Large Device
	<del>\$152.57</del> <u>\$159.66 for FY 14-15 and \$164.45 for FY 15-16 and thereafter</u> per Process Unit Device
RECLAIM and Title V Facility	RECLAIM fee + Title V fee

\*For FY 2010-2011, the amount of the CPI increase will be rebated

- (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 ~~\$1.76~~\$1.79 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 NOx 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 ~~\$117.87~~**\$119.76**.

(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**

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

(6) **Clean Fuels Fee Thresholds**

Each facility emitting 250 tons or more per year (≥250 TPY) of any of the above referenced contaminants 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) 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) 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 (60) 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 ~~\$289.97~~**\$303.45 for FY 14-15 and \$312.55 for FY 15-16 and thereafter** for each subject facility and reporting period. Evaluation time beyond two hours shall be assessed at the rate of ~~\$145.01~~**\$151.75 for FY 14-15 and \$156.30 for FY 15-16 and thereafter** per hour and shall not exceed ten (10) hours. Amendment requests received within one year (1) and sixty (60) 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) 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) 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) 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) 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) day following the official due date

(July 1 or January 1 as applicable). If the sixtieth (60th) 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) 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) 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) 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.

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

- (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, 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, 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) 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 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:

(A) Notwithstanding any other applicable Rule 301(e) provisions regarding the annual emissions report and emission fees, for the reporting period 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 to avoid any late payment surcharges specified in subparagraph (e)(10)(B), or

(B) The deadline for filing the calendar year 2008 Annual Emissions Report and fee payment shall be March 2<sup>nd</sup>, 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 ~~\$121.44~~**\$123.38** in addition to a verification fee assessed at ~~\$125.68~~**\$127.69** 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 ~~\$24.96~~**\$25.36** shall be paid for a certified permit copy.
- (2) A fee of ~~\$193.31~~**\$196.40** shall be paid for a reissued permit.

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:

Facility Permit Holders	<del>\$193.34</del> <b>\$202.30 for FY 14-15 and \$208.37 for FY 15-16 and thereafter</b> per equipment
Other Permit Holders	<del>\$193.34</del> <b>\$202.30 for FY 14-15 and \$208.37 for FY 15-16 and thereafter</b> per equipment

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 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 ~~\$145.01~~\$151.75 for FY 14-15 and \$156.30 for FY 15-16 and thereafter 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)	<del>\$290.01</del> <u>\$303.49 for FY 14-15 and \$312.59 and thereafter for FY 15-16</u>
Negative Declaration	<del>\$4,373.26</del> <u>\$4,576.53 for FY 14-15 and \$4,713.83 for FY 15-16 and thereafter</u>
Mitigated Negative Declaration	<del>\$4,373.26</del> <u>\$4,576.53 for FY 14-15 and \$4,713.83 for FY 15-16 and thereafter</u>
Environmental Impact Report (EIR)	<del>\$5,830.98</del> <u>\$6,102.00 for FY 14-15 and \$6,285.06 for FY 15-16 and thereafter</u>
Supplemental or Subsequent EIR	<del>\$5,830.98</del> <u>\$6,102.00 for FY 14-15 and \$6,285.06 for FY 15-16 and thereafter</u>
Addendum to EIR	<del>\$3,021.94</del> <u>\$3,162.40 for FY 14-15 and \$3,257.27 for FY 15-16 and thereafter</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 ~~\$145.04~~**\$151.75 for FY 14-15 and \$156.30 for FY 15-16 and thereafter** 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 ~~\$145.04~~**\$151.75 for FY 14-15 and \$156.30 for FY 15-16 and thereafter** 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, as defined in Rule 212(c) or for emission reduction credits (ERCs) in excess of the amounts as specified in Rule 1310(c), 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 ~~\$845.30~~**\$884.59 for FY 14-15 and \$911.13 for FY 15-16 and thereafter** 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 ~~\$773.78~~**\$809.75 for FY 14-15 and \$834.04 for FY 15-16 and thereafter**; and additional fees will be assessed at a rate of ~~\$145.01~~**\$151.75 for FY 14-15 and \$156.30 for FY 15-16 and thereafter** per hour for time spent on the evaluation in excess of 10 hours up to a maximum total fee of ~~\$4,837.80~~**\$5,062.66 for FY 14-15 and \$5,214.54 for FY 15-16 and thereafter**.

(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<sub>x</sub> 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 of ~~\$773.78~~**\$809.75 for FY 14-15 and \$834.04 for FY 15-16 and thereafter**; and additional fees will be assessed at a rate of ~~\$145.01~~**\$151.75 for FY 14-15 and \$156.30 for FY 15-16 and thereafter** per hour for time spent on the evaluation in excess of 10 hours up to a maximum total fee of ~~\$4,837.80~~**\$5,062.66 for FY 14-15 and \$5,214.54 for FY 15-16 and thereafter**.

(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 ~~\$773.78~~**\$809.75 for FY 14-15 and \$834.04 for FY 15-16 and thereafter**, covering the evaluation and recertification, if necessary, of the CEMS, FSMS, or ACEMS. Additional fees will be assessed at a rate of ~~\$145.01~~**\$151.75 for FY 14-15 and \$156.30 for FY 15-16 and thereafter** per hour for time spent on the evaluation in excess of 10 hours up to a maximum

total fee of ~~\$4,837.80~~**\$5,062.66 for FY 14-15 and \$5,214.54 for FY 15-16 and thereafter.**

- (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 ~~\$773.78~~**\$809.75 for FY 14-15 and \$834.04 for FY 15-16 and thereafter** for this evaluation, if required. Additional fees will be assessed at a rate of ~~\$145.04~~**\$151.75 for FY 14-15 and \$156.30 for FY 15-16 and thereafter** per hour for time spent on the evaluation in excess of 10 hours up to a maximum total fee of ~~\$4,837.80~~**\$5,062.66 for FY 14-15 and \$5,214.54 for FY 15-16 and thereafter.**

- (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 ~~\$230.67~~**\$241.39 for FY 14-15 and \$248.63 for FY 15-16 and thereafter** for the first CEMS, FSMS, or ACEMS, plus ~~\$46.01~~**\$48.15 for FY 14-15 and \$49.59 for FY 15-16 and thereafter** 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 ~~\$607.10~~**\$616.81** per product certified, and additional fees will be assessed at the rate of ~~\$121.44~~**\$123.38** 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 ~~\$303.56~~**\$308.42** for the first certificate issued, and additional fees will be assessed at the rate of ~~\$121.44~~**\$123.38** 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 ~~\$60.69~~**\$61.66** 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 ~~\$145.01~~**\$151.75 for FY 14-15 and \$156.30 for FY 15-16 and thereafter** per hour 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).

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

A fee of ~~\$305.64~~**\$310.53** 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 ~~\$483.47~~**\$505.94 for FY 14-15 and \$521.12 for FY 15-16 and thereafter.**
  - (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 cause a change in emissions shall be ~~\$912.44~~**\$954.85**

~~for FY 14-15 and \$983.50 for FY 15-16 and thereafter~~  
~~(\$1,824.90\$1,909.72 for FY 14-15 and \$1,967.01 for FY 15-16 and~~  
~~thereafter~~ if both RECLAIM and Title V facility), 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 ~~\$912.44\$954.85 for FY 14-15 and \$983.50 for FY 15-16 and~~  
~~thereafter~~ (~~\$1,824.90\$1,909.72 for FY 14-15 and \$1,967.01 for FY 15-16 and thereafter~~ if both a RECLAIM and Title V facility) 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 ~~(k)~~(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. The transferee shall pay a Transaction Registration Fee of ~~\$145.01~~\$147.33 at the time the transaction is registered with the District.

(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 ~~(e)(10)~~(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 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 ~~\$565.39~~**\$591.67 for FY 14-15 and \$609.42 for FY 15-16 and thereafter** and additional fees will be assessed at a rate of ~~\$145.04~~**\$151.75 for FY 14-15 and \$156.30 for FY 15-16 and thereafter** per hour for time spent on evaluation in excess of 3 hours.

- (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 SOx RECLAIM allocation (initial allocation of the original operator if a change of operator has 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 (60<sup>th</sup>) 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 ~~\$24.96~~**\$25.36** for the first page and ~~\$1.76~~**\$1.79** for each additional page in the Facility Permit.

(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 ~~\$193.34~~**\$196.40** for the first page plus

~~\$1.76~~**\$1.79** for each additional page in the facility permit.

(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 ~~\$145.01~~**\$151.75 for FY 14-15 and \$156.30 for FY 15-16 and thereafter** at the time of filing of a Breakdown Emission Report, and shall be assessed an evaluation fee at the rate of ~~\$145.01~~**\$151.75 for FY 14-15 and \$156.30 for FY 15-16 and thereafter** per hour.

(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

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 of ~~\$9,676.31~~**\$10,126.06 for FY 14-15 and \$10,429.84 for FY 15-16 and thereafter** per ton of credits requested plus a non-refundable ~~\$96.45~~**\$100.93 for FY 14-15 and \$103.96 for FY 15-16 and thereafter** processing fee.

(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-tradable 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 rate of ~~\$145.01~~**\$151.75 for FY 14-15 and \$156.30 for FY 15-16 and thereafter** per hour.

(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:

<b>Title V INITIAL Fee</b>				
<b>Number of Devices</b>	<b>1-20</b>	<b>21-75</b>	<b>76-250</b>	<b>251+</b>
<b>Applications submitted on or after July 1, 2005 through June 30, 2006</b>	<del>\$1,089.56</del>	<del>\$3,486.95</del>	<del>\$7,845.97</del>	<del>\$13,294.75</del>
	<u>\$1,140.20 for FY 14-15 and</u>	<u>\$3,649.02 for FY 14-15 and</u>	<u>\$8,210.65 for FY 14-15 and</u>	<u>\$13,912.69 for FY 14-15 and</u>
	<u>\$1,174.41 for FY 15-16 and</u>	<u>\$3,758.49 for FY 15-16 and</u>	<u>\$8,456.97 for FY 15-16 and</u>	<u>\$14,330.07 for FY 15-16 and</u>
	<u>thereafter</u>	<u>thereafter</u>	<u>thereafter</u>	<u>thereafter</u>
<b>Applications submitted on or after July 1, 2006 through June 30, 2007</b>	<del>\$1,198.52</del>	<del>\$3,835.66</del>	<del>\$8,630.59</del>	<del>\$14,624.22</del>
	<u>\$1,254.23 for FY 14-15 and</u>	<u>\$4,013.94 for FY 14-15 and</u>	<u>\$9,031.74 for FY 14-15 and</u>	<u>\$15,303.95 for FY 14-15 and</u>
	<u>\$1,291.86 for FY 15-16 and</u>	<u>\$4,134.36 for FY 15-16 and</u>	<u>\$9,302.69 for FY 15-16 and</u>	<u>\$15,763.07 for FY 15-16 and</u>
	<u>thereafter</u>	<u>thereafter</u>	<u>thereafter</u>	<u>thereafter</u>
<b>Applications submitted on or after July 1, 2007 through June 30, 2008</b>	<del>\$1,318.37</del>	<del>\$4,219.22</del>	<del>\$9,493.63</del>	<del>\$16,078.17</del>
	<u>\$1,379.65 for FY 14-15 and</u>	<u>\$4,415.33 for FY 14-15 and</u>	<u>\$9,934.89 for FY 14-15 and</u>	<u>\$16,825.48 for FY 14-15 and</u>
	<u>\$1,421.04 for FY 15-16 and</u>	<u>\$4,547.79 for FY 15-16 and</u>	<u>\$10,232.94 for FY 15-16 and</u>	<u>\$17,330.24 for FY 15-16 and</u>
	<u>thereafter</u>	<u>thereafter</u>	<u>thereafter</u>	<u>thereafter</u>
<b>Applications submitted on or after July 1, 2008</b>	<del>\$1,450.21</del>	<del>\$4,641.13</del>	<del>\$10,443.00</del>	<del>\$17,695.31</del>
	<u>\$1,517.62 for FY 14-15 and</u>	<u>\$4,856.85 for FY 14-15 and</u>	<u>\$10,928.39 for FY 14-15 and</u>	<u>\$18,517.79 for FY 14-15 and</u>
	<u>\$1,563.15 for FY 15-16 and</u>	<u>\$5,002.56 for FY 15-16 and</u>	<u>\$11,256.24 for FY 15-16 and</u>	<u>\$19,073.32 for FY 15-16 and</u>
	<u>thereafter</u>	<u>thereafter</u>	<u>thereafter</u>	<u>thereafter</u>

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:

<b>Title V FINAL Fee</b>				
<b>Number of Devices</b>	<b>1-20</b>	<b>21-75</b>	<b>76-250</b>	<b>251+</b>
<b>Time Spent in Excess of:</b>	<b>8 Hours</b>	<b>30 Hours</b>	<b>70 Hours</b>	<b>120 Hours</b>
<b>On or after July 1, 2005 through June 30, 2006</b>	<del>\$108.95</del>	<del>\$108.95</del>	<del>\$108.95</del>	<del>\$108.95</del>
	<del><u>\$114.01 for FY 14-15 and \$117.43 for FY 15-16 and thereafter</u></del> per hour; up to a maximum total fee of <del><u>\$13,300.33</u></del>	<del><u>\$114.01 for FY 14-15 and \$117.43 for FY 15-16 and thereafter</u></del> per hour; up to a maximum total fee of <del><u>\$26,600.65</u></del>	<del><u>\$114.01 for FY 14-15 and \$117.43 for FY 15-16 and thereafter</u></del> per hour; up to a maximum total fee of <del><u>\$65,501.60</u></del>	<del><u>\$114.01 for FY 14-15 and \$117.43 for FY 15-16 and thereafter</u></del> per hour; up to a maximum total fee of <del><u>\$99,752.43</u></del>
<b>On or after July 1, 2006 through June 30, 2007</b>	<del>\$119.84</del>	<del>\$119.84</del>	<del>\$119.84</del>	<del>\$119.84</del>
	<del><u>\$125.41 for FY 14-15 and \$129.17 for FY 15-16 and thereafter</u></del> per hour; up to a maximum total fee of	<del><u>\$125.41 for FY 14-15 and \$129.17 for FY 15-16 and thereafter</u></del> per hour; up to a maximum total fee of	<del><u>\$125.41 for FY 14-15 and \$129.17 for FY 15-16 and thereafter</u></del> per hour; up to a maximum total fee of	<del><u>\$125.41 for FY 14-15 and \$129.17 for FY 15-16 and thereafter</u></del> per hour; up to a maximum total fee of

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	<del>\$14,630.38</del> <del>\$15,310.40 for FY 14-15 and \$15,769.71 for FY 15-16 and thereafter</del>	<del>\$29,260.71</del> <del>\$30,620.75 for FY 14-15 and \$31,539.37 for FY 15-16 and thereafter</del>	<del>\$73,151.76</del> <del>\$76,551.85 for FY 14-15 and \$78,848.41 for FY 15-16 and thereafter</del>	<del>\$130,039.65</del> <del>\$136,083.89 for FY 14-15 and \$140,166.41 for FY 15-16 and thereafter</del>
<b>On or after July 1, 2007 through June 30, 2008</b>	<del>\$131.83</del> <del>\$137.96 for FY 14-15 and \$142.10 for FY 15-16 and thereafter</del> per hour; up to a maximum total fee of <del>\$16,093.40</del> <del>\$16,841.42 for FY 14-15 and \$17,346.66 for FY 15-16 and thereafter</del>	<del>\$131.83</del> <del>\$137.96 for FY 14-15 and \$142.10 for FY 15-16 and thereafter</del> per hour; up to a maximum total fee of <del>\$32,186.79</del> <del>\$33,682.83 for FY 14-15 and \$34,693.31 for FY 15-16 and thereafter</del>	<del>\$131.83</del> <del>\$137.96 for FY 14-15 and \$142.10 for FY 15-16 and thereafter</del> per hour; up to a maximum total fee of <del>\$80,466.93</del> <del>\$84,207.03 for FY 14-15 and \$86,733.24 for FY 15-16 and thereafter</del>	<del>\$131.83</del> <del>\$137.96 for FY 14-15 and \$142.10 for FY 15-16 and thereafter</del> per hour; up to a maximum total fee of <del>\$120,700.45</del> <del>\$126,310.61 for FY 14-15 and \$130,099.93 for FY 15-16 and thereafter</del>
<b>On or after July 1, 2008</b>	<del>\$145.01</del> <del>\$151.75 for FY 14-15 and \$156.30 for FY 15-16 and thereafter</del> per hour; up to a maximum total fee of <del>\$17,702.74</del> <del>\$18,525.56 for FY 14-15 and \$19,081.33 for</del>	<del>\$145.01</del> <del>\$151.75 for FY 14-15 and \$156.30 for FY 15-16 and thereafter</del> per hour; up to a maximum total fee of <del>\$35,405.45</del> <del>\$37,051.10 for FY 14-15 and \$38,162.63 for</del>	<del>\$145.01</del> <del>\$151.75 for FY 14-15 and \$156.30 for FY 15-16 and thereafter</del> per hour; up to a maximum total fee of 8 <del>\$90,631.83</del> <del>\$94,844.40 for FY 14-15 and \$97,689.73 for</del>	<del>\$145.01</del> <del>\$151.75 for FY 14-15 and \$156.30 for FY 15-16 and thereafter</del> per hour; up to a maximum total fee of <del>\$132,770.48</del> <del>\$138,941.65 for FY 14-15 and \$143,109.90 for</del>

	<u>FY 15-16 and thereafter</u>	<u>FY 15-16 and thereafter</u>	<u>FY 15-16 and thereafter</u>	<u>FY 15-16 and thereafter</u>
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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 ~~(4m)~~(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 ~~(4m)~~(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 ~~(k1)~~(6), ~~(k1)~~(9), and (m)(3), and except as provided in paragraphs ~~(k1)~~(5), ~~(k1)~~(7), ~~(k1)~~(12), (m)(3), (m)(5) and (m)(8), the permit processing fee for an administrative permit revision shall be a fee of ~~\$912.44~~\$954.85 for FY 14-15 and \$983.50 for FY 15-16 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

~~\$912.44~~**\$954.85 for FY 14-15 and \$983.50 for FY 15-16 and thereafter** plus the applicable fee in paragraphs (k)(5), (k)(6), (m)(3), and (m)(4). RECLAIM facilities shall only pay the fee specified in paragraph (k)(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 ~~\$2,072.50~~**\$2,168.83 for FY 14-15 and \$2,233.89 for FY 15-16 and thereafter** to be paid when the application is submitted; and a final fee of ~~\$145.01~~**\$151.75 for FY 14-15 and \$156.30 for FY 15-16 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 ~~\$2,902.72~~**\$3,037.64 for FY 14-15 and \$3,128.77 for FY 15-16 and thereafter** plus ~~\$902.50~~**\$944.45 for FY 14-15 and \$972.78 for FY 15-16 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 ~~(4m)~~(7) and ~~(4m)~~(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 of ~~\$912.44~~**\$954.85 for FY 14-15 and \$983.50 for FY 15-16 and thereafter** 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 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 ~~\$24.96~~**\$25.36** for the first page and ~~\$1.76~~**\$1.79** 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 ~~\$193.31~~**\$196.40** for the first page plus ~~\$1.76~~**\$1.79** 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 ~~\$293.38~~**\$307.02** ~~for FY 14-15 and \$316.23 for FY 15-16 and thereafter.~~ Additional fees shall be assessed at a rate of ~~\$145.01~~**\$151.75** ~~for FY 14-15 and \$156.30 for FY 15-16 and thereafter~~ 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	<del>\$345.18</del> <u>\$350.70</u> for five or fewer compounds <del>\$32.03</del> <u>\$32.54</u> for each additional compound
Density measurement	<del>\$129.45</del> <u>\$131.52</u>
Time and material	<del>\$121.44</del> <u>\$123.38</u> per person per hour or prorated portion thereof
Clean Air Solvent Certificate	<del>\$176.59</del> <u>\$179.42</u>

At the time of filing for a Clean Air Solvent certificate, the applicant shall submit a fee of ~~\$772.63~~\$784.99 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	<del>\$345.18</del> <u>\$350.70</u> for five or fewer compounds <del>\$32.03</del> <u>\$32.54</u> for each additional compound
Time and material	<del>\$121.44</del> <u>\$123.38</u> per person per hour or prorated portion thereof
Clean Air Choices Cleaner Certificate	<del>\$176.59</del> <u>\$179.42</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 ~~\$813.98~~**\$827.00** 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 ~~\$24.96~~**\$25.36** for the first page and ~~\$1.76~~**\$1.79** 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 ~~\$193.31~~**\$196.40** for the first equipment listed in the Facility Registration plus ~~\$1.76~~**\$1.79** 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 ~~\$177.03~~**\$185.26 for FY 14-15 and \$190.82 for FY 15-16 and thereafter** 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 ~~\$177.03~~**\$185.26 for FY 14-15 and \$190.82 for FY 15-16 and thereafter** 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 ~~\$177.03~~**\$185.26 for FY 14-15 and \$190.82 for FY 15-16 and thereafter** (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 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, expedited processing fees will include an additional hourly fee when the processing time exceeds times as indicated in column 1 below; but not to exceed the total amounts in column 4, based on the applicable schedule as follows:

<b>Processing Time Exceeding</b>	<b>Schedule</b>	<b>Added Base Hourly Fee \$</b>	<b>Maximum Added Base Cap Fee \$</b>
99 hours	F	<del>\$217.52</del> <u>\$227.63 for FY 14-15 and \$234.46 for FY 15-16</u>	<del>\$40,885.07</del> <u>\$42,785.41 for FY 14-15 and \$44,068.97 for FY 15-16</u>

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		<u>and thereafter</u>	<u>and thereafter</u>
117 hours	G	<u>\$217.52\$227.63 for FY 14-15 and \$234.46 for FY 15-16 and thereafter</u>	<u>\$70,045.73\$73,301.46 for FY 14-15 and \$75,500.50 for FY 15-16 and thereafter</u>
182 hours	H	<u>\$217.52\$227.63 for FY 14-15 and \$234.46 for FY 15-16 and thereafter</u>	<u>\$89,062.98\$93,202.63 for FY 14-15 and \$95,998.71 for FY 15-16 and thereafter</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 \$145.01\$151.75 for FY 14-15 and \$156.30 for FY 15-16 and thereafter plus \$75.21\$78.71 for FY 14-15 and \$81.07 for FY 15-16 and thereafter per hour (one half of hourly plus mileage). The established CEQA fees found in the provisions of Rule 301(i) 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 \$145.01\$151.75 for FY 14-15 and \$156.30 for FY 15-16 and thereafter plus \$75.21\$78.71 for FY 14-15 and \$81.07 for FY 15-16 and thereafter 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 ~~\$121.44~~**\$127.08 for FY 14-15 and \$130.89 for FY 15-16 and thereafter** plus ~~\$62.99~~**\$65.92 for FY 14-15 and \$67.90 for FY 15-16 and thereafter** 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 ~~\$145.04~~**\$151.75 for FY 14-15 and \$156.30 for FY 15-16 and thereafter** plus ~~\$75.24~~**\$78.71 for FY 14-15 and \$81.07 for FY 15-16 and thereafter** 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) Rules 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 ~~\$56.28~~\$57.18 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 ~~\$518.74~~\$527.01 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 ~~\$259.37~~\$263.52 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 ~~\$381.41~~**\$387.51** 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 ~~\$381.41~~**\$387.51** 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.

**SUMMARY PERMIT FEE RATES -  
PERMIT PROCESSING, CHANGE OF CONDITIONS,  
ALTERATION/MODIFICATION**

Schedule	Permit Processing Fee	Change of Condition	Alteration/ Modification
<b>A</b>	<del>\$1,391.92</del> <u>\$1,456.62</u> for FY 14-15 and <del>\$1,500.32</del> for FY 15-16 and thereafter	<del>\$725.03</del> <u>\$758.73</u> for FY 14-15 and <del>\$781.49</del> for FY 15-16 and thereafter	<del>\$1,391.92</del> <u>\$1,456.62</u> for FY 14-15 and <del>\$1,500.32</del> for FY 15-16 and thereafter
<b>A1</b>	<del>\$1,391.92</del> <u>\$1,456.62</u> for FY 14-15 and <del>\$1,500.32</del> for FY 15-16 and thereafter	<del>\$725.03</del> <u>\$758.73</u> for FY 14-15 and <del>\$781.49</del> for FY 15-16 and thereafter	<del>\$1,391.92</del> <u>\$1,456.62</u> for FY 14-15 and <del>\$1,500.32</del> for FY 15-16 and thereafter
<b>B</b>	<del>\$2,218.39</del> <u>\$2,321.50</u> for FY 14-15 and <del>\$2,391.15</del> for FY 15-16 and thereafter	<del>\$1,098.98</del> <u>\$1,150.06</u> for FY 14-15 and <del>\$1,184.56</del> for FY 15-16 and thereafter	<del>\$2,218.39</del> <u>\$2,321.50</u> for FY 14-15 and <del>\$2,391.15</del> for FY 15-16 and thereafter
<b>B1</b>	<del>\$3,508.86</del> <u>\$3,671.95</u> for FY 14-15 and <del>\$3,782.11</del> for FY 15-16 and thereafter	<del>1,901.97</del> <u>\$1,990.37</u> for FY 14-15 and <del>\$2,050.08</del> for FY 15-16 and thereafter	<del>\$3,508.86</del> <u>\$3,671.95</u> for FY 14-15 and <del>\$3,782.11</del> for FY 15-16 and thereafter
<b>C</b>	<del>\$3,508.86</del> <u>\$3,671.95</u> for FY 14-15 and <del>\$3,782.11</del> for FY 15-16 and thereafter	<del>1,901.97</del> <u>\$1,990.37</u> for FY 14-15 and <del>\$2,050.08</del> for FY 15-16 and thereafter	<del>\$3,508.86</del> <u>\$3,671.95</u> for FY 14-15 and <del>\$3,782.11</del> for FY 15-16 and thereafter
<b>D</b>	<del>\$4,842.82</del> <u>\$5,067.91</u> for FY 14-15 and <del>\$5,219.95</del> for FY 15-16 and thereafter	<del>\$3,252.87</del> <u>\$3,404.06</u> for FY 14-15 and <del>\$3,506.18</del> for FY 15-16 and thereafter	<del>\$4,842.82</del> <u>\$5,067.91</u> for FY 14-15 and <del>\$5,219.95</del> for FY 15-16 and thereafter
<b>E</b>	<del>\$5,567.77</del> <u>\$5,826.56</u> for FY 14-15 and <del>\$6,001.36</del> for FY 15-16 and thereafter	<del>\$4,776.01</del> <u>\$4,998.00</u> for FY 14-15 and <del>\$5,147.94</del> for FY 15-16 and thereafter	<del>\$5,567.77</del> <u>\$5,826.56</u> for FY 14-15 and <del>\$6,001.36</del> for FY 15-16 and thereafter
<b>F</b>	<del>\$13,992.14</del> <u>\$14,642.49</u> for FY 14-15 and <del>\$15,081.76</del> for FY 15-16 and thereafter +T&M	<del>\$6,972.66</del> <u>\$7,296.75</u> for FY 14-15 and <del>\$7,515.65</del> for FY 15-16 and thereafter	<del>\$11,092.01</del> <u>\$11,607.57</u> for FY 14-15 and <del>\$11,955.80</del> for FY 15-16 and thereafter +T&M
<b>G</b>	<del>\$16,515.06</del> <u>\$17,282.68</u> for FY 14-15 and <del>\$17,801.16</del> for FY 15-16 and thereafter +T&M	<del>\$11,832.14</del> <u>\$12,382.10</u> for FY 14-15 and <del>\$12,753.56</del> for FY 15-16 and thereafter	<del>\$13,614.93</del> <u>\$14,247.75</u> for FY 14-15 and <del>\$14,675.18</del> for FY 15-16 and thereafter +T&M
<b>H</b>	<del>\$25,591.65</del> <u>\$26,781.15</u> for FY 14-15 and <del>\$27,584.58</del> for FY 15-16 and thereafter +T&M	<del>\$15,002.18</del> <u>\$15,699.48</u> for FY 14-15 and <del>\$16,170.46</del> for FY 15-16 and thereafter	<del>\$22,691.52</del> <u>\$23,746.22</u> for FY 14-15 and <del>\$24,458.61</del> for FY 15-16 and thereafter +T&M

**F: T&M = Time and Material charged at ~~\$145.01~~\$151.75 for FY 14-15 and ~~\$156.30~~ for FY 15-16 and thereafter per hour above 99 hours; not to exceed ~~\$27,256.72~~\$28,523.61 for FY 14-15 and ~~\$29,379.32~~ for FY 15-16 and thereafter.**

**G: T&M = Time and Material charged at ~~\$145.01~~\$151.75 for FY 14-15 and ~~\$156.30~~ for FY 15-16 and thereafter per hour above 117 hours; not to exceed ~~\$46,697.13~~\$48,867.61 for FY 14-15 and ~~\$50,333.64~~ for FY 15-16 and thereafter.**

**Proposed Amended Rule 301 (Cont.) (~~Updated July 1, 2013~~ Amended June 6, 2014)**

**H: T&M = Time and Material charged at ~~\$145.01~~ \$151.75 for FY 14-15 and \$156.30 for FY 15-16 and thereafter per hour above 182 hours; not to exceed ~~\$59,375.32~~ \$62,135.08 for FY 14-15 and \$63,999.13 for FY 15-16 and thereafter.**

**SUMMARY OF ERC PROCESSING RATES, BANKING, CHANGE OF TITLE, ALTERATION/MODIFICATION, and CONVERSION TO SHORT TERM CREDITS**

Schedule	Banking Application	Change of Title	Alteration/Modification	Conversion to Short Term Credits	Re-issuance of Short Term Credits
I	<del>\$3,591.71</del> <u>\$3,758.65 for FY 14-15 and \$3,871.41 for FY 15-16 and thereafter</u>	<del>\$634.46</del> <u>\$663.95 for FY 14-15 and \$683.87 for FY 15-16 and thereafter</u>	<del>\$634.46</del> <u>\$663.95 for FY 14-15 and \$683.87 for FY 15-16 and thereafter</u>	<del>\$634.46</del> <u>\$663.95 for FY 14-15 and \$683.87 for FY 15-16 and thereafter</u>	<del>\$634.46</del> <u>\$663.95 for FY 14-15 and \$683.87 for FY 15-16 and thereafter</u>

**SUMMARY OF PERMIT FEE RATES  
CHANGE OF OPERATOR<sup>a</sup>**

Small Business	Non-Small Business
<del>\$193.31</del> <u>\$202.30 for FY 14-15 and \$208.37 for FY 15-16 and thereafter</u>	<del>\$530.89</del> <u>\$555.57 for FY 14-15 and \$572.24 for FY 15-16 and thereafter</u>

<sup>a</sup> The change of operator fee for Non-RECLAIM Title V facilities shall not exceed ~~\$6,603.20~~ \$6,910.12 for FY 14-15 and \$7,117.42 for FY 15-16 and thereafter per facility and for all other Non-RECLAIM facilities shall not exceed ~~\$13,206.39~~ \$13,820.22 for FY 14-15 and \$14,234.83 for FY 15-16 and thereafter per facility.

**TABLE IA - PERMIT FEE RATES FOR CONTROL EQUIPMENT**

Equipment/Process	Schedule
Abatement System/HEPA, Asbestos, Lead	B
Activated Carbon Adsorber, Venting Single Source (s.s.=single source)	B
Activated Carbon Adsorber, Venting Multiple Source (m.s.=multiple sources)	C
Activated Carbon Adsorber, Other	D
Activated Carbon Adsorber, Drum Venting Toxic Source (t.s = toxic source)	C
Activated Carbon Adsorber, with regeneration	E
Afterburner (<=1 MMBTU/hr, venting s.s.)	B
Afterburner (<1 MMBTU/hr, venting m.s.)	C
Afterburner, Catalytic for Bakery Oven	C
Afterburner, Direct Flame	D
Afterburner/Oxidizer: Regenerative Ceramic/Hot Rock Bed Type, Recuperative Thermal	D
Afterburner/Oxidizer, Catalytic	D
Air Filter, Custom	C
Amine (or DEA) Regeneration Unit <sup>1</sup>	D
Amine Treating Unit <sup>1</sup>	D
Baghouse, Ambient (<= 100 FT <sup>2</sup> )	A
Baghouse, Ambient (> 100 - 500 FT <sup>2</sup> )	B
Baghouse, Ambient (> 500 FT <sup>2</sup> )	C
Baghouse, Hot (>350 F)	D
Biofilter (<= 100 cfm)	B
Biofilter (> 100 cfm)	C
Boiler as Afterburner	D
CO Boiler	F
Condenser	C
Control Systems, two in series	C
Control Systems, three in series	D
Control Systems, four or more in series	E
Control Systems, Venting Plasma Arc Cutters	B1
Cyclone	B
Dry Filter (<= 100 FT <sup>2</sup> )	A
Dry Filter (>100 - 500 FT <sup>2</sup> )	B
Dry Filter (>500 FT <sup>2</sup> )	C

Equipment/Process	Schedule
Dust Collector/HEPA, other Rule 1401 toxics	C
Electrostatic Precipitator, Restaurant	B
Electrostatic Precipitator, Asphalt Batch Equipment	C
Electrostatic Precipitator, Extruder	B
Electrostatic Precipitator, < 3000 CFM	B
Electrostatic Precipitator, => 3000 CFM	D
Electrostatic Precipitator for Fluid Catalytic Cracking Unit (FCCU)	H
Ethylene Oxide Sterilization, Control, Hospital	B
Flare, Landfill/Digester Gas, Enclosed	E
Flare, Landfill/Digester Gas, Open	C
Flare, Portable	B
Flare System, Refinery <sup>2</sup>	F
Flare Other	C
Flue Gas Desulfurization <sup>1</sup>	D
Gas Absorption Unit <sup>3</sup>	D
Gas Scrubbing System <sup>1</sup>	F
Incinerator, Afterburner	D
Mesh pads, for toxics gas stream	C
Mesh pads, for other acid mists	B
Mist Control	B
Mist Eliminator with HEPA	C
Negative Air Machine/HEPA, Asbestos, Lead	A
Non-Selective Catalytic Reduction	B
Odor Control Unit	D
Relief and Blowdown System <sup>4</sup>	D
Scrubber, Biofiltration	C
Scrubber Controlling NO <sub>x</sub> venting	D
Scrubber Controlling SO <sub>x</sub> venting	D
Scrubber Controlling HCL or NH <sub>3</sub> venting s.s.	B
Scrubber Controlling HCL or NH <sub>3</sub> venting m.s.	C
Scrubber, NO <sub>x</sub> , multistage	D
Scrubber, NO <sub>x</sub> , single stage	C
Scrubber, Odor, <5000 cfm	C
Scrubber, Other venting s.s.	B
Scrubber, Other venting m.s.	C

**TABLE IA - PERMIT FEE RATES FOR CONTROL EQUIPMENT**

Equipment/Process	Schedule
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 <sup>5</sup>	D
Sour Water Stripper <sup>6</sup>	D
Sparger	B
Spent Acid Storage & Treating Facility <sup>7</sup>	E
Spent Carbon Regeneration System	D
Spent Caustic Separation System <sup>8</sup>	D
Spray Booth/Enclosure, Other	B
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 <sup>9</sup>	E
Equipment/Process	Schedule
Sulfur Recovery Equipment <sup>1</sup>	H
Tail Gas Incineration	D
Tail Gas Unit <sup>10</sup>	H
Storage Tank, Degassing Unit	D
Ultraviolet Oxidation	D
Vapor Balance System <sup>11</sup>	B
Vapor Recovery, Serving Crude Oil Production <sup>11</sup>	D
Vapor Recovery, Serving Refinery Unit <sup>11</sup>	E
Waste Gas Incineration Unit	E

<sup>1</sup> 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

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

<sup>3</sup> 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

<sup>4</sup> Including, but not limited to, all or part of the following: Compressors, Drums, Knock Out Pots, Pots

<sup>5</sup> Including, but not limited to, all or part of the following: Accumulators, Columns, Drums, Knock Out Pots, Tanks, Vessels

<sup>6</sup> Including, but not limited to, all or part of the following: Condensers, Coolers, Drums, Sumps, Vessels

<sup>7</sup> 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, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, towers, Vessels

<sup>8</sup> Including, but not limited to, all or part of the following: Process Tanks, Separators, Tanks

<sup>9</sup> Including, but not limited to, all or part of the following: Air Floatation Units, Floatation Units,

**TABLE IA - PERMIT FEE RATES FOR CONTROL EQUIPMENT**

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Filter Presses, Clarifiers, Settling Tanks, Waste  
Water Separators, Tanks

<sup>10</sup> Including, but not limited to, all or part of the  
following: Absorbers, Condensers, Coolers,  
Drums, Heat Exchangers, Knock Out Pots,  
Reactors, Tanks, Vessels

<sup>11</sup> 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
Abatement System, Asbestos, Lead	B
Abrasive Blasting (Cabinet, Mach., Room)	B
Abrasive Blasting (Open)	A
Absorption Chillers, Gas-Fired, < 5 MM Btu/hr	B
Absorption Chillers, Gas-Fired, => 5 MM Btu/hr	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
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
Adhesives Organic Additions Including, but not limited to, all or part of the following: Reactors, Mixers, Process Tanks, Vessels	C
Adsorption Chillers, Gas-Fired, < 5 MM Btu/hr	B
Adsorption Chillers, Gas-Fired, => 5 MM Btu/hr	C
Adsorption, Other	B
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

Equipment/Process	Schedule
Aggregate Production/Crushing (<5000 tpd) 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	C
Aggregate Production/Crushing (=>5000 tpd) 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	D
Aggregate Screening Including, but not limited to, all or part of the following: Bins, Bucket Elevators, Conveyors, Feeders, Hoppers, Cyclones, Screens, Weigh Stations	C
Air Strippers	C
Aircraft Fueling Facility Including, but not limited to, all or part of the following: Storage Tanks, Dispensing Nozzles	D
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
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
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

**TABLE IB - PERMIT FEE RATES FOR BASIC EQUIPMENT**

<b>Equipment/Process</b>	<b>Schedule</b>
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
Battery Charging/Manufacturing Including, but not limited to, all or part of the following: Cutters, Crushers, Separators, Process Tanks, Conveyors	C

**TABLE IB - PERMIT FEE RATES FOR BASIC EQUIPMENT**

Equipment/Process	Schedule
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
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

Equipment/Process	Schedule
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, 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
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

**TABLE IB - PERMIT FEE RATES FOR BASIC EQUIPMENT**

<b>Equipment/Process</b>	<b>Schedule</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
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
Composting, in vessel Including, but not limited to, all or part of the following: Bins, Conveyors, Hoppers	C

**TABLE IB - PERMIT FEE RATES FOR BASIC EQUIPMENT**

Equipment/Process	Schedule
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
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
Confined Animal Facility	A
Container Filling, Liquid	B
Conveying, Other	B
Cooling Tower, Petroleum Operations	C
Cooling Tower, Other	B
Core Oven	B
Cotton Ginning System Including, but not limited to, all or part of the following: Hoppers, Conveyors, Separators, Screens, Classifiers, Mixers	D
Crankcase Oil, Loading and Unloading	C
Crematory	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
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
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

Equipment/Process	Schedule
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
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
Decorating Lehr	C
Decorator	B
Deep-Fat Fryer	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
Degreaser, Cold Solvent Dipping	B
Degreaser, Cold Solvent Spray	C
Degreaser, (<= 1 lb VOC/day)	B
Degreaser (> 1 lb VOC/day)	B
Degreaser, (VOCw/Toxics)	C
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
Deposition on Ceramics (< 5 pieces)	B
Deposition on Ceramics (5 or more pieces)	C
Desalting Unit Including, but not limited to, all or part of the following: Mixers, Pumps, Reactors, Settling Tanks, Sumps, Tanks, Vessels	C
Die Casting Equipment	C

**TABLE IB - PERMIT FEE RATES FOR BASIC EQUIPMENT**

Equipment/Process	Schedule
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
Dip Tank, Coating	B
Dip Tank, (<=3 gal/day)	B
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
Drilling Rig, Crude Oil Prod.	C
Drop Forge	B
Dry Cleaning & Associated Control Equipment	A
Dryer for Organic Material	C
Drying/Laundry	A
Drying, Other	B
Emission Reduction Credits [Rule 301(c)(4)]	I
End Liner, Can	B
Ethylene Oxide Sterilization, Hospital	B
Evaporation, Toxics	C
Evaporator, Other	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
Extruder	B
Extrusion System (Multiple Units) Including, but not limited to, all or part of the following: Extruders	C
Fatty Acid Mfg.	C
Feathers, Size Classification	A
Feed Handling (combining conveying and loading)	D

Equipment/Process	Schedule
Fermentation/Brewing Including, but not limited to, all or part of the following: Hoppers, Conveyors, Brew Kettles	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
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
Fiberglass Panel Mfg Including, but not limited to, all or part of the following: Conveyors, Mixers, Reactors, Process Tanks, Cutters	C
Filament Winder, Rule 1401 Toxics	C
Filament Winder, Other	B
Filling Machine, Dry Powder	C
Film Cleaning Machine	B
Flour Handling (combining conveying, packaging, and loadout)	E
Flour Manufacturing (combining milling and conveying)	E
Flour Milling Including, but not limited to, all or part of the following: Bins, Conveyors, Bucket Elevators, Hoppers, Mills, Weigh Stations	D
Flow Coater	B
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
Fluid Elimination, Waste Water	B
Foam-in-Place Packaging	A
Food Processing Grinding, Blending, Packaging, Conveying, Flavoring	C

**TABLE IB - PERMIT FEE RATES FOR BASIC EQUIPMENT**

Equipment/Process	Schedule
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
Fruit and Vegetable Treating	A
Fuel Gas Mixer	C
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
Fuel Storage & Dispensing Equipment (Rule 461) Including, but not limited to, all or part of the following: Storage Tanks, Dispensing Nozzles	A
Fumigation	A
Furnace, Arc	D
Furnace, Burn-Off, Armature	C
Furnace, Burn-Off, Drum	D
Furnace, Burn-Off, Engine Parts	C
Furnace, Burn-Off, Paint	C
Furnace, Burn-Off, Wax	C
Furnace, Burn-Off, Other	C
Furnace, Cupola	D
Furnace, Electric, Induction and Resistance	C
Furnace, Frit	C
Furnace, Galvanizing	C
Furnace, Graphitization and Carbonization	C
Furnace, Heat Treating	B
Furnace, Other Metallic Operations	C
Furnace, Pot/Crucible	C
Furnace, Reverberatory	D
Furnace, Wire Reclamation	C
Garnetting, Paper/Polyester Including, but not limited to, all or part of the following: Feeders, Conveyors, Condensers, Cutters	C

Equipment/Process	Schedule
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
Gas Turbine, Landfill/Digester Gas, <0.3MW	B
Gas Turbine, Landfill/Digester Gas, =>0.3 MW	E
Gas Turbine, <=50 MW, other fuel	D
Gas Turbine, >50 MW, other fuel	G
Gas Turbine, Emergency, <0.3 MW	A
Gas Turbine, Emergency, =>0.3 MW	C
Gas Turbines (Microturbines only)	A
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
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

**TABLE IB - PERMIT FEE RATES FOR BASIC EQUIPMENT**

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
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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

Equipment/Process	Schedule
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
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
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
Gasoline Transfer & Dispensing Facility (See Fuel Storage & Dispensing Equipment)	
Glass Forming Machine	C
Glass Furnace < 1TPD	B
Glass Furnace, > 1 - 50 TPD Pull	D
Glass Furnace, > 50 TPD Pull	E
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
Grain Handling (combining storage and cleaning)	E
Grain Storage	C
Grinder, Size Reduction	B

Equipment/Process	Schedule
Halon/Refrigerants, Recovery and Recycling Equipment	A1
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
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
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
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

**TABLE IB - PERMIT FEE RATES FOR BASIC EQUIPMENT**

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
IC Engine, (51-500 HP) Cogeneration	B
IC Engine, (> 500 HP) Cogeneration	C
IC Engine, Emergency, 51 - 500 HP	B

Equipment/Process	Schedule
IC Engine, Emergency, (> 500 HP)	B
IC Engine, Landfill/Digester Gas	D
IC Engine, Other, 51-500 HP	B
IC Engine, Other, >500 HP	C
Impregnating Equipment	C
Incineration, Hazardous Waste	H
Incinerator, < 300 lbs/hr, Non-Hazardous	E
Incinerator, >=300 lbs/hr, Non-Hazardous	F
Indoor Shooting Range	B
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
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

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
Jet Engine Test Facility	C
Kiln, Natural Gas	C
Landfill Condensate/Leachate Collection/Storage	B
Landfill Gas, Collection, (<10 Wells)	B
Landfill Gas, Collection, (10 -50 Wells)	C
Landfill Gas, Collection, (> 50 Wells)	D
Landfill Gas, Treatment	E
Equipment/Process	Schedule
Lime/Limestone, Conveying Including, but not limited to, all or part of the following: Bins, Conveyors, Bucket Elevators, Hoppers, Weigh Stations	C
Liquid Separation, Other Including, but not limited to, all or part of the following: Process Tanks, Settling Tanks, Separators, Tanks	D
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
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
LPG, Tank Truck Loading	D
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

**TABLE IB - PERMIT FEE RATES FOR BASIC EQUIPMENT**

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
Lube Oil Additive/Lubricant Mfg.	B
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

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
Misc. Solvent Usage at a Premise	B
Mixer, Chemicals	B
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

Equipment/Process	Schedule
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
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
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
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
Metal Deposition Equipment	C

Equipment/Process	Schedule
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
Nut Shell Drying Including, but not limited to, all or part of the following: Bins, Conveyors, Bucket Elevators, Hoppers, Dryers, Coolers	C

**TABLE IB - PERMIT FEE RATES FOR BASIC EQUIPMENT**

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
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
Open-Air resin operations	A
Oven Bakery	C
Oven, Curing (Rule 1401 toxics)	C
Oven, Other	B
Packaging, Other	B
Paint Stripping, Molten Caustic	C
Paper Conveying	A
Paper Pulp Products	D
Paper Size Reduction	C
Pavement Grinder	B
Pavement Heater	B

**TABLE IB - PERMIT FEE RATES FOR BASIC EQUIPMENT**

Equipment/Process	Schedule
Pelletizing, Chlorine Compounds Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Pelletizers, Mixers, Dryers	C
Perlite Furnace	C
Perlite Handling Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Bucket Elevators	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
Petroleum Coke Calcining Including, but not limited to, all or part of the following: Bins, Conveyors, Reactors, Mixers, Process Tanks, Kilns	F
Petroleum Coke Conveying Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Bucket Elevators	B
Pharmaceutical Mfg. Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Reactors, Process Tanks, Pelletizers, Mixers, Dryers	C
Pharmaceutical Mfg. Tableting, Coating Vitamins or Herbs	C
Pipe Coating, Asphaltic	B
Plasma Arc Cutting	B1
Plastic Mfg., Blow Molding Machine	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
Plastic/Resins Reforming	C
Plastic/Resins Treating	C
Plastisol Curing Equipment	B
Polystyrene Expansion/Molding	C
Polystyrene Expansion/Packaging	C

Equipment/Process	Schedule
Polystyrene Extruding/Expanding	B
Polyurethane Foam Mfg. Including, but not limited to, all or part of the following: Coolers, Heat Exchangers, Pumps, Reactors, Mixers, Process Tanks	C
Polyurethane Mfg/Production	B
Polyurethane Mfg/Rebonding	B
Process Line, Chrome Plating (Hexavalent)	C
Process Line, Chrome Plating (Trivalent)	B
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
Reaction, Other	C
Recovery, Other	B
Refined Oil/Water Separator Including, but not limited to, all or part of the following: Oil/Water Separators, Pits, Sumps, Tanks, Vessels	B
Refrigerant Recovery/Recycling	A1
Rendering Equipment, Blood Drying	C
Rendering Equipment, Fishmeal Drying	C
Rendering Equipment, Rendering	D
Rendering Equipment, Separation, Liquid	C
Rendering Product, Handling Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Bucket Elevators	C
Resin, Varnish Mfg. Including, but not limited to, all or part of the following: Coolers, Heat Exchangers, Pumps, Reactors, Mixers, Process Tanks	D
Roller Coater	B

**TABLE IB - PERMIT FEE RATES FOR BASIC EQUIPMENT**

Equipment/Process	Schedule
Rubber Mfg. Including, but not limited to, all or part of the following: Coolers, Heat Exchangers, Pumps, Reactors, Mixers, Process Tanks	C
Rubber Presses or Molds with a ram diameter of more than 26 inches Submitted before September 11, 1999	A
Submitted on or after September 11, 1999	B
Rubber Roll Mill	B
Sand Handling Equipment, Foundry Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Bucket Elevators	C
Sand Handling Equipment w/Shakeout, Foundry Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Bucket Elevators	D
Screening, Green Waste	A
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
Semiconductor, Int. Circuit Mfg (5 or more)	C
Semiconductor, Photo resist (<5 pieces)	B
Semiconductor, Photo resist (5 or more pieces)	C
Semiconductor, Solvent Cleaning (<5 pieces)	B
Semiconductor, Solvent Cleaning (5 or more pieces)	C
Sewage Sludge Composting	C
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
Sewage Sludge Digestion	D
Sewage Sludge Dryer	D
Sewage Sludge Incineration	H
Sewage Treatment, (<= 5 MGD), Aerobic Including, but not limited to, all or part of the following: Air Floatation Units, Floatation Units, Filter Presses, Clarifiers, Settling Tanks, Trickling Filters, Waste Water Separators, Tanks	C

Equipment/Process	Schedule
Sewage Treatment, (>5 MGD) Including, but not limited to, all or part of the following: Air Floatation Units, Floatation Units, Filter Presses, Clarifiers, Settling Tanks, Trickling Filters, Waste Water Separators, Tanks	F
Sewage Treatment, (> 5 MGD), Anaerobic Including, but not limited to, all or part of the following: Air Floatation Units, Floatation Units, Digesters, Filter Presses, Clarifiers, Settling Tanks, Trickling Filters, Waste Water Separators, Tanks	G
Sheet Machine	B
Shell Blasting System	B
Shipping Container System	B
Sintering	C
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
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
Sludge Dewatering, Other Including, but not limited to, all or part of the following: Filter Press, Process Tanks, Settling Tanks	D
Sludge Dryer, Other	B
Sludge Incinerator	H
Smoke Generator	B
Smokehouse	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
Soil Treatment, Other Including, but not limited to, all or part of the following: Bins, Conveyors, Ovens	D
Soil Treatment, Vapor Extraction Including, but not limited to, all or part of the following: Adsorbers, Afterburners	C
Solder Leveling	B

**TABLE IB - PERMIT FEE RATES FOR BASIC EQUIPMENT**

<b>Equipment/Process</b>	<b>Schedule</b>
Soldering Machine	B
Solvent Reclaim, Still (Multistage)	C
Solvent Reclaim, Still (Single stage)	A
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
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
Spray Equipment, Open	B
Spray Machine, Adhesive	B
Spray Machine, Coating	B
Spray Machine, Powder Coating	B
Spraying, Resin/Gel Coat	C
Sterilization Equipment	C
Stereolithography	A
Storage, Petroleum Coke	C
Storage Container, Baker-Type	B
Storage Container, Baker-Type w/Control	C
Storage Silo, Other Dry Material	A
Storage Tank, w/o Control, Crude Oil/Petroleum Products	B
Storage Tank, Acid with sparger	B
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

<b>Equipment/Process</b>	<b>Schedule</b>
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
Storage Tank, Rendered Products	C
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
Sump, Spill Containment	A
Tablet Coating Pans	A
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

**TABLE IB - PERMIT FEE RATES FOR BASIC EQUIPMENT**

Tank/Line, Other Process Emitting Nickel or Cadmium	B1
Equipment/Process	Schedule
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
Textiles, Recycled, Processing	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
Tire Buffer	A
Treating, Other	B
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
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
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

Equipment/Process	Schedule
Waste Water Treating (< 10,000 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	B
Waste Water Treating (< 20,000 gpd) no toxics 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	B
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**

<b>Schedule</b>	<b>Fee</b>
A	<del>\$1,185.98</del> <u>\$1,241.10 for FY 14-15 and \$1,278.33 for FY 15-16 and thereafter</u>
B	<del>\$1,185.98</del> <u>\$1,241.10 for FY 14-15 and \$1,278.33 for FY 15-16 and thereafter</u>
C	<del>\$1,185.98</del> <u>\$1,241.10 for FY 14-15 and \$1,278.33 for FY 15-16 and thereafter</u>
D	<del>\$4,245.92</del> <u>\$4,443.27 for FY 14-15 and \$4,576.57 for FY 15-16 and thereafter</u> +T&M
E	<del>\$4,245.92</del> <u>\$4,443.27 for FY 14-15 and \$4,576.57 for FY 15-16 and thereafter</u> +T&M
F	<del>\$4,245.92</del> <u>\$4,443.27 for FY 14-15 and \$4,576.57 for FY 15-16 and thereafter</u> +T&M
G	<del>\$4,245.92</del> <u>\$4,443.27 for FY 14-15 and \$4,576.57 for FY 15-16 and thereafter</u> +T&M
H	<del>\$5,662.25</del> <u>\$5,925.43 for FY 14-15 and \$6,103.19 for FY 15-16 and thereafter</u> +T&M

D through G: T&M = Time and Material charged at ~~\$121.44~~\$127.08 for FY 14-15 and \$130.89 for FY 15-16 and thereafter per hour above 35 hours.

H: T&M = Time and Material charged at ~~\$121.44~~\$127.08 for FY 14-15 and \$130.89 for FY 15-16 and thereafter 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 ~~\$2,033.08~~\$2,127.58 for FY 14-15 and \$2,191.41 for FY 15-16 and thereafter 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 ~~\$13,553.91~~\$14,183.90 for FY 14-15 and \$14,609.42 for FY 15-16 and thereafter.

**TABLE IIB  
FEE FOR PUBLIC NOTICE PUBLICATION**

County	Rule 212(g) Notice <sup>(a)</sup>	Title V Notice <sup>(a)</sup>
Los Angeles	<del>\$1,348.43</del> <u>\$1,370.00</u>	<del>\$811.01</del> <u>\$823.99</u>
Orange	<del>\$1,228.13</del> <u>\$1,247.78</u>	<del>\$601.24</del> <u>\$610.86</u>
Riverside	<del>\$266.66</del> <u>\$270.93</u>	<del>\$285.47</del> <u>\$290.04</u>
San Bernardino	<del>\$1,171.09</del> <u>\$1,189.83</u>	<del>\$540.67</del> <u>\$549.32</u>

<sup>(a)</sup> 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		
<b>CEMS and FSMS Review<sup>1</sup></b>	<b>Basic Fee<sup>2</sup></b>	<b>Maximum Fee</b>
Any combination of pollutants, diluent, flow, or other parameter <sup>3</sup> for:		
One to two components	<del>\$3,483.19</del> <u>\$3,538.92</u>	<del>\$6,236.49</del> <u>\$6,336.27</u>
Three to four components	<del>\$4,189.99</del> <u>\$4,257.03</u>	<del>\$11,476.49</del> <u>\$11,660.11</u>
For each additional component beyond four, the following amount is added to the fee for four components	\$0.00	<del>\$2,834.91</del> <u>\$2,880.27</u>
For time-sharing of CEMS, the following amount is added to any fee determined above	\$0.00	<del>\$2,834.91</del> <u>\$2,880.27</u>
<b>ACEMS Review</b>	<b>Basic Fee<sup>4</sup></b>	<b>Maximum Fee</b>
	<del>\$3,483.19</del> <u>\$3,538.92</u>	<del>\$11,476.49</del> <u>\$11,660.11</u>

<sup>1</sup>The 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.

<sup>2</sup>Covers 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 ~~\$145.01~~ \$151.75 for FY 14-15 and \$156.30 for FY 15-16 and thereafter per hour, to the maximum listed in the table.

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

<sup>4</sup>Covers 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	<del>\$559.14</del>	<del>\$100.04</del>	<del>\$327.12</del>	<del>\$387.82</del>	-	<del>\$427.56</del>
	<u>\$568.09</u>	<u>\$101.64</u>	<u>\$332.35</u>	<u>\$394.03</u>	-	<u>\$434.40</u>
>25 – 75	<del>\$907.82</del>	<del>\$158.51</del>	<del>\$519.62</del>	<del>\$626.94</del>	-	<del>\$692.81</del>
	<u>\$922.35</u>	<u>\$161.05</u>	<u>\$527.93</u>	<u>\$636.97</u>	-	<u>\$703.90</u>
>75	<del>\$1,358.90</del>	<del>\$237.75</del>	<del>\$782.56</del>	<del>\$941.26</del>	-	<del>\$1,037.31</del>
	<u>\$1,380.64</u>	<u>\$241.55</u>	<u>\$795.08</u>	<u>\$956.32</u>	-	<u>\$1,053.91</u>
≥100	-	-	-	-	<del>\$6.68</del> <u>\$6.79</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	<del>\$5.85</del> <u>\$5.94</u>	0.0001
Benzene	<del>\$1.97</del> <u>\$2.00</u>	2.0
Cadmium	<del>\$5.85</del> <u>\$5.94</u>	0.01
Carbon tetrachloride	<del>\$1.97</del> <u>\$2.00</u>	1.0
Chlorinated dioxins and dibenzofurans (26 species)	<del>\$9.74</del> <u>\$9.90</u>	0.00002
Ethylene dibromide	<del>\$1.97</del> <u>\$2.00</u>	0.5
Ethylene dichloride	<del>\$1.97</del> <u>\$2.00</u>	2.0
Ethylene oxide	<del>\$1.97</del> <u>\$2.00</u>	0.5
Formaldehyde	<del>\$0.43</del> <u>\$0.44</u>	5.0

Hexavalent chromium	<del>\$7.79</del> <u>\$7.91</u>	0.0001
Methylene chloride	\$0.08	50.0
Nickel	<del>\$3.88</del> <u>\$3.94</u>	0.1
Perchloroethylene	<del>\$0.43</del> <u>\$0.44</u>	5.0
1,3-Butadiene	<del>\$5.85</del> <u>\$5.94</u>	0.1
Inorganic arsenic	<del>\$5.85</del> <u>\$5.94</u>	0.01
Beryllium	<del>\$5.85</del> <u>\$5.94</u>	0.001
Polynuclear aromatic hydrocarbons (PAHs)	<del>\$5.85</del> <u>\$5.94</u>	0.2
Vinyl chloride	<del>\$1.97</del> <u>\$2.00</u>	0.5
Lead	<del>\$1.97</del> <u>\$2.00</u>	0.5
1,4-Dioxane	<del>\$0.43</del> <u>\$0.44</u>	5.0
Trichloroethylene	\$0.16	20.0

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

<b>TOXIC COMPOUNDS</b>	<b>Fee \$/1 lb</b>	<b>Annual Emission Thresholds (lbs)</b>
<b>For emissions Calendar Year 2010 and thereafter</b>		
Chlorofluorocarbons (CFCs)	<del>\$0.37</del> <u>\$0.38</u>	---
1,1,1-trichloroethane	\$0.05	---

**TABLE V  
ANNUAL CLEAN FUELS FEES**

<b>Volatile Organic Compounds (\$/ton)</b>	<b>Nitrogen Oxides (\$/ton)</b>	<b>Sulfur Oxides (\$/ton)</b>	<b>Particulate Matter (\$/ton)</b>
<del>\$43.56</del> <u>\$44.26</u>	<del>\$24.43</del> <u>\$24.82</u>	<del>\$30.28</del> <u>\$30.76</u>	<del>\$24.43</del> <u>\$24.82</u>

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

<b>Demolition and Renovation by Project Size (square feet)<sup>1</sup></b>					
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
<del>\$56.28</del>	<del>\$172.08</del>	<del>\$402.81</del>	<del>\$631.62</del>	<del>\$915.38</del>	<del>\$1,525.63</del>
<u>\$57.18</u>	<u>\$174.83</u>	<u>\$409.26</u>	<u>\$641.73</u>	<u>\$930.03</u>	<u>\$1,550.04</u>

<b>Additional Service Charge Fees</b>				
<b>Revision to Notification</b>	<b>Special Handling Fee<sup>2</sup></b>	<b>Planned Renovation</b>	<b>Procedure 4 or 5 Plan Evaluation</b>	<b>Expedited Procedure 4 or 5 Fee<sup>3</sup></b>
<del>\$56.28</del>	<del>\$56.28</del>	<del>\$631.62</del>	<del>\$631.62</del>	<del>\$315.81</del>
<u>\$57.18</u>	<u>\$57.18</u>	<u>\$641.73</u>	<u>\$641.73</u>	<u>\$320.86</u>

- <sup>1</sup> 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.
- <sup>2</sup> For renovation, the fee is based on the amount of asbestos/lead removed.
- <sup>3</sup> 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	Fee
<b>RECLAIM <u>(l)</u></b>		
Facility Amendment Fee <u>with</u> Engineering Evaluation <ul style="list-style-type: none"> <li>• RECLAIM only</li> <li>• RECLAIM &amp; Title V</li> </ul>	<del>(kl)</del> (5)	<del>\$912.44</del> <u>\$954.85 for FY 14-15 and \$983.50 for FY 15-16 and thereafter</u>  <del>\$1,824.90</del> <u>\$1,909.72 for FY 14-15 and \$1,967.01 for FY 15-16 and thereafter</u>
Facility Amendment Fee <u>without</u> Engineering Evaluation <ul style="list-style-type: none"> <li>• RECLAIM only</li> <li>• RECLAIM &amp; Title V</li> </ul>	<del>(kl)</del> (5)	<del>\$912.44</del> <u>\$954.85 for FY 14-15 and \$983.50 for FY 15-16 and thereafter</u>  <del>\$1,824.90</del> <u>\$1,909.72 for FY 14-15 and \$1,967.01 for FY 15-16 and thereafter</u>
Change of Operator <ul style="list-style-type: none"> <li>• Facility Permit Amendment Fee + Application Processing Fee for Each Application</li> </ul>	<del>(kl)</del> (7)	<del>\$912.44</del> <u>\$954.85 for FY 14-15 and \$983.50 for FY 15-16 and thereafter</u> + <del>\$530.89</del> <u>\$555.57 for FY 14-15 and \$572.24 for FY 15-16 and thereafter</u>
<b>Title V <u>(m)</u></b>		
Administrative Permit Revision Fee	<del>(lm)</del> (6)	<del>\$912.44</del> <u>\$954.85 for FY 14-15 and \$983.50 for FY 15-16 and thereafter</u>
Permit Revision Fee <ul style="list-style-type: none"> <li>• Minor permit revision</li> <li>• De minimis significant permit revision</li> <li>• Significant permit revision</li> </ul>	<del>(lm)</del> (7)	<del>\$912.44</del> <u>\$954.85 for FY 14-15 and \$983.50 for FY 15-16 and thereafter</u>  <del>\$912.44</del> <u>\$954.85 for FY 14-15 and \$983.50 for FY 15-16 and thereafter</u>  <del>\$912.44</del> <u>\$954.85 for FY 14-15 and \$983.50 for FY 15-16 and thereafter</u>
Permit Renewal Fees + Final Fee if time exceeds 8 hours	<del>(lm)</del> (8)	<del>\$2,072.50</del> <u>\$2,168.83 for FY 14-15 and \$2,233.89 for FY 15-16 and thereafter</u> + <del>\$145.01</del> <u>\$151.75 for FY 14-15 and \$156.30 for FY 15-16 and thereafter</u> /hr
Change of Operator <ul style="list-style-type: none"> <li>• Administrative Permit Revision Fee</li> </ul>	<del>(m)</del> <u>(5g)</u>	<del>\$912.44</del> <u>\$954.85 for FY 14-15 and \$983.50 for FY 15-16 and thereafter</u>

## ATTACHMENT F (continued)

(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)

~~CPI increase to be effective on July 1, 2013~~

### **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 ~~\$172.04~~\$174.79 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	<del>\$5,431.98</del> <u>\$5,518.89</u>
Carbon Monoxide	<del>\$53.18</del> <u>\$54.03</u>
Oxides of nitrogen (expressed as nitrogen dioxide)	<del>\$3,258.76</del> <u>\$3,310.90</u>
Gaseous sulfur compounds (expressed as sulfur dioxide)	<del>\$3,800.21</del> <u>\$3,861.01</u>
Particulate matter	<del>\$3,800.21</del> <u>\$3,861.01</u>
Ammonia	\$0.11
Asbestos	<del>\$23.98</del> <u>\$24.36</u>
Benzene	<del>\$8.00</del> <u>\$8.13</u>
Cadmium	<del>\$23.98</del> <u>\$24.36</u>
Carbon tetrachloride	<del>\$8.00</del> <u>\$8.13</u>
Chlorinated dioxins and dibenzofurans (26 species)	<del>\$39.90</del> <u>\$40.54</u>
Ethylene dibromide	<del>\$8.00</del> <u>\$8.13</u>
Ethylene dichloride	<del>\$8.00</del> <u>\$8.13</u>
Ethylene oxide	<del>\$8.00</del> <u>\$8.13</u>
Formaldehyde	<del>\$1.68</del> <u>\$1.71</u>
Hexavalent chromium	<del>\$31.91</del> <u>\$32.42</u>
Methylene chloride	<del>\$0.37</del> <u>\$0.38</u>
Nickel	<del>\$15.86</del> <u>\$16.11</u>
Perchloroethylene	<del>\$1.68</del> <u>\$1.71</u>
1,3-Butadiene	<del>\$23.98</del> <u>\$24.36</u>
Inorganic arsenic	<del>\$23.98</del> <u>\$24.36</u>
Beryllium	<del>\$23.98</del> <u>\$24.36</u>
Polynuclear aromatic hydrocarbons (PAHs)	<del>\$23.98</del> <u>\$24.36</u>
Vinyl chloride	<del>\$8.00</del> <u>\$8.13</u>
Lead	<del>\$8.00</del> <u>\$8.13</u>
1,4-Dioxane	<del>\$1.68</del> <u>\$1.71</u>
Trichloroethylene	<del>\$0.68</del> <u>\$0.69</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:

$$\text{Fee} = (\text{Opacity* equivalent} - 20) \times \text{number of days on which the violation is expected to occur} \times \del{\$8.99} \underline{\$9.13}$$

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:

$$\text{Fee} = (\text{Opacity* equivalent} - 40) \times \text{number of days on which the violation is expected to occur} \times \del{\$8.99} \underline{\$9.13}$$

\* 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
<b>VARIANCE (Interim, Short, Regular, Emergency) and Alternate Operating Condition(s)</b>		
◇ Interim and Short or Interim and Regular	<del>\$1,408.05</del> <u>\$1,430.58</u>	<del>\$252.53</del> <u>\$256.57</u>
◇ Short (without interim)	<del>\$1,126.46</del> <u>\$1,144.48</u>	<del>\$252.53</del> <u>\$256.57</u>
◇ Regular (without interim)	<del>\$1,126.46</del> <u>\$1,144.48</u>	<del>\$252.53</del> <u>\$256.57</u>
◇ Emergency or Ex Parte Emergency	<del>\$1,126.46</del> <u>\$1,144.48</u>	<del>\$252.53</del> <u>\$256.57</u>
◇ Variance plus Alternate Operating Condition(s)	<del>\$1,689.67</del> <u>\$1,716.70</u>	<del>\$252.53</del> <u>\$256.57</u>
◇ Plus, for each hearing day in addition to the first hearing day necessary to dispose of the petition, the additional sum of	<del>\$630.72</del> <u>\$640.81</u>	<del>\$126.03</del> <u>\$128.05</u>
<b>PRODUCT VARIANCE</b>		
Filing Fee	<del>\$1,689.67</del> <u>\$1,716.70</u>	<del>\$252.53</del> <u>\$256.57</u>
Plus, for each hearing day in addition to the first hearing day necessary to dispose of the petition, the additional sum of	<del>\$630.72</del> <u>\$640.81</u>	<del>\$126.03</del> <u>\$128.05</u>
<b>GROUP VARIANCE</b>		
Two	<del>\$1,267.26</del> <u>\$1,287.54</u>	
Three	<del>\$1,971.28</del> <u>\$2,002.82</u>	
Four or More	<del>\$2,816.13</del> <u>\$2,861.19</u>	
Plus, for each hearing day in addition to the first hearing day necessary to dispose of the petition, the additional sum of	<del>\$946.12</del> <u>\$961.26</u>	

**Proposed Amended Rule 303 (Cont.) (~~Updated July 1, 2013~~ Amended June 6, 2014)**

	Schedule B	Schedule A
<b>MODIFICATION OF EXISTING ORDERS INCLUDING FINAL COMPLIANCE DATE</b>		
◇ Modification of a Final Compliance Date and Extension of a Variance	<del>\$1,126.46</del> <u>\$1,144.48</u>	<del>\$252.53</del> <u>\$256.57</u>
◇ Modification of Order for Abatement (requested by respondent)	<del>\$1,126.46</del> <u>\$1,144.48</u>	<del>\$252.53</del> <u>\$256.57</u>
Plus, for each hearing day in addition to the first hearing day necessary to dispose of the petition, the additional of	<del>\$630.72</del> <u>\$640.81</u>	<del>\$126.03</del> <u>\$128.05</u>
<b>MODIFICATION OF EXISTING ORDERS EXCLUDING FINAL COMPLIANCE DATE</b>		
◇ Modification of Variance (Increments of Progress and Conditions)	<del>\$841.32</del> <u>\$854.78</u>	<del>\$252.53</del> <u>\$256.57</u>
◇ Interim Authorization (Increments of Progress)	<del>\$841.32</del> <u>\$854.78</u>	<del>\$252.53</del> <u>\$256.57</u>
Plus, for each hearing day in addition to the first hearing day necessary to dispose of the petition, the additional sum of	<del>\$271.71</del> <u>\$276.06</u>	
	Schedule B	Schedule A
<b>ADMINISTRATIVE TYPE OF HEARINGS</b>		
◇ Administrative Hearings (issuance of subpoenas, waiver of fees, etc.)	<del>\$841.32</del> <u>\$854.78</u>	<del>\$252.53</del> <u>\$256.57</u>
Plus, for each hearing day in in addition to the first hearing day necessary to dispose of the petition, the additional sum of	<del>\$281.62</del> <u>\$286.13</u>	<del>\$126.03</del> <u>\$128.05</u>

**APPEAL**

Filing fee	<del>\$1,689.67</del> <u>\$1,716.70</u>	<del>\$252.53</del> <u>\$256.57</u>
Plus, for each hearing day in addition to the first hearing day necessary to dispose of the petition, the additional sum of	<del>\$946.12</del> <u>\$961.26</u>	<del>\$185.14</del> <u>\$188.10</u>

**CONSENT CALENDAR**

Filing Fee	<del>\$389.29</del> <u>\$395.52</u>	<del>\$126.03</del> <u>\$128.05</u>
Plus, for each hearing day in addition to the first hearing day necessary to dispose of the petition, the additional sum of	<del>\$246.42</del> <u>\$250.36</u>	<del>\$126.03</del> <u>\$128.05</u>
◇ 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	<del>\$704.04</del> <u>\$715.30</u>	<del>\$252.53</del> <u>\$256.57</u>
Plus, for each hearing day in addition to the first hearing day necessary to dispose of the petition, the additional sum of	<del>\$630.72</del> <u>\$640.81</u>	<del>\$126.03</del> <u>\$128.05</u>

## ATTACHMENT F (continued)

(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)

CPI increase to be effective on July 1, 2013

### **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 ~~\$121.44~~**\$123.38** 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 ~~\$15,453.74~~**\$15,701.00**, 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 ~~\$121.44~~**\$123.38** 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	<del>\$161.88</del> <u>\$164.47</u>
Facility Inspection (if required)	<del>\$121.44</del> <u>\$123.38</u> / hour up to <del>\$355.93</del> <u>\$361.62</u> additional
Audit Sample (if required)	<del>\$161.88</del> <u>\$164.47</u> /hour up to <del>\$474.53</del> <u>\$482.12</u> additional
Annual Renewal	<del>\$161.88</del> <u>\$164.47</u>
Method Equivalence	<del>\$161.88</del> <u>\$164.47</u> / hour up to <del>\$772.62</del> <u>\$784.98</u> additional

## ATTACHMENT F (continued)

(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)

CPI increase to be effective on July 1, 2013

### 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	<del>\$121.44</del> <u>\$123.38</u> / hour of analysis
(B)	Micro-Fourier Transform Infrared Spectroscopy	<del>\$180.00</del> <u>\$182.88</u> / particle
(C)	X-Ray Diffraction	<del>\$180.00</del> <u>\$182.88</u> / sample
(D)	Particle Size Determination	
(i)	by microscopy	<del>\$121.44</del> <u>\$123.38</u> / hour of analysis
(ii)	by sieve	<del>\$121.44</del> <u>\$123.38</u> / sample
(E)	Energy Dispersive X-Ray - microprobe	As charged by outside laboratory (charge pass through)
(2)	Asbestos (Bulk Samples)	
(A)	PLM	<del>\$121.44</del> <u>\$123.38</u> / sub-sample
(B)	Point Counting	<del>\$121.44</del> <u>\$123.38</u> / 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	<del>\$268.31</del> <u>\$272.60</u> / sub-sample and/or layer

	<u>Type of Test</u>	<u>Fee</u>
(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	<del>\$80.78</del> <u>\$82.07</u> / sample
(B)	Isoteniscope	As charged by outside laboratory (charge pass through)
(C)	Speciation of Components in each sample	<del>\$339.93</del> <u>\$345.37</u> for five or fewer compounds <del>\$40.33</del> <u>\$40.98</u> for each additional compound
(D)	Calculation	<del>\$237.20</del> <u>\$241.00</u> / sample
(5)	Fuel Analysis	
(A)	Metals (Pb in gasoline)	<del>\$242.83</del> <u>\$246.72</u> / sample <del>\$32.06</del> <u>\$32.57</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	<del>\$121.44</del> <u>\$123.38</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)

Type of Test	Fee
(H) Sulfur	
(i) In Fuel Gas	<del>\$283.42</del> <u>\$287.95</u> / sample
(ii) In Fuel Oil (by XRF)	<del>\$96.80</del> <u>\$98.35</u> / sample
(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	<del>\$121.44</del> <u>\$123.38</u> / sample
(B) Density of Coating or Distillate	<del>\$121.44</del> <u>\$123.38</u> / sample
(C) Gloss Testing	<del>\$121.44</del> <u>\$123.38</u> / sample
(D) Gas Chromatograph Analysis	<del>\$339.93</del> <u>\$345.37</u> for five or fewer compounds <del>\$40.33</del> <u>\$40.98</u> for each additional compound
(E) Photochemical Reactivity -	
(i) Unknown	<del>\$485.96</del> <u>\$493.74</u> / sample
(ii) Known	<del>\$339.93</del> <u>\$345.37</u> / sample
(F) Distillation -	
(i) Normal	<del>\$96.81</del> <u>\$98.36</u> / sample
(ii) Heavy Ink	<del>\$137.43</del> <u>\$139.63</u> / sample
(G) Water by Karl Fischer Titration	<del>\$161.88</del> <u>\$164.47</u> / sample
(H) Emission Spectrograph Analysis	<del>\$121.44</del> <u>\$123.38</u> / sample
(I) Gas Chromatograph/Mass Spectrometry	<del>\$323.91</del> <u>\$329.09</u> for five or fewer compounds <del>\$32.03</del> <u>\$32.54</u> for each additional compound
(J) VOC in pipe cements	<del>\$830.62</del> <u>\$843.91</u> / sample

- (K) VOC in adhesives containing cyanoacrylates ~~\$237.20~~\$241.00 / sample
- (7) For Certification Tests and Analyses not listed above, the fee shall be assessed at a rate ~~\$121.44~~\$123.38 per person per hour or 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	<del>\$1,231.32</del> <u>\$1,251.02</u>
(2)	Continuous Gaseous Emission Testing with Mobile Source Testing Vehicle	<del>\$1,604.31</del> <u>\$1,629.98</u> plus <del>\$137.70</del> <u>\$139.90</u> / hour
(3)	Non-Continuous Emission Testing	<del>\$1,506.91</del> <u>\$1,531.02</u> plus fee listed below:
		Cost Per Sample
		Specific*                      Surcharge**
(A)	Moisture	<del>\$218.50</del> <u>\$222.00</u> <del>\$161.88</del> <u>\$164.47</u>
(B)	Particulate Matter	<del>\$842.32</del> <u>\$855.80</u> <del>\$421.03</del> <u>\$427.77</u>
(C)	Sulfur Dioxide	<del>\$748.49</del> <u>\$760.47</u> <del>\$374.02</del> <u>\$380.00</u>
(D)	Oxides of Nitrogen	<del>\$372.53</del> <u>\$378.49</u> <del>\$113.12</del> <u>\$114.93</u>
(E)	Carbon Monoxide	<del>\$311.02</del> <u>\$316.00</u> <del>\$155.37</del> <u>\$157.86</u>

\* charge for first sample.

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

(F)	Total	<u>\$777.56</u>	<u>\$558.75</u>
	Hydrocarbons	<u>\$790.00</u>	<u>\$567.69</u>

Cost Per Sample  
Specific\*                      Surcharge\*\*

(i)	Hydrogen Sulfide	<u>\$748.49</u> <u>\$760.47</u>	<u>\$374.02</u> <u>\$380.00</u>
(ii)	Vinyl Chloride	<u>\$323.91</u> <u>\$329.09</u>	<u>\$237.94</u> <u>\$241.75</u>
(G)	Gas Chromatograph/Mass Spectrometry for Unknown	<u>\$323.91</u> <u>\$329.09</u> for five or fewer compounds <u>\$32.03</u> <u>\$32.54</u> for each additional compound	
(H)	High Volume Sampler (Fugitive Dust)	<u>\$661.04</u> <u>\$671.62</u>	<u>\$330.44</u> <u>\$335.73</u>
(I)	Total Reduced Sulfur Compounds***	<u>\$520.19</u> <u>\$528.51</u>	<u>\$79.91</u> <u>\$81.19</u>
(J)	Sample Preparation	<u>\$40.33</u> <u>\$40.98</u>	<u>\$24.03</u> <u>\$24.41</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.

Type of Test	Fee
(c) Ambient Air Analyses Fees	
(1) Automatic-Recording Ambient Air or Atmospheric Monitoring at a Fixed Site	
(A) Installation of One (1) Wind-Monitoring System at One (1) Site.	<del>\$810.02</del> <u>\$822.98</u>
(B) Installation of Each Additional Wind-Monitoring System at the Same Site as (A).	<del>\$242.84</del> <u>\$246.73</u>
(C) Operation of One (1) Wind-Monitoring System At One (1) Site, Including Data Reduction.	<del>\$161.88</del> <u>\$164.47</u> / day
(D) Operation of Each Additional Wind-Monitoring System at Same Site as (C), Including Data Reduction.	<del>\$56.62</del> <u>\$57.53</u> / day
(2) Continuous Automatic-Recording Ambient Monitoring In Mobile Mode	
(A) Installation of One (1) Instrument and Wind Monitoring System in Mobile Van.	<del>\$1,134.37</del> <u>\$1,152.52</u>
(B) Installation of Additional Instrument in Mobile Van.	<del>\$404.86</del> <u>\$411.34</u>
(C) Operation of One (1) Instrument and Wind-Monitoring System in Mobile Mode, 10 Hours Per Day, Weekdays Only.	<del>\$615.68</del> <u>\$625.53</u> / day
(D) Operation of One (1) Instrument and Wind-Monitoring System In Mobile Mode, 10 Hours Per Day, Weekends and Holidays.	<del>\$923.58</del> <u>\$938.36</u> / day
(E) Operation of Each Additional Instrument, Other Than Those Already Installed, in Mobile Van.	<del>\$56.62</del> <u>\$57.53</u> / 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).	<del>\$810.02</del> <u>\$822.98</u> plus lab analysis
(B) Installation of Each Additional 24-Hour Sampler.	<del>\$647.98</del> <u>\$658.35</u> plus lab analysis

**Proposed Amended Rule 304.1 (Cont.) (~~Updated July 1, 2013~~Amended June 6, 2014)**

Type of Test	Fee
(C) Operation of One (1) 24-Hour Sampler and Analysis for One (1) Contaminant Per Sample.	<del>\$283.45</del> <u>\$287.99</u> / day <del>\$64.48</del> <u>\$65.51</u> for each additional contaminant
(D) Operation of Each Additional 24-Hour Sampler and Analysis for Same Contaminant in (C).	<del>\$105.12</del> <u>\$106.80</u> / day <del>\$48.33</del> <u>\$49.10</u> for each additional contaminant
(E) Operation of 24-Hour, Sequential-Impinger Sampler and Spectrophometric Analysis.	<del>\$567.03</del> <u>\$576.10</u> / day for up to 12 samples <del>\$242.84</del> <u>\$246.73</u> for each additional set of 12 samples
(F) Installation of One (1) Non-Sequential Sampler to Collect Less-Than-24-Hour-Samples.	<del>\$972.05</del> <u>\$987.60</u>
(G) Operation of One (1) Non-Sequential Sampler to Collect Less-Than-24-Hour Samples For One Contaminant.	<del>\$486.10</del> <u>\$493.88</u> / day
(H) Sample Preparation or Extraction Prior to Analysis.	<del>\$161.88</del> <u>\$164.47</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.	<del>\$80.78</del> <u>\$82.07</u> for first sample or contaminant <del>\$32.03</del> <u>\$32.54</u> for each additional sample or contaminant
(K) Analysis of Each Sample Collected in (G) For Particulates.	<del>\$96.80</del> <u>\$98.35</u> for first sample <del>\$56.54</del> <u>\$57.44</u> for each additional sample
(L) Gas Chromatograph/Mass Spectrometry Identification For Any Sample Collected Above.	<del>\$161.88</del> <u>\$164.47</u> for five or fewer contaminants <del>\$16.00</del> <u>\$16.26</u> for each additional contaminant

	<u>Type of Test</u>	<u>Fee</u>
(M)	Additional Fees for Sample Pick-up and Analysis After Normal Weekday Working Hours.	<del>\$80.78</del> <b><u>\$82.07</u></b> additional / hour for each hour exceeding 8-hour normal week day for sample pick-up or collection <del>\$1,296.26</del> <b><u>\$1,317.00</u></b> additional / day for weekends and holidays requiring sample pick-up and analysis same day  <del>\$1,620.48</del> <b><u>\$1,646.41</u></b> 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.	<del>\$567.05</del> <b><u>\$576.12</u></b>
(B)	Conduct Low-Level Air Observation via Tethersonde (8 Hour Program).	<del>\$3,244.10</del> <b><u>\$3,296.00</u></b>
(C)	Conduct Pilot Balloon Observation (Pibal).	<del>\$3,244.10</del> <b><u>\$3,296.00</u></b> / 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.	<del>\$2,430.78</del> <b><u>\$2,469.67</u></b> / grid

	<u>Type of Test</u>	<u>Fee</u>
	(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).	<del>\$526.41</del> <b><u>\$534.83</u></b>
(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.	<del>\$17,826.86</del> <b><u>\$18,112.09</u></b>
	(B) Collection and Analysis of Each Additional Sample for (A).	<del>\$80.78</del> <b><u>\$82.07</u></b>

## ATTACHMENT F (continued)

(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)

~~CPI increase to be effective on July 1, 2013~~

### **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 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 ~~\$121.44~~**\$127.08 for FY 14-15 and \$130.89 for FY 15-16 and thereafter.**

(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 ~~\$121.44~~**\$127.08 for FY 14-15 and \$130.89 for FY 15-16 and thereafter** per person per hour or prorated portion thereof.

(e) Duplicate Plan Fee

A request for a duplicate plan shall be made in writing by the applicant. The applicant shall pay ~~\$20.91~~**\$21.24** for each plan requested.

(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 ~~\$97.10~~**\$101.61 for FY 14-15 and \$104.66 for FY 15-16 and thereafter** per inspection staff or prorated portion thereof. 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 (h).

(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 rate of ~~\$121.44~~\$127.08 for FY 14-15 and \$130.89 for FY 15-16 and thereafter per hour for time spent in evaluation of the plan. Such fees shall be imposed at the time the review is completed.

(h) Annual Review/Renewal Fee

An annual review/renewal fee shall be charged for plans listed in the following table. 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.

Plan type
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 1169 - Chrome Plating Operations
Rule 1470 - Compliance Plan
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

(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 ~~\$425.02~~**\$444.77 for FY 14-15 and \$458.11 for FY 15-16 and thereafter** 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 ~~\$121.44~~**\$127.08 for FY 14-15 and \$130.89 for FY 15-16 and thereafter.** 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 (c) 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.

(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 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.

(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 ~~\$161.87~~\$169.39 for FY 14-15 and \$174.47 for FY 15-16 and thereafter or the plan fee set forth in the Summary Permit Fee Rates table, whichever is less. The cancellation fee shall not apply when the application was filed based on an erroneous District request.

(m) Protocol/Report Evaluation Fees

A minimum fee of ~~\$323.92~~\$333.98 for FY 14-15 and \$344.00 for FY 15-16 and thereafter 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 hourly rate of ~~\$121.44~~\$127.08 for FY 14-15 and \$130.89 for FY 15-16 and thereafter per hour.

(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 the staff's hourly rate of ~~\$121.44~~\$127.08 for FY 14-15 and \$130.89 for FY 15-16 and thereafter plus ~~\$62.99~~\$65.92 for FY 14-15 and \$67.90 for FY 15-16 and thereafter per hour (one half of hourly rate). 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.
- (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 ~~\$121.44~~\$123.38.
    - (B) The fee for review and verification of Certified Greenhouse Gas Emission Reductions by SCAQMD staff shall be assessed at

~~\$125.68~~\$127.69 per hour or 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 ~~\$121.44~~\$123.38.
  - (B) Individuals or households wishing to participate are exempt from the plan fees for reductions used to offset personal, household or event GHG emissions.

## ATTACHMENT F (continued)

(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)

CPI increase to be effective on July 1, 2013

### **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, risk assessments, to verify plans and data, and to administer this rule 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; or

- (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; or
- (3) is reinstated under Health and Safety Code Section 44344.7.

(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.
- (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 California Air Pollution Control Officers Association (CAPCOA) "Air Toxics 'Hot Spots' Program Facility Prioritization Guidelines, July 1990", which has been approved by the State Board and which is incorporated by reference herein, and
  - (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 subparagraphs (c)(6), (c)(8), (c)(13), (c)(14), (c)(15), (c)(16), (c)(18), (c)(19), (c)(20), (c)(21), (c)(22), or (c)(28) of this rule.
  - (11) FLAT FEE means the fee charged to a facility classified as an Emergency Standby "Diesel Engine-Only" Facility.
  - (12) 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.
  - (13) 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 CAPCOA "Air Toxics 'Hot Spots' Program Facility Prioritization Guidelines, July 1990", which has been approved by the State Board and 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.
- (14) **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.
  - (15) **MEDIUM FACILITY** means a facility that has three (3) to five (5) processes as determined by six-digit Source Classification Codes (SCC).
  - (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 CAPCOA "Air Toxics 'Hot Spots' Program Facility Prioritization Guidelines, July 1990", which has been approved by the CARB and 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 Source Classification Codes (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 (HRA) should be revised and the owner/operator can not perform this task without errors or delays.
- (26) STANDARD INDUSTRIAL CLASSIFICATION (SIC) CODE means the Standard Industrial Classification Code which classifies establishments by the type of business activity in which they are engaged, as defined by the Standard Industrial Classification Manual, 1987, published by the Executive Office of the President, Office of Management and Budget, 1987, which is herein incorporated by reference.
- (27) 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.
- (28) 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 SIC Codes 5511-5521 or 7532; gasoline stations, as described by SIC Code 5541; dry cleaners, as described by SIC Code 7216; and printing and publishing, as described by SIC Codes 2711-2771 or 2782; 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).

- (29) 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.
- (30) TOTAL ORGANIC GASES (TOG) means all gases containing carbon, except carbon monoxide, carbon dioxide, carbonic acid, metallic carbides or carbonates, and ammonium carbonate.
- (31) 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 CAPCOA "Air Toxics 'Hot Spots' Program Facility Prioritization Guidelines, July 1990", which has been approved by the State Board and is incorporated by reference herein.

(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)(6) 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 Emergency Standby “Diesel Engine-Only” 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 ~~\$348.85~~\$354.43.
- (E) The supplemental fee as defined in this rule, which may be assessed upon the operator of a facility, shall be no higher than ~~\$2,778.55~~\$2,823.01.

(3) **Special Health Risk Assessment Fees**

When a facility’s Health Risk Assessment (HRA) 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 ~~\$121.44~~\$123.38 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) **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)(5)(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.

(5) **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.

(6) **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 California Air Pollution Control Officers' Association (CAPCOA) "Air Toxics "Hot Spots" Program Facility Prioritization Guidelines, July 1990", and was adopted by the District Board on September 24, 1990.

- (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 CAPCOA “Air Toxics “Hot Spots” Program Revised 1992 Risk Assessment Guidelines, October 1993”, which is incorporated by reference herein.

- (C) The facility primarily performs printing as described by SIC Codes 2711 through 2771 or 2782, 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)(6)(A) of this rule.
- (D) The facility is a wastewater treatment plant as described by SIC Code 4952, 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)(6)(A) of this rule.
- (E) The facility is a crematorium for humans, animals, or pets as described by SIC Code 7261 or any SIC 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)(6)(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 SIC Codes 3731 or 3732, 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)(6)(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)(6)(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)(6)(A) of this rule.

**TABLE I  
FACILITY FEES BY PROGRAM CATEGORY**

<b>FACILITY PROGRAM CATEGORY</b>	<b>COMPLEXITY</b>	<b>DISTRICT FEE</b>	<b>STATE FEE</b>	<b>TOTAL FACILITY FEE</b>
<i>HRA Tracking*</i>	Simple	<del>\$394.57</del> <u>\$400.88</u>	\$67	<del>\$461.57</del> <u>\$467.88</u>
	Medium	<del>\$569.98</del> <u>\$579.10</u>	\$100	<del>\$669.98</del> <u>\$679.10</u>
	Complex	<del>\$745.39</del> <u>\$757.32</u>	\$134	<del>\$879.39</del> <u>\$891.32</u>
<i>Unprioritized</i>	Simple	<del>\$586.41</del> <u>\$595.79</u>	\$402	<del>\$988.41</del> <u>\$997.79</u>
	Medium	<del>\$3,213.49</del> <u>\$3,264.91</u>	\$603	<del>\$3,816.49</del> <u>\$3,867.91</u>
	Complex	<del>\$4,270.27</del> <u>\$4,338.59</u>	\$804	<del>\$5,074.27</del> <u>\$5,142.59</u>
<i>PS&gt;10, No HRA</i>	Simple	<del>\$4,975.79</del> <u>\$5,055.40</u>	\$1,674	<del>\$6,649.79</del> <u>\$6,729.40</u>
	Medium	<del>\$5,329.36</del> <u>\$5,414.63</u>	\$2,009	<del>\$7,338.36</del> <u>\$7,423.63</u>
	Complex	<del>\$5,680.19</del> <u>\$5,771.07</u>	\$2,344	<del>\$8,024.19</del> <u>\$8,115.07</u>
<i>Risk ≥10 &lt;50 in a million or HI&gt;1</i>	Simple	<del>\$6,033.73</del> <u>\$6,130.27</u>	\$3,014	<del>\$9,047.73</del> <u>\$9,144.27</u>
	Medium	<del>\$6,385.92</del> <u>\$6,488.09</u>	\$3,349	<del>\$9,734.92</del> <u>\$9,837.09</u>
	Complex	<del>\$6,738.13</del> <u>\$6,845.94</u>	\$3,684	<del>\$10,422.13</del> <u>\$10,529.94</u>
<i>Risk ≥50 &lt;100 in a million</i>	Simple	<del>\$7,091.68</del> <u>\$7,205.15</u>	\$4,353	<del>\$11,444.68</del> <u>\$11,558.15</u>
	Medium	<del>\$7,442.49</del> <u>\$7,561.57</u>	\$4,688	<del>\$12,130.49</del> <u>\$12,249.57</u>
	Complex	<del>\$7,796.03</del> <u>\$7,920.77</u>	\$5,023	<del>\$12,819.03</del> <u>\$12,943.77</u>
<i>Risk ≥ 100 in a million</i>	Simple	<del>\$8,149.63</del> <u>\$8,280.02</u>	\$5,693	<del>\$13,842.63</del> <u>\$13,973.02</u>
	Medium	<del>\$8,500.43</del> <u>\$8,636.44</u>	\$6,028	<del>\$14,528.43</del> <u>\$14,664.44</u>

**Proposed Amended Rule 307.1 (Cont.) (Updated July 1, 2013 Amended June 6, 2014)**

	Complex	<del>\$8,857.48</del> <u>\$8,999.20</u>	\$6,363	<del>\$15,220.48</del> <u>\$15,362.20</u>
<i>District Tracking**</i>		<del>\$218.13</del> <u>\$221.62</u>		<del>\$218.13</del> <u>\$221.62</u>
<i>State Industry-wide</i>		<del>\$158.84</del> <u>\$161.38</u>	\$35	<del>\$193.84</del> <u>\$196.38</u>
<i>Diesel Engine Facility</i>	-	<del>\$118.94</del> <u>\$120.84</u>	-	<del>\$118.94</del> <u>\$120.84</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

**ATTACHMENT F (continued)**

(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**)

**~~CPI increase to be effective on July 1, 2013~~**

**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 ~~\$526.41~~\$534.83 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	<del>\$1,002.32</del> <u>\$1,018.36</u>	<del>\$647.98</del> <u>\$658.35</u>
250 to 499 employees	<del>\$749.55</del> <u>\$761.54</u>	<del>\$485.96</del> <u>\$493.74</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 ~~\$100.00~~\$101.60 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 ~~\$157.96~~\$160.49 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 ~~\$157.96~~\$160.49 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 ~~\$404.86~~**\$411.34**. No additional fee will be due after a first disapproval and resubmittal. A second fee of ~~\$404.86~~**\$411.34** 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 subparagraph (c)(1), (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:

**Proposed Amended Rule 308 (Cont.) (~~Updated July 1, 2013~~ Amended June 6, 2014)**

- (A) Initial Certification Fee ~~\$810.02~~\$822.98
- (B) Recertification Fee ~~\$404.86~~\$411.34

(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	<del>\$404.86</del> <u>\$411.34</u>	<del>\$202.22</del> <u>\$205.46</u>
(B)	Curriculum	<del>\$810.02</del> <u>\$822.98</u>	<del>\$404.86</del> <u>\$411.34</u>

(2) Fee for the District's initial training program for new Employee Transportation Coordinators shall be ~~\$163.97~~\$166.59 per person.

(3) A fee in the amount of ~~\$100~~\$101.60 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 ~~\$79.91~~\$81.19 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

**Proposed Amended Rule 308 (Cont.) (~~Updated July 1, 2013~~ Amended June 6, 2014)**

of ~~\$399.37~~\$405.76 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 ~~\$79.16~~\$80.43 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 ~~\$1,162.82~~ \$1,181.43 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: ~~\$813.98~~\$827.00 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.

## ATTACHMENT F (continued)

(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)

~~CPI increase to be effective on July 1, 2013~~

### **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

**Proposed Amended Rule 309 (Cont.)** (~~Updated July 1, 2013~~ Amended June 6, 2014)

- (1) Rule 1610 Scrapping Plans shall be assessed a filing and evaluation fee of ~~\$1,601.20~~\$1,626.82. 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 ~~\$121.44~~\$123.38 and an evaluation fee of ~~\$404.86~~\$411.34 at the time of submittal.
  - (3) Additional evaluation fees for plans shall be assessed at the rate of ~~\$118.45~~\$120.35 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 ~~\$79.16~~\$80.43 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 ~~\$97.10~~\$98.65 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 ~~\$161.87~~**\$164.46**.
  - (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.

## ATTACHMENT F (continued)

(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)

CPI increase to be effective on July 1, 2013

### **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 ~~\$121.44~~\$123.38 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 \$60.00 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 \$125.00 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 \$60.00 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%).

## ATTACHMENT F (continued)

(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)

**~~CPI increase to be effective on July 1, 2013~~**

### **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, 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 ~~\$79.91~~**\$81.19** 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<sub>x</sub>, SO<sub>x</sub>, VOC, or PM<sub>10</sub> 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 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 a 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 subparagraph (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 ~~\$193.31~~**\$196.40**, 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 subparagraph (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.

## ATTACHMENT F (continued)

(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)

~~CPI increase to be effective on July 1, 2013~~

### **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 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 ~~\$182.34~~\$185.26 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, on or before April 1<sup>st</sup> (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: ~~\$0.039~~\$0.04 per gallon of paint.

(ii) Annual Emission Fee: ~~\$260.54~~\$264.71 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 ~~\$298.67~~\$303.45 for the first two hours of District time. The architectural coatings manufacturer shall be assessed additional fees at the rate of ~~\$149.35~~\$151.74 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 ~~\$298.67~~\$303.45. In addition, evaluation time beyond two hours shall be assessed at the rate of ~~\$149.35~~\$151.74 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 30, 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 30. If May 30 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 30.
- (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 paragraph (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 31<sup>st</sup>, 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 subparagraph (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 subparagraph (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 subparagraph (i)(2).
- (3) Fees pursuant to subparagraph (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 subparagraph (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.

**ATTACHMENT F (continued)**

(Adopted May 7, 2010)(Amended May 6, 2011)  
(Updated July 1, 2011)(Updated July 1, 2012)(Updated July 1, 2013)  
(Amended June 6, 2014)

~~CPI increase to be effective on July 1, 2013~~

**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	<del>\$145.23</del> <u>\$147.55</u>
Rule 461 Annual Periodic Inspection Class	<del>\$158.95</del> <u>\$161.49</u>
Rule 461 Tester Orientation Class	<del>\$151.10</del> <u>\$153.52</u>
Rule(s) 463/1178	<del>\$73.45</del> <u>\$74.63</u>
Rule(s) 1110.2/1146/1146.1	No Cost
Rule 1176	<del>\$56.76</del> <u>\$57.67</u>
Rule 1403	<del>\$79.05</del> <u>\$80.32</u>
Rule 1469	<del>\$31.38</del> <u>\$31.88</u>

(b) Certified Permitting Professional (CPP) License Fees

(1) The fee for the CPP exam administered by SCAQMD is ~~\$150.00~~\$152.40. 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 ~~\$150.00~~**\$150.40**. 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 30<sup>th</sup>, 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 31<sup>st</sup> of the year it has expired.

# ATTACHMENT G

## SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

### **Final Staff Report Proposed Amended Regulation III – Fees**

#### **Including:**

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

**June 6, 2014**

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Elaine Chang, DrPH

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**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT  
GOVERNING BOARD**

Chairman: DR. WILLIAM A. BURKE  
Speaker of the Assembly Appointee

Vice Chairman: DENNIS YATES  
Mayor, Chino  
Cities of San Bernardino County

**MEMBERS:**

MICHAEL D. ANTONOVICH  
Supervisor, Fifth District  
County of Los Angeles

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Mayor Pro Tem, Wildomar  
Cities of Riverside County

JOHN J. BENOIT  
Supervisor, Fourth District  
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JOE BUSCAINO  
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**EXECUTIVE OFFICER:**

BARRY R. WALLERSTEIN, D.Env.

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## I. EXECUTIVE SUMMARY

Regulation III – Fees, establishes the fee rates and schedules associated with permitting, annual renewals, emissions and other activities that help fund most of SCAQMD's Permitted Source Program regulatory activities and services. The Permitted Source Program is primarily supported by three fees that provide over 60% 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, including higher operating costs due to increased contributions to the retirement system, streamlining operations while meeting program commitments and uncertainties in the business environment as the economy tries to reverse the economic downturn of the past several years. A primary uncertainty is the course the financial markets will take over the next few years which will determine the performance of retirement and other investments. To prepare for these challenges, SCAQMD has a five year plan in place to continue, if necessary, deleting select vacant positions, maintaining an increased vacancy rate, reducing Services and Supplies and providing for critical infrastructure improvement projects. Additionally, the SCAQMD paid off the mortgage debt on the Diamond Bar Headquarters building in Fiscal Year (FY) 2012-2013, and lowered retirement benefits for new employees. The above actions are intended to minimize higher operating costs as well as keep the percentage of unreserved/unassigned fund balance to revenue above the existing Governing Board mandate of 15%.

To address the remaining shortfall in revenues resulting from legally mandated funding requirements and to keep pace with inflation, staff recommends, that for FY 2014-2015, the current Regulation III fees be adjusted by the 1.6% change in the California Consumer Price Index (CPI) for calendar year 2013 via the automatic action of Rule 320 - Automatic Adjustment Based on Consumer Price Index for Regulation III Fees. Staff further recommends that in order to recover more of the cost of programs and services within the Permitted Source Program, permit processing and annual renewal (equipment-based) fees (also called "annual operating fees"), be adjusted by an

additional 6% phased in over the next two fiscal years (3 % in FY 2014-2015 and an additional 3 % in FY 2015-2016). An automatic CPI adjustment as specified in Rule 320, based on the change in the CY 2014 CPI, is also expected to affect the fee rates in FY 2015-2016. This additional increase in permit related fees will allow for some further recovery of the revenue shortfall and better align revenues with reasonable and necessary costs. The adjustment of specific permit related fees above the CPI rate is both necessary in order to better recover the reasonable regulatory costs of mandated services and programs provided, and equitable since these services confer a commensurate benefit directly to the beneficiaries (including but not limited to providing permits to construct/operate source equipment and annual compliance audits and inspections) and since costs are allocated based on the relative burden placed on the permitted source programs. Staff's proposal has been incorporated into the FY 2014-2015 Draft Budget and Work Program. The proposed 3% increase for FY 2014-2015 is projected to allow the SCAQMD to avoid further staff reductions this year, and in future years.

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, and whose funding shortfall has escalated, due to the economic downturn of recent years. Despite the proposed fee amendments staff currently projects a \$4.7 million deficit in revenues 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 annual operating emissions fees revenues, and revenues remaining generally flat from permit processing and annual permit renewal fees. Also, revenues from CPI adjusted emission fees have declined by more than 50% over the last fifteen years due to rapidly declining emissions, and thus declining emissions fees at rates exceeding annual CPI rates. The proposed FY 2014-2015 Draft Budget and Work Program, including supporting documentation, are hereby incorporated by reference in this report. They are available at <http://www.aqmd.gov/finn/financialinformation.htm#Budgets and Audited Financial Reports> and the SCAQMD Public Information Center.

## **II. PROPOSED AMENDMENTS**

For FY 2014-2015, proposed amendments to Regulation III fees are two-fold: a CPI based adjustment to most fees in Regulation III which is implemented automatically pursuant to Rule 320; with an additional 6% adjustment of permit processing and annual renewal fees, implemented over FY's 2014-2015 and 2015-2016, as detailed below.

### **A. CPI ADJUSTMENT**

For FY 2014-2015, staff is recommending that all Regulation III fees be allowed to adjust, pursuant to the automatic action of Rule 320, by the 1.6% adjustment

commensurate with the change in the CY 2013 CPI, 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

#### B. PERMIT PROCESSING AND ANNUAL RENEWAL FEE ADJUSTMENT

In order to partially recover the costs of certain programs within the Permitted Source Program and better align program costs with revenues, permit processing and annual renewal fees in Regulation III would be increased by an additional 6% phased in over the next two fiscal years. Note that the listed fees above that are excluded from the CPI increase are also excluded from the 6% increase. The following specific permit processing and annual renewal fees would be subject to the additional 6% increase, phased in over two years (H&SC Section 40510.5(b)):

##### 1. *Permit Processing Fees*

(adjusted by the 1.6% change in the CPI and an additional 3% for FY 2014-2015 and an additional 3% for FY 2015-2016):\*

301(c)(1)(J)	Standard Streamlined Permits
301(c)(3)(A)	Change of Operating Condition, Alteration/Modification/Addition
301(c)(3)(B)	Change of Operating Condition, Alteration/Modification/Addition
301(c)(3)(C)	Change of Operating Condition, Alteration/Modification/Addition
301(e)(9)	Request to Amend Emissions Report and Refund of Emission Fees
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)	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)(7)	Fees for Inter-basin, Inter-District, or Interpollutant Transfers of ERCs
301(l)(4)	Facility Permit Fees (RECLAIM)
301(l)(5)	Facility Permit Fees Amendment (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)	Title V Facilities Initial Fee
301(m)(3)(B)	Title V Facilities Final Fee
301(m)(6)	Administrative Permit Revision Fee (Title V)
301(m)(7)	Permit Revision Fee (Title V)
301(m)(9)	Public Notice Fee (Title V)
301(m)(10)	Public Hearing Fees (Title V)
301(n)(5)	Fee for Change of Operator
301(q)	NESHAP Evaluation Fee
301(u)(1)	Initial Filing Fee (Rule 222)
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306(l)	Plan Application Cancellation Fee
306(m)	Protocol/Report Evaluation Fees
306(q)	Optional Expedited Protocol/Report Evaluation Processing Fee

2. *Annual Renewal Fees*

(adjusted by the 1.6% change in the CPI and an additional 3% for FY 2014-2015 and an additional 3% for FY 2015-2016):\*

301(d)(2)	Annual Operating Fees
301(d)(3)	Credit for Solar Energy Equipment
301(l)(10)(E)	RECLAIM Pollutant Emission Fee (Special operating fee for refineries)
301(m)(8)	Renewal Fees (Title V)
301(u)(3)	Annual Renewal Fee (Non-permitted Emission Sources Subject to Rule 222)
306(h)	Annual Review/Renewal Fee (Plans)

\* These fees may also be adjusted by the change in the CY 2014 CPI for FY 2015-2016.

### III. 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 pieces 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.

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, NOx, 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 costs such as planning, rulemaking, outreach, and air monitoring, which are related to the permitted source program but cannot be directly attributed to any specific permit activity. California courts have upheld the use of emissions-based fees to cover these types of indirect 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) 2013 Cal. App. 3d 1132, 1136.

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 above are the basic structures. Plan fees and Rule 222 equipment registration fees are

also proposed to be increased by 3% this year 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 CPI increase, to support their related programs.

If the SCAQMD proposes to increase the Permitted Source Program fees by more than 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). 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. 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 \$96.9 million. Total projected fees (except mobile source fees) for FY 2014-2015 is \$83.8 million, which remains below the CPI adjusted cap.

In addition to stationary source revenues, SCAQMD receives revenue from mobile sources. Mobile source fees include the Clean Fuels Fee, Carl Moyer and Proposition 1B funds. These are special revenue funds outside the budget and 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 and SCAQMD budget.

A second type of mobile source revenue is provided by AB 2766 of 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 set by statute and cannot be increased by the SCAQMD Governing Board. 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 56%. The remainder of the AB 2766 revenues are 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

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 government. Proposition 26 broadly defines a tax to mean any charge imposed by a local government that does not fall within seven enumerated exceptions for validly 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. The SCAQMD in October 2010 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. 4<sup>th</sup> 195, 206 (2013). Since 2010, the SCAQMD has not proposed any fee changes but has allowed the automatic adjustment under Rule 320 to go into effect.

This year's proposed fee increases are valid fees under at least one of the Proposition 26 fee exceptions, Cal. Const. art XIIC §1(e)(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." In other words, costs related to permit processing and compliance activities may be recovered from valid fees.

Proposition 26 provides that an agency must establish by a preponderance of the evidence that the fee fits within one of the fee exceptions. Ca. Const. art. XIII C §1. For this reason, the staff report for this fee proposal contains a detailed explanation of the basis of the proposed fee increase.

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.

Staff has explained the method of allocating program costs to the permit processing and annual operating fee payors to satisfy this requirement.

### C. SCAQMD FEE 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, contracts, penalties/settlements, other fees (such as subscription fees) and investments that generate approximately 73% of its revenues. The remaining 27% of its revenue is from federal grants, California Air Resources Board subvention, California Clean Air Act Motor Vehicle fees, and miscellaneous income. The SCAQMD currently receives the bulk of its funding (67%) 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.

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. For a more detailed history of prior fiscal year amendments already approved and adopted by the SCAQMD Governing Board see Appendix A at the end of this staff report.

Over the past seventeen years the SCAQMD has in all but five 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, 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 but not directly to any individual source, such as planning, monitoring, rule development and outreach programs, from emissions-based operating fees. In recent years, some of these indirect costs, such as rule development for NO<sub>x</sub> rules, 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.

The current structure for Permit Processing fees derives from a study of actual time spent processing permits, conducted by KPMG Peat Marwick for the 1990 fee amendments. More recently, Permit processing fee schedules were developed based on actual time spent processing various types of equipment. The most recent data (CY 2001) supporting these fees was gathered by permit processing staff and is incorporated by reference herein, and available from Mohan Balagopalan, (909) 396-2704. 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.

The SCAQMD has traditionally used emissions-based operating fees to pay for activities such as planning, rule development, air monitoring, and outreach activities. The California Court of Appeal has upheld allocating such "indirect" costs, i.e., those costs that are related to the overall Permitted Source Program but which cannot be directly attributed to any specific permit activity, to fee payors based on the amount of emissions discharged by a stationary source. (San Diego Gas & Electric Co. v. San Diego County APCD (1988) 203Cal.App.3d 1132, 1136; 250 Cal Rptr 420, 422.)

The court found that under such a system, the charges allocated to a payor bear a fair and reasonable relationship to the payor's burdens on the regulatory activity. This is because the more emissions generated by a pollution source, the greater the regulatory job of an air district. San Diego Gas & Electric Co. v San Diego County APCD (1988) 203 Cal.App.3d 1132, 1147, 250 Cal.Rptr. 420, 430. Accordingly, the emission-based fee results in an equitable apportionment of the SCAQMD's indirect Permitted Source Program costs.

**D. WHY NOT INCREASE PERMIT PROCESSING FEES TO FULLY RECOVER THE SHORTFALL?**

As described in Section VII. C. (Comparison of Costs Supported By Permit Processing and Annual Operating Fees Compared to Revenues), after covering permit processing overhead costs with annual operating fees, there is still a

projected \$5.0 million deficit in permit processing related revenues for the Permitted Source Program in FY 2014-2015. 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. To fully fund permit processing related activities from permit processing fees alone would require an increase of almost 30%.

Staff does not recommend increasing permit processing fees by this amount, although a 6% increase beyond CPI (over two years) is proposed. Staff believes that a 30% increase in permit processing fees would likely have two adverse effects. First, 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 is likely also to result in increased and illegal emissions, contributing to the region's air quality problems. The net result will 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 to avoid increased compliance costs in the future and the corresponding burden on annual operating fees.

Secondly, 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 will 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 will 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 and recovery from the current recession.

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.

Moreover, supporting permit processing programs with current annual operating fee revenues operates like an insurance policy that fairly distributes costs and

benefits the permit holders. Facilities pay a somewhat higher annual operating fee than they otherwise would, but when they apply for a new or modified permit, they pay a somewhat smaller fee than they otherwise would have to pay. 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.

E. WHAT DOES THE 3% FEE INCREASE PAY FOR?

To further help explain the need for the 3% increase beyond the CPI, staff has prepared spreadsheets showing projected budgeted costs by revenue category. (Appendix C 4). Listed under each revenue category are the Work Program codes (line items) that are supported by that revenue category. In addition to a description of each Work Program code, the budgeted costs for FY 2013-2014 and FY 2014-2015 and the difference between FY 2013-2014 and FY 2014-2015 amounts are shown. Since many Work Program code lines are supported by more than one revenue category, Work Program code line categories may appear multiple times in the various spreadsheets.

Tables A through C below were created using Appendix C 4 data as well as the FY 2014-2015 Proposed Budget – Cost Allocation Summary (Appendix C 2).

Table A below sets forth the increased revenues from the 3% increase for annual operating and permit processing fees, i.e. \$1,319,124 for annual operating fees and \$344,660 for permit processing fees (see Appendix C 2, line item “Revenue from 3% fee Increase Above CPI”, for these two columns). Table B shows the increased budgeted costs for each fee category, i.e. \$577,298 for annual operating fees and \$540,605 for permit processing fees (see Appendix C 4). Table C shows the differences between the increase in budgeted costs and the increase in projected revenue by each fee type.

As is shown in Table C, increased costs in the permit processing fee category exceed increased revenues by \$195,945. Therefore, all of the increased revenues in permit processing fees will be used to support increased costs in the permit processing category.

Table C also shows that increased revenues from annual operating fees exceed increased costs in that revenue category within the Permitted Source Program by \$741,828, (see section V of this report “Description of Method of Allocating FY 2014-2015 Costs to Revenue Categories”). These revenues are therefore available to support other Permitted Source Programs. After paying for all increased costs in the annual operating fee category, the remainder of the increased annual operating fees will be used to partially offset the deficit between revenues and costs in three Permitted Source Program categories as follows. A total of \$250,000 will be used to partially offset the deficit in Hearing Board fee revenue, which totals \$983,259 (Appendix C 2), of which \$23,515 is increased costs from the FY 2013-2014 Budget (Appendix C 4). An additional \$250,000 will be used to support the deficit between costs and revenues in the Source Testing category, which totals \$1,988,741 (Appendix C

2), of which \$72,644 is increased costs exceeding the FY 2013-2014 Budget (Appendix C 4). The remainder of the available increased annual operating fees (\$741,828 - \$500,000 = \$241,828) will be used to support the deficit between projected costs and revenues in the permit processing fee category. This includes the additional \$195,945 in increased costs in the permit processing category that cannot be covered by increased permit processing revenues, plus a small share of the pre-existing deficit in permit processing fees.

The above described allocation is consistent with past practice and results in a reasonable apportionment to the permitted source fee payors for the following reasons. The Hearing Board serves two permit administration functions which benefit permitted sources: issuing variances and ruling on permit appeals. Moreover, the Hearing Board provides the forum for issuance of orders for abatement, which are enforcement mechanisms, and the District traditionally recovers enforcement costs from the annual operating fees. The large majority of sources making use of the Hearing Board are permitted sources. There is a fee for the voluntary use of the Hearing Board (not charged for enforcement hearings for abatement orders). However, it is considered inappropriate to charge such petitioners the full cost of operation of the Hearing Board through Hearing Board appearance and daily fees, since that would include costs for enforcement actions and likely discourage facilities from seeking variances when justified. Such sources would simply violate the laws and rules and hope not to be caught.

With respect to source testing, this program is partially paid for by source testing and analysis fees. The large majority of sources that are subject to source testing and laboratory analysis are permitted sources (except for architectural coatings which have their own associated fees under Rule 314). However, pursuant to District Rule 304(e), the permitted source does not pay a fee for the initial test or analysis that is needed to determine compliance, but only for subsequent tests. Instead, part of the costs of this program is paid for by annual operating fees. This provides a benefit to the permitted source by avoiding having to pay an additional fee at the time of testing. Rather, the costs of source testing are included in the annual operating payment, which is a more predictable expense. And the costs are based on the actual cost to the District of performing the testing and analysis.

Finally, supporting the deficit in permit processing fees with annual operating fees provides a benefit to the fee payor by reducing the costs at the time the permit is initially received, but raising the costs for annual renewals, so that the cost to process and issue the permit is spread out over a period of time rather than constituting a more severe burden to the source at the time of permitting. Additional policy reasons not to increase permit processing fees by the full 30% needed to fully recover costs are presented elsewhere in this report. Accordingly this fee structure is reasonably based on the benefits to the fee payor and the burdens imposed on the regulatory system.

TABLE A

I.	Increased Revenues from 3% Increase:	
A.	Annual Operating Fees	\$ 1,319,124
B.	Permit Processing Fees	<u>344,660</u>
C.	TOTAL	<u>\$ 1,663,784</u>

TABLE B

II.	Increased Costs Relative to FY 2013-2014 Supported By:	
A.	Annual Operating Fees	\$ 577,298
B.	Permit Processing Fees	<u>540,605</u>
C.	TOTAL	<u>\$ 1,117,903</u>

TABLE C

III.	Differences:	
A.	Annual Operating Fees	
	Revenue	\$ 1,319,124
	Cost Increase	<u>577,298</u>
	AVAILABLE*	<u>\$ 741,828</u>
B.	Permit Processing Fees	
	Revenue	\$ 344,660
	Cost Increase	<u>540,605</u>
	DEFICIT	<u>\$ 195,945</u>

\*Available revenue will be used to support other Permitted Source Programs, including the deficit shown in Table C for permit processing.

**IV. DESCRIPTION OF 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

This fee program was initiated in January 1978. As currently existing, 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.

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

Permits are the primary vehicles the SCAQMD uses to ensure that equipment in SCAQMD's jurisdictional boundaries is in compliance with SCAQMD Rules and Regulations. 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

The SCAQMD initiated this program in February 1977. This program 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 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

The 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 H&SC 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

The revenue from this source results from 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.

#### VIII. CLEAN FUELS

H&SC Section 9250.11 of the Vehicle Code assigns the DMV the authority and the duty to collect and forward to SCAQMD money for clean fuels technology advancement programs and transportation control measures related to mobile sources,

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 a revenue account in the Clean Fuels Program Fund.

Clean fuels fees from stationary sources are recorded in a separate revenue account within the Clean Fuels Program Fund pursuant to H&SC Section 40512. 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 the MSRC, Carl Moyer and Proposition 1B programs.

**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 Fund to be passed through to local governments and 30% (\$1.20 per vehicle) to the Mobile Source Air Pollution Reduction Fund to pay for projects recommended by the Mobile Source Air Pollution Reduction Committee (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: Revenue posted to the General Fund reflects the reimbursement from the Mobile Source Air Pollution Reduction 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 5% and the MSRC adopts a budget for staff support each year.

#### X. AIR TOXICS AB2588

H&SC Section 44380 (AB 2588) 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, specifically regarding facilities in the "Hot Spots" program. Costs recovered include 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 a menu of options to reduce mobile source emissions generated from employee commutes or alternatively, implement mobile source emission reduction programs. The options include offsetting mobile source emissions generated from the employee commutes, and options to meet a worksite-specific emission reduction target for the subsequent year. Employers with 250 or more employees at a worksite are subject to Rule 2202 and are required to submit an annual registration. 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.

#### XII. – XIV. REVENUE CATEGORIES ARE NO LONGER USED

#### XV. CALIFORNIA AIR RESOURCES BOARD SUBVENTION

The state appropriates monies each year to subvene to local air quality districts, including SCAQMD, to support an active air quality program. The CARB subvention monies are generally not limited to specific programs, but are available for the general support of air quality-related programs.

#### XVI. REVENUE CATEGORY IS NO LONGER USED

#### XVII. OTHER REVENUE

Miscellaneous revenue that 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, and fees such as witness, jury duty, Public Records Act requests, subscriptions, etc. These revenues are generally available to support air quality programs.

### XVIII. AREA SOURCES

Emissions fees from architectural coatings revenue covers portions of the architectural coatings program, and that program's 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, including SCAQMD, to offset the costs of inspecting equipment registered under CARB's Portable Equipment Registration Program (PERP). Fees for registration 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, but determined by CARB and collected by the SCAQMD at the time the inspection is conducted.

## V. **DESCRIPTION OF METHOD OF ALLOCATING FY 2014-2015 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 Equivalents (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, SDG&E v SDAPCD (please find the citation discussed in the “Legal Authority” section of this report), id.

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 MATES IV (Multiple Air Toxics Study), 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 2014-2015 Work Program to Cost Allocation Schedule”(as found in the Work Program section of the FY 2014-2015 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 2014-2015 Draft Budget relates to the FY 2014-2015 Proposed Budget - Cost Allocation Summary (see Appendix C 2).

## **VI. DESCRIPTION OF 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. This year (FY 2014-2015), estimated revenue from the permitted source fees will fall short of the estimated costs of the Permitted Source Program. Accordingly, staff proposes a 3% fee increase for certain fees related to permitted sources, in addition to the automatic CPI fee adjustment under Rule 320 to cover a portion of this shortfall. Staff also proposes adopting an additional 3% increase beyond CPI in FY 2015-2016 to cover more of the expected shortfall next year.

The SCAQMD’s regulatory program related to 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 related to 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 generally 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 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 characterized as “SCAQMD allocatable overhead” and allocated over all Work Program code lines, based on the percent of 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 over all program work programs, are supported by the Permitted Source Program.

#### A. GENERAL DESCRIPTION OF PERMITTED SOURCE PROGRAM FEES AND COST ALLOCATION PRINCIPLES

State law authorizes the SCAQMD to establish a fee schedule for the issuance of permits to recover costs of issuing, planning, enforcement and monitoring related to permits. Although not required by the code, the SCAQMD has developed distinct fees to support the Permitted Source Program. Traditionally, SCAQMD has endeavored to recover costs related to permit processing from permit processing fees, costs related to compliance from annual operating fees (equipment-based), and costs related to planning, rule development, air monitoring, and public outreach from annual operating fees (emissions-based). However, there has been significant overlap between the costs supported by equipment-based and emissions-based annual operating fees since there is no such distinction in the code. Moreover, in most years the revenues from permit processing fees have been insufficient to support all permit processing related costs. Therefore, annual operating fees have supported a share of these costs.

##### 1. *Description of Estimating the Costs of the Permitted Source Program by Allocating Individual Work Program Code Lines that Support the Program to their Revenue 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 29 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 Finance and Legal. 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 were allocated several years ago 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.

## 2. *Determining Total Costs of the Permitted Source Program*

As described above, it is necessary to look at individual Work Program codes to determine the costs of the Permitted Source Program. Therefore, 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. The total cost of the Permitted Source Program is derived by summing the costs allocated to permit processing fees [\$28.3 million], annual operating fees (equipment-based) [\$34.5 million], annual operating fees (emissions-based) [\$19.9 million], Source Testing [\$2.7 million] and Hearing Board [\$1.3 million] (see Appendix C 2). The sum of these costs is \$86.7 million. The total revenues projected from these five fee categories prior to the proposed fee increases beyond the CPI adjustment is \$18.0 million, plus \$44.2 million, plus \$19.9 million, \$0.7 million and \$0.3 million; respectively. The total of these projected revenues is \$83.1 million. Therefore, the total costs of the Permitted Source Program are greater than total projected revenues by \$3.6 million. These revenue totals already consider that \$5.2 million of permit processing overhead has been offset by annual operating fees. Accordingly, it is necessary to increase the Permitted Source Program fees and/or supplement those fees with other revenue. Staff proposes to increase the permit processing fee and the annual operating fee for FY 2014-2015 by 3%, which would generate an additional \$1.7 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 \$4.7 million shortfall in permit processing fees, with \$2.9 million of annual operating fees and \$1.8 million from the unrestricted “other” revenues to fully cover the costs of the permitted source related program (see Appendix C 2).

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 2014-2015 Draft Budget and Work Program). The SCAQMD Governing Board may consider FY 2013-2014 programs to be a reasonable proxy for FY 2014-2015 programs based on its knowledge and experience, and the fact that the total of 798 FTEs is still well below the agency maximums of 1,167 FTEs in FY 1991-1992, and approximately the same as in FY 2013-2014 (797 FTEs).

### B. COSTS SUPPORTED BY ANNUAL OPERATING FEES

Revenue (with only the CPI increase applied) from annual operating renewal fees in FY 2014-2015 is projected to be \$44.2 million. Annual Operating fees support directly related compliance and other regulatory activities. The total Annual Operating fee for enforcement and compliance-supported expenditures

for FY 2014-2015 is \$34.5 million. In addition, annual operating fees cover the overhead portion of permit processing activities (\$5.2 million in FY 2014-2015). Annual operating fees also cover the shortfalls in Source Testing (approximately \$2.0 million) and the Hearing Board (approximately \$1.0 million) since these are both compliance related activities. Staff has projected, for FY 2014-2015, the revenues to be obtained 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 2014-2015 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's Hearing Board, Source Testing and Permit Processing. Appendix C 2 shows "transfers" of revenues from annual operating fees to these categories.

## **VII. METHOD OF ALLOCATING PROGRAM COSTS TO PERMIT FEE SCHEDULES & COMPARISON OF COSTS AND REVENUES IN PERMIT PROCESSING AND ANNUAL OPERATING FEES**

### **A. BASIS OF ALLOCATING PERMIT PROCESSING COSTS TO 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.<sup>1</sup> 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 2013-2014, the fee schedules range from about \$1,400 to process a permit for a smaller source such as a dry cleaner (Schedule A) to about \$25,000 (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.

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<sup>1</sup> May 24, 1990 staff report, p. 6

About 10% 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 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)

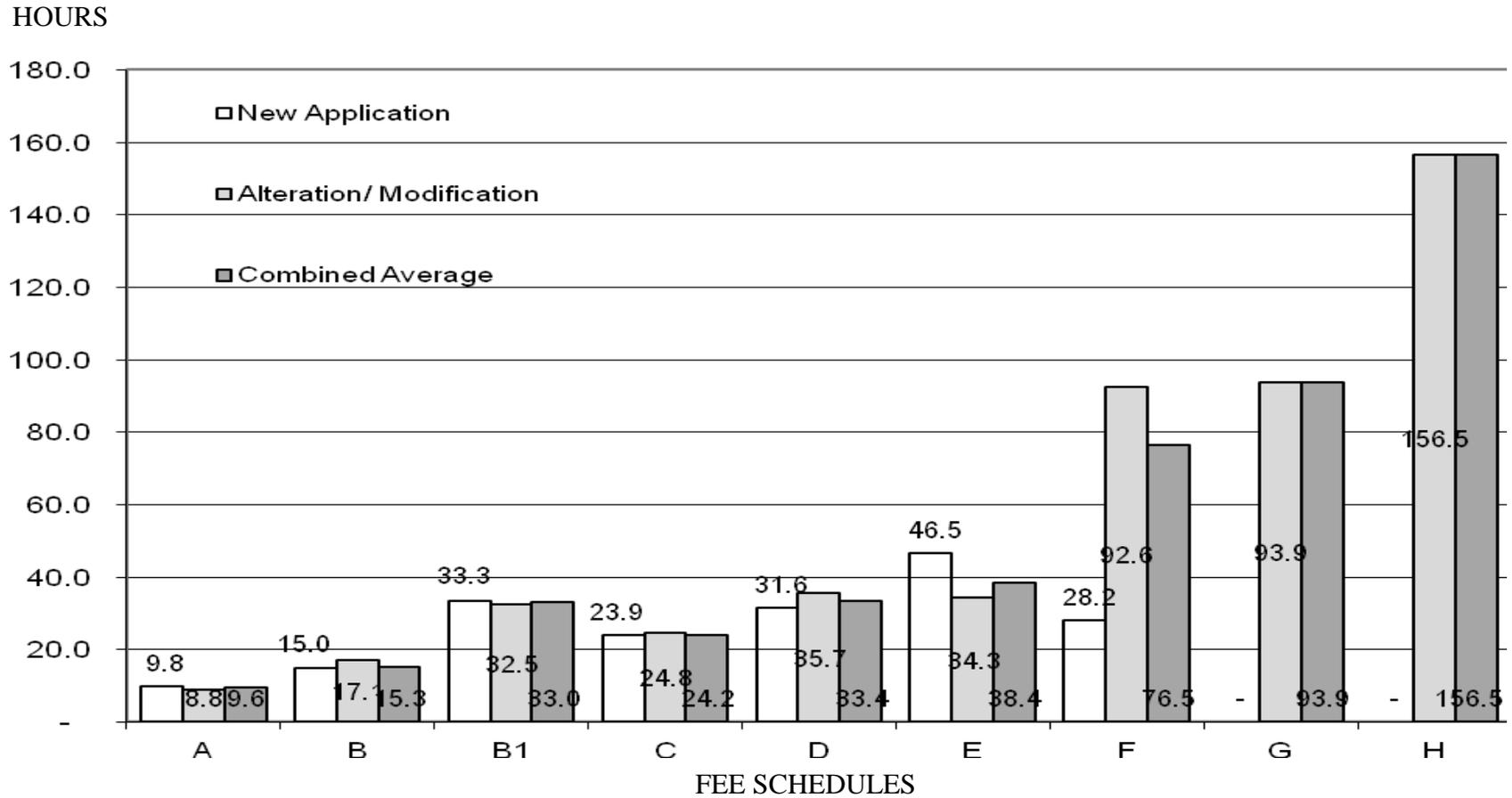


Figure 2: Permit Processing Payroll Hours (Sept. 6, 1999 to Aug. 6, 2000)

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%
	<b>Total Permit Processing</b>	<b>94,664.75</b>	<b>57.55%</b>

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)

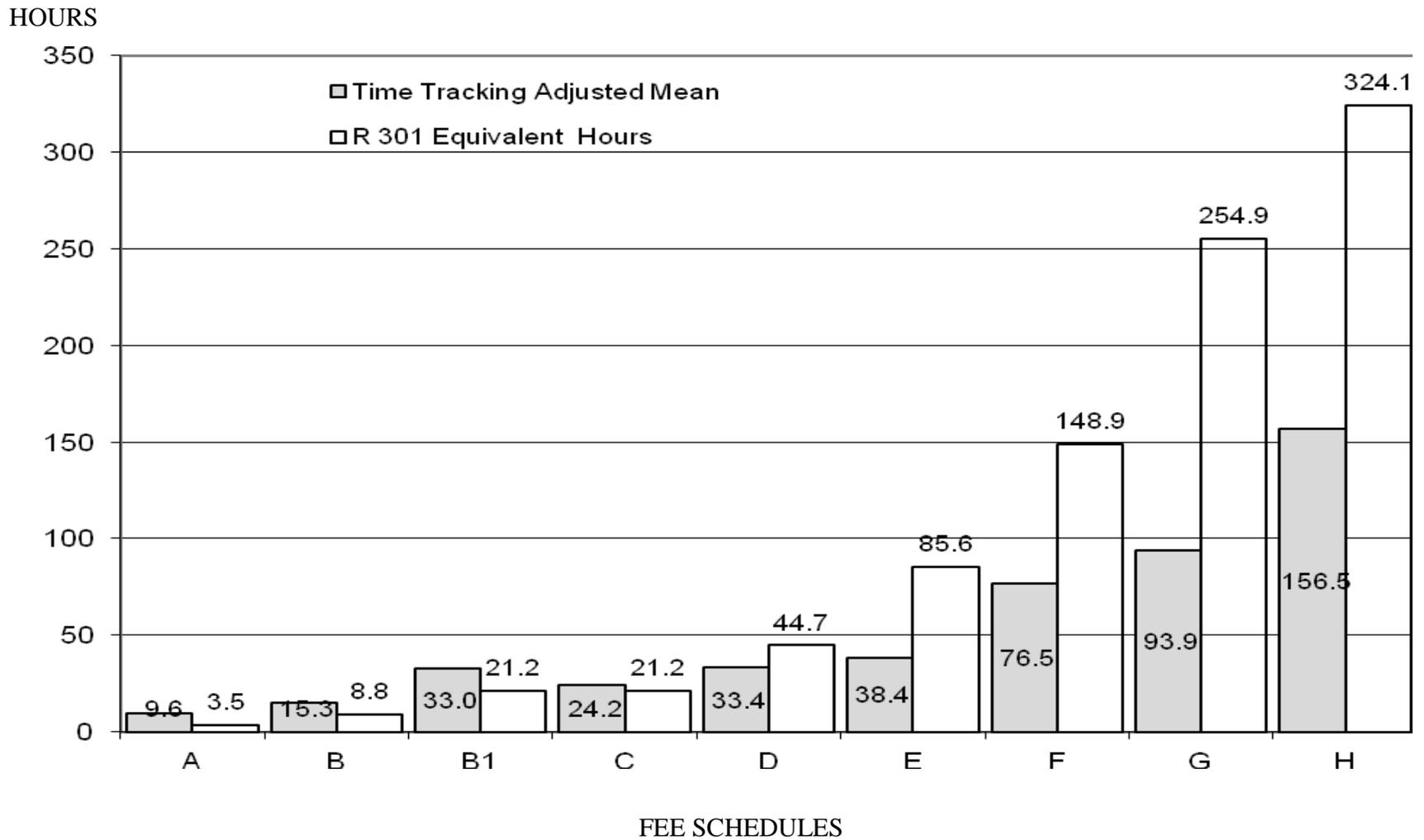
Pay Code	Description	Hours	Percent
	<b>Total Permit Processing</b>	<b>94,664.75</b>	<b>57.55%</b>
50805	TRAINING	1,244.00	0.76%
50047	ADMIN/RESOURCE MANAGEMENT	871.00	0.53%
50155	COMPLIANCE GUIDELINES	324.50	0.20%
50156	COMPLIANCE/SUPPORT	3,845.25	2.34%
50157	COMPLIANCE/SPECIAL PROJEC	3,535.50	2.15%
50365	HEARING BOARD	1,223.25	0.74%
50375	INSPECTIONS	200.00	0.12%
50395	<b>INTERNAL COMMUNICATIONS</b>	<b>27,300.25</b>	<b>16.60%</b>
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%
	<b>Total</b>	<b>164,484.00</b>	<b>100.00%</b>

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:

- 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.
- 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.
- 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.

The 1999-2001 Fee Study also included the following recommendations, which were adopted:

- **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.
- **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.

However, as explained in Section VII C below, total revenues from permit processing activities are significantly less than total costs for permit-processing related activities. Therefore, staff is proposing a 6% fee increase for permit processing fees and annual operating (equipment-based) fees, to be phased in over a two-year period. This will result in an additional \$334,660 of revenue in permit processing fees in FY 2014-2015, and about twice that much in FY 2015-2016. While this will not be enough to fully offset the deficit in permit processing revenue, it would take an increase of almost 30% to fully offset the deficit. Instead, staff proposes to continue supporting the permit processing fee shortfall with annual operating fee revenue. The reasons for staff's proposal are explained in Section III D.

**B. BASIS OF ALLOCATING PERMIT ENFORCEMENT AND OTHER REGULATORY COSTS TO ANNUAL OPERATING FEE SCHEDULES**

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 Health & Safety Code 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 had retained a consultant, KPMG Peat Marwick, to perform a Fee Assessment Study. Staff believes that the legislature intended that permit fees recover the reasonable costs of activities related to permitted sources, since the legislature frequently imposed new state mandates, yet, as observed by a 1994-1995 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 2014-2015, it is projected that emissions-based fees will amount to about \$19.9 million, which is only about \$12.1million 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 determined to recommend that the annual operating fee continue to be divided into two parts, one part cost based and one part emissions-based.<sup>2</sup> 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 were not covered (Id., p. 5).

Each type of equipment was assigned to one of three fee levels, to equitably assign operating fee rates (Id. p. 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 currently proposed amendments would result in continuing the existing four categories of equipment:

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<sup>2</sup> May 1990 Staff Report, p.4

<b>Equipment/Process Schedules in Tables IA and IB</b>	<b>Annual Operating Permit Renewal Fee<sup>3</sup></b>
Schedule A1	\$165.58 for FY 14-15 and \$170.55 for FY 15-16 and thereafter
Schedules A, B, and B1 (excluding Rule 461 liquid fuel dispensing nozzles)	\$331.81 for FY 14-15 and \$341.76 for FY 15-16 and thereafter
Schedules C and D	\$1,188.39 for FY 14-15 and \$1,224.04 for FY 15-16 and thereafter
Schedules E, F, G, and H	\$2,853.48 for FY 14-15 and \$2,939.08 for FY 15-16 and thereafter

There is a separate fee for service stations which is charged on a per product dispensed per nozzle basis.

<b>Equipment/Process Schedules</b>	<b>Annual Operating Permit Renewal Fee<sup>3</sup></b>
Rule 461 liquid fuel dispensing system	\$98.10 for FY 14-15 and \$101.04 for FY 15-16 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 related to that facility and that facility alone, would be administratively infeasible to keep such detailed data, prepare separate invoices and collect on them. Moreover, in some cases the invoice would likely prove to be uncollectible. 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 estimate flat fees for particular types of services within broad categories rather than keeping track of

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<sup>3</sup> It is also expected that there will also be an adjustment for CPI in FY 2015-2016 pursuant to Rule 320, but that adjustment factor will not be known until early March 2015 when CY 2014 CPI information is typically available.

and billing the exact time spent on each project. *California Assoc. of Prof. Scientists v. Dept. of Fish & Game*, 79 Cal. App. 4<sup>th</sup> 935 (2000).

C. COMPARISON OF COSTS SUPPORTED BY PERMIT PROCESSING AND ANNUAL OPERATING FEES COMPARED TO REVENUES

The total Permit Processing fee supported expenditures for FY 2014-2015 are projected to be \$28.3 million. Estimated permit fee revenue for FY 2014-2015 (with the 1.6% CPI, but not including the additional 3%) is \$18.0 million, resulting in an initial shortfall of \$10.3 million. Permit processing overhead costs (\$5.2 million) are supported by annual operating fees. The additional proposed fee increase above CPI will recover an estimated additional \$344,660, leaving a shortfall of \$4.7 million for FY 2014-2015 (see Appendix C 2).

As shown in Appendix C 2, the cost of Work Program activities identified as directly related to compliance activities and therefore charged to the annual operating fee (equipment-based) is lower than the total revenues from this fee. However, there are other Permitted Source Program 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 2014-2015, the shortfall is estimated at \$1,988,741. Therefore, since the California Health and Safety code 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 (\$1,262,659 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 \$983,259 is shown from annual operating fees to Hearing Board fees.

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 FTEs devoted to permit processing. According to the SDG&E case, this type of “indirect” cost can properly be recovered from annual operating fees. Although

the fee in that case was emissions-based rather than equipment-based, staff believes that the equipment-based fee is also 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). According to the SDG&E case, both of these are proper bases of apportioning expenses. The transfer from annual operating to permit fees associated with “allocatable overhead” is \$5,228,639.

Finally, there still remains a deficit of \$4,702,457 in permit processing fees. This is after the increase of 3% FY 2014-2015, which amounts to \$344,660. (This number is smaller than 3% of the “total” of “permit processing” fees because some of the estimated revenue earned is from pending applications accepted in 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 3%, 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 Section VI A. It should be noted that even with the transfer 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 III D, sets forth the rationale for proposing not to recover the entire shortfall in permit processing fees from increasing these fees which would require an almost 30% increase.

## VIII. IMPACT ASSESSMENT

### A. SCAQMD

For FY 2014-2015 the 1.6% across-the-board CPI adjustments in Regulation III fees, (other than fees excluded) commensurate with the change in the CY 2013 CPI, will result in \$1.4 million partial cost recovery for FY 2014-2015 (see Appendix C 2 for detailed information).

In addition, permit processing and annual operating fees would be increased by an additional 3% in FY 2014-2015 and 3% in FY 2015-2016 (a 6% increase over two fiscal years) resulting in additional revenues as shown below:

<u>Proposed Additional 3% Amendment</u>	<u>Estimated Incremental</u>	
	<u>Program Cost Recovery</u>	
	<u>In Addition to 1.6% CPI ( in 000's)</u>	
	<u>FY 2014-2015</u>	<u>FY 2015-2016<sup>4</sup></u>
	<u>1<sup>st</sup> Year</u>	<u>2<sup>nd</sup> Year</u>
Permit Processing Fees	\$345	\$364
Annual Renewal Fees	\$1,319	\$1,398
<b>Total</b>	<b>\$1,664</b>	<b>\$1,762</b>

Additional cost recovery beyond the CPI for FY 2014-2015 is estimated to be \$1.7 million. The proposed fees for FY 2015-2016 represent a 3% increase from the proposed fees for FY 2014-2015. [These dollar amounts shown above should be considered relative to the proposed budget expenditures and revenues of \\$132.2 million for FY 2014/2015 and that the deficit in the permit processing account is projected to be \\$10.3 million absent this increase and transfers from annual operating fees.](#)

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 fully fund its Permitted Source Program activities for SCAQMD’s Work Programs which is divided into the 9 following 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

<sup>4</sup> It is also expected that there will also be an adjustment for CPI in FY 2015-2016 pursuant to Rule 320, but that adjustment factor will not be known until early March 2015 when CY 2014 CPI information is typically available.

- Timely Review of Permits.

## B. INDUSTRY

Draft socioeconomic assessments have been prepared as separate reports (see Appendix D and E) 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, 313 and 314.

## C. CALIFORNIA ENVIRONMENTAL QUALITY ACT

The SCAQMD has reviewed the proposed amendments to Regulation III – Fees (Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 313 and 314) and because the proposed project involves the modification and structuring of changes by public agencies for the purpose of meeting operating expenses and financial reserve requirements, does not have any environmental impacts, and it is statutorily exempt from California Environmental Quality Act analysis pursuant to Public Resources Code §21080(b)(8) and CEQA Guideline § 15273 (Rates, Tolls, Fares and Charges). A Notice of Exemption will be filed with the county clerks of Los Angeles, Orange, Riverside and San Bernardino counties immediately following adoption of the proposed amended rules.

## IX. SOCIO-ECONOMIC IMPACT

The Rule 320 Resolution adopted by the SCAQMD Governing Board (SCAQMD) on October 29, 2010, requires that by March 15<sup>th</sup> “...to annually prepare a socioeconomic impact analysis, of the effect of an automatic adjustment based on the California Consumer Price Index [CPI]...” (see Attachment H for this analysis report).

In addition, staff is proposing a fee increase of 3% in FY 2014-2015 and an additional 3% increase in FY 2015-2016 for permit processing and annual operating fees (see Attachment I for the socioeconomic assessment report analyzing the impact of this additional fee increase).

## X. FINDINGS

Before adopting, amending or repealing a rule, the SCAQMD Governing Board shall make findings of necessity, authority, clarity, consistency, non-duplication, and reference, as defined 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, 313 and 314 to fund the Fiscal Year 2014-2015 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 Health and Safety Code, 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 \$4.7 million revenue shortfall is projected in FY 2014-2015 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 2014-2015 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 FTE positions 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 Accounts 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 five 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 the change in the CPI. 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 ageing 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, no ongoing salary increases, and an increased vacancy rate. Compared to FY 1991-1992, the FY 2014-2015 proposed budget reflects staffing levels that are 31% (377 FTEs) below FY 1991-1992 levels. Adjusted for inflation, the FY 2014-2015 budget request is 25% less than FY 1991-1992.

The fee increases proposed for FY 2014-2015 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 27,000 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 27,000 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 facility, such as a dry cleaner, with only one Permit to Operate at the lower schedule A fee rate, the FY 2014-2015 Annual Operating Permit Renewal fee pursuant to Rule 301(d)(2) would increase by less than \$15. This facility would also pay a FY 2014-2015 annual flat emissions fee for up to 4 tons of emissions, and the proposed increase for this fee would be less than \$2. 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. Based on the foregoing, the costs to be supported by the fee increase are reasonable.

## 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. Staff believes that this conclusion is sufficient to support a finding that the fee including the proposed increase, results in an equitable apportionment of permit processing fees, since the increase is based on the estimated labor costs of performing the work. Such apportionment, based on actual costs, is equitable because each fee-payer pays some of the cost of services related to its permit. 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 is equitable. It is necessary to increase 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 including the review and analysis of sources that have already received a permit. 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 recovers the benefit of spreading costs related to permit processing over a longer time period through higher annual renewal fees like an insurance policy.

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.

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 increase in the “reasonable cost” of services provided. The Proposed 6% fee increase is likewise properly adopted as a fee, and as such, is in line with Proposition 26. Permit fees are a “reasonable cost” to better recover staff expenditures for these services that confer “a specific benefit conveyed or privilege (namely the permit to construct/operate) granted directly to the payor (owner/operator)”. 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”. 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 2014-2015 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 Sections 40000, 40001, 40440, 40500, 40501.3, 40506, 40510, 40510.5, 40512, 40522, 40522.5, 40523, 40702, and 44380 of the H&SC.

D. CLARITY

The SCAQMD Governing Board has determined that Regulation III – Fees, including Rules 301301, 303, 304, 304.1, 306, 307.1, 308, 309, 313 and 314, 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, 313 and 314, 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, 313 and 314, 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: Health and Safety Code H&SC Sections 40500, 40500.1, 40510, 40510.5, 40512, 40522, 40522.5, 40523, 41512, and 44380.

## XI. COMMENTS AND RESPONSE TO COMMENTS

### Comment Letter #1



1955 Workman Mill Road, Whittier, CA 90601-1400  
 Mailing Address: P.O. Box 4998, Whittier, CA 90607-4998  
 Telephone: (562) 699-7411, FAX: (562) 699-5422  
 www.lacsd.org

## COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

GRACE ROBINSON HYDE  
 Chief Engineer and General Manager

April 24, 2014  
 File No.: 31B-380.10B

Mr. Naveen Berry  
 South Coast Air Quality Management District  
 21865 East Copley Drive  
 Diamond Bar, California 91765-4182

Dear Mr. Berry:

### **Comments on Proposed Amended Regulation III Annual Emissions Reporting Requirements**

The Sanitation Districts of Los Angeles County (Sanitation Districts) appreciate this opportunity to comment on Proposed Amended Regulation III. The Sanitation Districts are a consortium of 23 special districts that provide environmentally sound, cost effective management of wastewater and solid wastes for about 5.7 million people in Los Angeles County and, in the process, convert these wastes into resources such as reclaimed water, energy and recycled materials. We would like to take this opportunity to express our concerns about recent changes to the reporting software for SCAQMD's annual emissions reports (AERs). Because these modifications may double the preparation time needed to prepare our AERs, we respectfully request that the submittal deadlines contained in Rule 301 be extended 30 days (i.e., from 60 to 90 days following the calendar year).

The Sanitation Districts submit AERs from 18 different facilities and report emissions from over 300 active permits. Our staff has been submitting emissions reports to the SCAQMD ever since those reports were required. Over the years, our staff has adapted to gradual reporting changes that have required more effort, and yet the time allowed to submit these reports has never changed.

We are concerned about the dramatic changes being implemented to the reporting software that will become mandatory for the calendar 2014 reporting year. These changes not only require separate reporting from over 300 of our permitted units, but a breakdown of the individual and innumerable devices within those permits are to be remitted as well. We believe that our labor efforts will double under the new AER requirements. Consequently, we respectfully request that Rule 301(e)(10)(A) be modified to extend the deadline from 60 to 90 days.

DM# 2948927v3

Recycled Paper 

Mr. Naveen Berry

-2-

April 24, 2014

Moreover, the AER deadline for SCAQMD overlaps with greenhouse gas reports required by the California Air Resources Board and the Environmental Protection Agency. It is our understanding that SCAQMD is open to a streamlined process could potentially integrate these reporting efforts into one report. We would greatly appreciate such streamlining that could eliminate duplicative reporting requirements, which would ease some of the reporting burden.

Thank you for the opportunity to comment on Proposed Amended Regulation III and the associated emissions reporting requirements. Please do not hesitate to contact me at (562) 908-4288, extension 2412, should you have any questions regarding this transmittal.

Very truly yours,

Grace Robinson Hyde



David L. Rothbart  
Supervising Engineer  
Air Quality Engineering  
Technical Services Department

DLR:PG:bb

cc: Philip Fine, Ph. D., SCAQMD  
Ali Ghasemi, SCAQMD  
John Pastore, SCAP

Response to Comment Letter #1:

SCAQMD emissions report filing staff is currently assisting the County of Los Angeles Sanitation District with their filing.

Responses to Verbal Comments Made at Public Meetings:

Comment: Fees should not be raised while industry is still in a recessionary state.

Response: SCAQMD fee rates are required to support permitting, compliance, rule development, source testing and Hearing Board activities mandated by state law. Increasing fees consistent with an annual increase in the California CPI recovers at a minimum the inflationary increase in program costs. However, revenues from programs such as emissions fees continue to decline, without a commensurate decrease in the amount of work required. Staff's current proposal continues to address partial cost recovery, and refining the alignment of program revenues with program costs, that have typically never been fully recovered and which have continued to escalate in recent years. Despite the current proposed fee amendments, staff projects a \$4.7 million deficit in programs covered by permit processing fees, which must still be partially offset by funds from the "Other Revenue" fee category. Staff has also taken further measures to reduce costs by reducing the agency pickup of employees' share of retirement fund contributions, reducing the earnable compensation calculation for new employees since CY 2006 and reduced overall staffing levels. Furthermore, even with the current staff proposal the FY 2014-2015 budget will be 20% less than the CPI inflation adjusted budget for FY 1991-1992.

Comment: Why not use the General Fund to cover the shortfall?

Response: A portion of the \$4.7 million shortfall in permit processing fees will be offset by approximately \$1.8 million from "Other Revenue" (e.g. penalties). The current balance in the General Fund is largely a result of one-time penalties/settlements. Reliance on such an indeterminate funding source is precarious, since it is not a revenue source that can be counted on to be available every year. In addition, the goal of the SCAQMD is to recover the cost of operations from the services it provides. To address this concern staff's proposed budget package includes transferring \$5 million from the undesignated fund balance to a special fund to be used over a period of five years to pay down the debt on the SCAQMDs pension obligation bonds, which will in turn reduce the agency's costs.

- Comment: The SCAQMD should reduce its work force.
- Response: The SCAQMD has seen an actual staffing decline from a high of 1,163 in FY 1991-1992 to a current proposed staffing level of 798 for FY 2014-2015, equating to more than a 31% drop in staffing.
- 
- Comment: Why is the SCAQMD proposing to increase fees when other jurisdictions, notably San Joaquin, are not?
- Response: Other air districts have access to other sources of funding that the SCAQMD does not. For example, the San Joaquin Valley Air Pollution Control District (SJAPCD) budget is subsidized by motor vehicle registration fees. It is also staff's understanding that the SJAPCD uses a time and materials basis for its permit fee rates. Should the hourly rate increase, that increase would automatically be reflected in the fees, although the fee schedule would remain the same. Other air districts are proposing increases. For example the Bay Area Air Quality Management District, which also receives funding from real property taxes, is proposing an overall weighted average fee increase of 6.4%.

## APPENDIX A – SUMMARY OF PREVIOUS AMENDMENTS

During FY 1989-90, an independent study conducted by KPMG Peat Marwick resulted in the basic structure of Rule 301, including:

- assessment of permit processing fees based on complexity of review required and the emission potential of the equipment/process to be permitted;
- assessment of operating fees based on equipment complexity and level of source which correlates to the average level of effort; and
- assessment of emission fees based on a reduced threshold of four tons.

This study, subsequent studies referenced herein, and the staff reports for the 1990 amendments and all subsequent amendments to Regulation III are incorporated by reference in this staff report.<sup>5</sup>

During 1994, a second independent fee study was conducted by KPMG Peat Marwick to evaluate the following fee-related issues:

1. SCAQMD's existing fee structure, including a full cost and revenue analysis of SCAQMD programs;
2. RTC allocation fees;
3. Fees for toxic air contaminants;
4. Feasibility of converting the current permit and operating fee system (BCAT/CCAT-based system) to a process classification system based on Source Classification Code (SCC); and
5. SCAQMD's long-term funding options.

The results of this study were presented to the SCAQMD Governing Board on March 10, 1995. Recommendations from this study were reviewed and the recommendation relating to toxic air contaminants was incorporated into amended Rule 301. However, this study also recommended an increase in fees to make permit program fees recover the full costs of the associated programs. This proposal was not implemented because SCAQMD staff recommended efforts to lower the costs of permit processing before seeking increases in permit fees.

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<sup>5</sup> These documents are available by contacting the District at (909) 396-2000.

In FY 1995-96, the change in the California CPI was 1.5%. In recognition that other governmental agencies, industrial entities, small businesses, and individual citizens had been adversely affected by the recent economic recession, a broad-based fee increase was not proposed for FY 1995-96. In addition, in FY 1995-96 the Board adopted and implemented a 4% rebate for annual operating fees, thus actually reducing the impact of these fees on a one-time basis.

To maintain a level of revenues necessary to support SCAQMD's legally-mandated functions of achieving and maintaining health-based state and federal air quality standards, the Board adopted an across-the-board increase in Regulation III fees for FY 1996-97 equal to the 1.2% change in the California CPI for 1995.

For FY 1997-98, the Board adopted an across-the-board increase in Regulation III fees equal to the 2.4% change in the California CPI for 1996. Because SCAQMD revenue sources, including emission fees, were decreasing as significant progress towards air quality attainment was made, the aggregate effect of this increase did not exceed the fee cap on revenue generated. Additionally, several other changes to the fee structure that more equitably aligned fees with the levels of effort required to accomplish these responsibilities were adopted.

For FY 1998-99, fees were increased by 2.2%, corresponding to the change in the California CPI for 1997, to offset the decline in income to SCAQMD from emission fees and to provide more equitable recovery of labor and other costs to process permits and perform field inspections. Also during this year, the Board adopted increases in fees for Title V permits processing and for gasoline fuel dispensing nozzles, to reflect increased services in these areas.

In July 1998 the California State Auditor published the results of their review of the SCAQMD budget. As part of their overall review of the SCAQMD budget and operations, the State Auditor recommended, in part, that the permit fees be set to cover the cost of processing; and that all facilities pay annual emissions fees including facilities smaller than the existing emissions fee threshold or 4 TPY. The auditor further recommended that the SCAQMD undertake efforts to streamline the permit process.

Meanwhile, two projects having bearing on the SCAQMD's fee structure and business practices were completed. The first major effort was the formation of a Permit Streamlining Task Force, an initiative from Dr. Burke, Chairman of the SCAQMD Governing Board. The task force consisted of Board members, environmental professionals, and industry representatives. The group brought concrete recommendations to the Board, indicating how to expedite processing for conventional, Title V and RECLAIM permits. Additionally, SCAQMD selected a contractor to study the permitting system and provide an independent set of recommendations directed to permit streamlining. Based on input from the contractor, industry, permit applicants, and SCAQMD staff, the Permit Streamlining Task Force proposed a set of recommendations to the Board at the March 12, 1999 meeting. Most of the recommendations have been implemented.

The other major effort was the fee structure study conducted by the independent management firm of Thompson, Cobb, Bazilio & Associates, PC (March 1999). Their report included the following recommendations:

1. The SCAQMD needs a cost information system to determine the cost of specific permit processes;
2. Fees be changed for different BCAT/CCAT items to align costs with fees, since the study found that permit fees significantly under-recover actual costs of permitting;
3. Adjustments be made to the annual operating and annual emissions fee such as a minimum annual emissions fee;
4. Adjustments be made for Title V fees; and
5. Eliminate small business discounts for permits.

The proposals for amending Regulation III adopted in May 2001 addressed several recommendations made by the independent consultant and the state auditor. The SCAQMD implemented the first item with the creation and implementation of the time tracking study. Items 2, 3, and 4 were adopted as part of the 2001 amendments. Staff continues to look at item 5 but has not recommended any changes to small business discounts.

As part of the adoption of the Fiscal Year 2000-2001 SCAQMD Budget and Regulation III, the SCAQMD Governing Board directed staff to establish a special Revenue Committee to assist the SCAQMD in developing revisions to its fee rule for FY 2001-2002 to help stabilize revenues. The major focus of this committee's effort was the identification and assessment of several short- and long-term potential funding sources in support of SCAQMD programs as well as the review of staff proposed amendments to Regulation III that were designed to recover program costs. The Revenue Committee made several important recommendations that were included in the rule amendments approved by the SCAQMD Governing Board in May 2001. Those recommendations were:

1. A minimum emissions fee for all permitted sources (emissions flat fee);
2. "Non-permitted" emissions, including Rule 219 – exempt equipment and other area sources; and
3. A fee on area sources, which was partially implemented in 2001 by the non-permitted emissions fees, which covers area sources such as solvents.

The Committee also recommended a manufacturers' fee for area sources, a pre-application consultation fee, and a dollar penalty in lieu of missing data provisions in RECLAIM. These suggestions were further to be evaluated by Regulation III and RECLAIM staff. In 2008, a manufacturer's fee for architectural coatings (a type of area source) was implemented (see below).

The SCAQMD Governing Board adopted amendments in May 2001 to address many of these issues. The amendments included:

1. Emissions fee of \$75.00 for all facilities with at least one written permit (phased in over two years);
2. An alignment of permit processing fees with actual costs based on the tracking data. Categories A, A1, and B were increased and D – H were decreased (phased in over two years); and
3. Emissions fees for equipment or processes not requiring a written permit. Emissions fees were assessed for facilities with a total of permitted and non-permitted emissions over threshold standards described in current Rule 301(e)(5) (phased in over three years).

In May 2002, the SCAQMD Governing Board adopted amendments that adjusted for the California CPI, amended selected special processing fees to better reflect actual costs and implemented the second year phase-in of the fee amendments adopted in 2001.

In June 2003, the following major proposed amendments were adopted by the SCAQMD Governing Board: an across the board CPI rate fee increase of 2%, extending the “Applicability” of ERCs to include Short Term ERCs, defining “Alternative Operating Condition”, payment of all delinquent facility, including toxic “Hot Spots”, fees prior to acceptance of any application for a change to a permit/facility permit condition(s), setting the fee for conversion of permanent ERCs to Short Term ERCs, granting the Executive Officer discretion to reinstate any permits canceled due to error on the part of the SCAQMD, recovery of mileage expenses for employees commuting during overtime hours to work on optional expedited permit processing applications and other administrative amendments.

In June 2004, the following major proposed amendments were adopted by the SCAQMD Governing Board: an across the board rate fee increase of 3% to be implemented over two fiscal years (3% in FY 2004-2005 and 0% in FY 2005-2006), clarification of whether an application to amend a permit is processed as a Change of Condition or an Alteration/Modification, recovering the costs associated with Administrative permit changes for Schedule B and higher equipment, an increase in fees for asbestos/lead project notifications and tracking and the addition of two categories for projects >50,000 square feet and >100,000 square feet, conversion to a flat up-front fee for optional expedited permit processing, optional expedited processing of Continuous Emissions Monitoring System (CEMS), Fuel Sulfur Monitoring System (FSMS) and Alternative Continuous Emissions Monitoring System (ACEMS) and Protocol/Report Evaluation submittals, recovery of costs associated with notification and tracking of Rule 1149 – Storage Tank Degassing and Rule 1166 – Volatile Organic Compound Emissions from Decontamination of Soil projects, recovery of costs associated with laboratory analysis of non-compliant samples taken in the field for compliance verification, recovery of Plan Audit, Verification, Evaluation, Inspection

and Tracking Costs for area source rules such as: Rules 444 – Open Burning, 1113 – Architectural Coatings, and 1610 – Old Vehicle Scrapping, an across the board increase of \$17 in addition to the approved rate increase for all facilities subject to the AB 2588, overall increase in revenues in order to better recover program costs, and revisions to Rule 308 that maintain the rule language current with changes to Rule 2202 including an adjustment to better align the fee charged for MSERC transactions with processing costs which are comparable to Reclaim Trading Credit transaction processing costs.

In June 2005, the following major proposed amendments were adopted by the SCAQMD Governing Board: 1) to partially address significant under-recovery of consistent program costs, exacerbated by cost increases beyond SCAQMD's control and exceeding the California Consumer Price Index (CPI), an across the board partial cost recovery fee adjustment of 6.0%; 2) Recovering additional Hearing Board costs by increasing fees to recover all costs; 3) Compliance Cost Recovery for RECLAIM / Title V Facilities through a per device based fee to recover the increased costs of compliance activities at RECLAIM facilities. A per device fee of \$500 for Major, \$100 for Large and \$100 for Process units/devices is assessed per facility. Title V facilities pay an annual flat fee of \$300; 4) Recovering the Cost of Permitting "Crude Oil/Gas/Water Separation System (< 30 BPD)" by revising the source category from Schedule B to Schedule C equipment to reflect existing practice which recognizes the correct cost of processing; 5) Recovering the Cost of Certification of Certain Equipment Subject to Rule(s) 1111, 1121 and 1146.2 which recovers the cost of processing applications and issuing certifications/certified permits for certain equipment under the provisions of these rules to be grouped into families of similar units for compliance determination purposes. Certification is a voluntary program that benefits the applicant by having their equipment certified; 6) Recovering the Cost of Preparing Public Notices for Compliance with ERC/STC Issuance which recovers the cost to the SCAQMD of preparing mandatory notices in compliance with the requirements for issuance of ERC and STC credits; 7) a "No Show" Cost Recovery Fee for Rule 461 – Gasoline Dispensing Equipment Scheduled Testing which recovers the resource cost of lost assigned inspector time when testing companies do not show up for or do not conduct Reverification, Performance and Pre-Backfill inspections as scheduled, and do not give prior notification to the SCAQMD if the appointment is to be cancelled; 8) Recovering the Cost of Re-Issuance of Short Term Credits (STC's) which recovers the cost of processing Short Term Credit applications which require the same resources to process as any other emission reduction credit application; 9) and other minor proposed administrative amendments are for correction and clarification.

In June 2006, in order to continue closing the gap between revenues and program expenditures the following major proposed amendments were adopted by the SCAQMD Governing Board to further better align program income from and expenses:

- 1) Staff recommended the Board choose between one of two options. Either, Option 1 a 3.65% rate increase in fees, reflecting the increase in the 2005 California Consumer Price Index (CPI), across-the-board for Regulation III fees where applicable except for Permitting, Annual Renewal and Emissions related fees which

would be increased on a “10-10-10” basis for the 3 upcoming consecutive fiscal years by effecting an additional 6.35% (to total 10%) for FY 2006-2007, an additional 10% in FY 2007-2008, and a 3<sup>rd</sup> and final 10% increase in FY 2008-2009; or Option 2 – An across-the-board 3.65% rate increase in Regulation III fees, reflecting only the increase in the 2005 California CPI, where applicable. The SCAQMD Governing Board adopted Option 1;

- 2) Rule 301 language was adopted for the Collection of Unpaid Fees for equipment that is issued a Permit to Operate without a prior Permit to Construct so that the applicant must also remit annual operating fees for the source for 3 full years, or the actual years of operation if less than three years;
- 3) The Standard Streamlined Permit fee was aligned with the Administrative Change fee for Schedule B and higher equipment categories;
- 4) Alignment of the fee, for 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 with the Administrative Permit Change fee for Schedule B equipment and higher equipment categories;
- 5) Alignment of the fee for permits that are to be reissued for removal of a condition on standby fuel supply where an NSR evaluation is not required;
- 6) The Administrative Change fee for Schedule A and A1 was aligned with the fee for all other schedules;
- 7) An existing CEQA Paragraph in Rule 301 was split into two subparagraphs (1)(A) CEQA Document Preparation with a reduction in the existing addendum to EIR fee and (1)(B) CEQA Document Assistance and a proposed hourly fee for assistance, except for review of CEQA documents created by other agencies;
- 8) The RECLAIM Facility Permit Amendment fee for an application that does not require an engineering evaluation was aligned with such applications that do require an engineering evaluation;
- 9) The RECLAIM Change of Operator fee was aligned with the RECLAIM Facility Permit Amendment fee;
- 10) The Title V Administrative Permit Revision fee was aligned with the non-small business Change of Operator fee as specified in the “Summary of Permit Fee Rates Change of Operator”;
- 11) The Title V Permit Revision fee was aligned with the non-small business Change of Operator fee as specified in the “Summary of Permit Fee Rates Change of Operator”;
- 12) The Title V renewal initial processing fee base rate was amended from 5 to 8 hours to reflect the more accurately the time required to process the typical Title V renewal;

- 13) The Facility Permit Change of Operator fee was aligned with the non-small business Change of Operator fee as specified in the “Summary of Permit Fee Rates Change of Operator.”
- 14) Rule 301 Table: Summary Permit Fee Rates, Schedule A and A1 Change of Condition fee, was aligned with the Administrative Permit Change fee, Schedule F, G and H base rates were increased by an additional 20 hours to reflect the time required to process the typical permit applications subject to these fee schedules,
- 15) Rule 301 Table “Change of Operator” fee for “Operator Non-Small Business” was aligned with the “Administrative Permit Change” fee so that fees were equivalent reflecting the same level of resources required for both and, in addition, the corresponding increase in the maximum per facility fee cap;
- 16) Rule 301 Table IA had categories added reducing fees for control equipment, “three in series” and control equipment, “four or more in series”;
- 17) Rule 301 Table IB fee schedules for small dip tanks, small degreasers, emergency and other combustion engines and sumps were revised to reflect updated information;
- 18) Rule 305 – Fees for Acid Deposition Research was rescinded
- 19) Rule 306 was amended to assess an annual plan review/renewal fee at a flat rate equivalent to the Rule 301(d) Schedule A Annual Renewal rate rather than the existing hourly rate. Also, the fee was made payable, annually, on a date set by the Executive Officer; and furthermore that if the Executive Officer determines that a qualified independent consultant is required by the SCAQMD, to review a specific plan, the fees charged by the consultant will be in addition to all other fees required.
- 20) Rule 307.1 fees except for the “State Fee” amounts in Table I and the maximum small business fee of \$300 were adjusted by the 3.65% increase in the CPI and an annual facility-wide flat fee was adopted for those facilities that operate emergency standby diesel engines, in addition if the Executive Officer determines that staff or an SCAQMD contractor is required to prepare or revise a Health Risk Assessment mandated by AB2588, the staff cost for their work at an hourly rate and the fees charged by the contractor will be charged to the applicant in addition to all the fees required and a surcharge is included on all Table I fees to recover the additional cost of administering AB2588 air toxics programs;
- 21) Rule 308 was amended to require a fee for those facilities that do not notify the SCAQMD within 30 days of becoming subject to Rule 2202 as stipulated in the rule and additionally to also annually register with the SCAQMD to implement an emission reductions program. In addition any person requesting a time extension to submit a Rule 2202 registration is referred to Rule 313 for the procedure to do so
- 22) Rule 309 was amended to clarify the Relocation of the Rule 1610 Scrapping Plan verification inspection fee, previously in Rule 306;
- 23) Rule 312 – Special Permitting for Agricultural Sources was rescinded;

In May 2007, the Board adopted a 3.3% across-the-board increase in Regulation III fees where applicable except for Permitting, Annual Renewal and Emissions related fees which were increased by 10% (corresponding to the second of three such increases) as approved in the prior year by the Board; a correction was made to clarify the Change of Operator fee and not a Change of Location fee are to be charged for Change of Operator applications; a new fee category was added to Rule 301 for Certification of Consumer Cleaning Products Used at Institutional and Commercial Facilities; clarification that fees for expedited CEQA work, CEMS, FSMS, and ACEMS applications are an additional fee based upon actual review and work time billed at the applicable rate for staff overtime plus an allowance for mileage; a provision for Defense of Permit was adopted such that generally a permit holder upon receipt of a complaint or other legal process regarding the permit may within specified time frames either surrender or be held responsible for the financial cost of defending against the legal action; a correction of the fee schedule for certain fees in the Rule 301 Summary of Permit Fee Rates table and also some fee rates in Table IIC (including footnotes) and a clarification that the Rule 306 Plan Filing fee also applies to and is the same amount for Submittals;

In May 2008, the Board adopted a 4.1% across-the-board increase in Regulation III fees where applicable except for Permitting, Annual Renewal and Emissions related fees which were increased by 10% (corresponding to the last of three such annual increases) as approved by the Board in June 2006. Other amendments included:

- (1) A definition of Greenhouse Gas or GHG;
- (2) A provision that applicants must pay amounts due from court judgments and administrative civil penalties along with the appropriate filing fee at the time of application submittal;
- (3) A reduction in the fees for processing ERCs where there are multiple pieces of identical equipment;
- (4) A provision that projects funded by grant(s) from the SCAQMD's Priority Reserve account would be ineligible for any solar energy credit;
- (5) Halving of the emissions fee threshold, and toxic air contaminant and ozone depleters emissions fees for the transitional six-month period (July 1, 2007 through December 31, 2007);
- (6) A change in the annual reporting of emissions and payment of associated fees from a fiscal year (FY) to a calendar year (CY) time frame, beginning on January 1, 2008; "six-month transitional" reporting and fee payment time period from July 1, 2007 through December 31, 2007;
- (7) Provisions for providing default emission factors, for reporting of emissions that should have been reported but were not and the ability to file AER "Amendment Requests" and "Refund Requests" on January 1 or other applicable date in addition to July 1;
- (8) Clarification that filing reports and paying emissions fees are the responsibility of the owner/operator regardless of notification and that reports are considered late on the 60th day after the applicable due date unless a holiday;

- (9) Conversion of the dates for semi-annual and annual emissions reporting from a fiscal to a calendar year basis;
- (10) Applicants must pay any amounts due from court judgments and administrative civil penalties prior to the reinstatement of any expired applications or permits, Facility Permits, RECLAIM Change of Operator applications;
- (11) Clarification that the public notice preparation fee for dry cleaners located within 1,000 feet of a school that install, modify or replace perchloroethylene dry cleaning equipment to comply with Rule 1421 is waived;
- (12) the deadlines for RECLAIM facilities were revised for filing AER's and paying associated fees for both FY and CY filing;
- (13) A Special Operating fee for petroleum refineries only for calendar year 2008 (to be phased in over two fiscal years) based on SOx emissions to fund the cost of a technology assessment to reduce SOx emissions from the RECLAIM universe;
- (14) A revision of the portable equipment registration program (PERP) for consistency with changes implemented by the CARB;
- (15) A change to the Rule 301 Table III annual emissions fee category limit  $> 100$  TPY to  $\geq 100$  TPY;
- (16) Clarification that reduced Hearing Board fees are applicable to individuals and other entities with gross annual receipts of \$500,000 or less in addition to clarification that small businesses; will be charged a reduced evaluation fee due upon submittal of plans pursuant to Rule 461(i) – Compliance Plan for Implementation of Phase II Enhanced Vapor Recovery;
- (17) Exemption from Rule 306 – Plan Fees for Rule 2449 compliance plans.

In June 2008, the SCAQMD Governing Board adopted Rule 314 – Fees for Architectural Coatings. This rule sets fees for manufacturers of architectural coatings to recover the SCAQMD cost of regulating architectural coatings and implementing the related programs. Rule 314 was amended in 2013 to streamline the administration of the rule and provide regulatory relief by exempting small manufacturers from paying fees.

In June 2009, the SCAQMD Governing Board opted for no across-the-board increase in Regulation III fees. The following amendments however were approved: a 50% cost recovery surcharge for the voluntary expedited evaluation of Expedited (Emergency) Review for Procedure 4 & 5 Plans for Voluntary Asbestos Removal Plans; a 70% increase in the Initial Rule 2202 ETC Training Class fee to recover program costs; a new fee to recover the cost for New Smoke and Burn Plan Evaluation requirements associated with the evaluation of the new smoke and burn plans submitted pursuant to Rule 444 as amended in November 2008; a cost recovery fee for the sources requesting a High AVR No-Fault inspection; a provision allowing for the Amendment of Employee Commute Reduction Programs (ECRPs); a realignment of the Hearing Board Additional-Day Fees (Hearing Board) for

Appeal Petitions to Establish Parity with Group Variance Petition Additional-Day Fees as a cost recovery measure since appeal hearings that continue more than one day require significant staff resources and preclude any other hearing board activity on the additional days; Rule 301 Table 1B equipment category for both Landfill/Digester Gas Fired Boilers; Reclassifying “Plasma Arc Cutting from Schedule C to B1.

In March 2010, the SCAQMD Governing Board adopted Rule 310 – Amnesty for Unpermitted Equipment stipulating that the Executive Officer would not seek civil or criminal penalties for violations of SCAQMD Permit Rules 201 - Permit to Construct or Rule 203(a) - Permit to Operate due to the failure to apply for or possess a permit to construct or permit to operate if the owner or operator applies for the necessary SCAQMD permit(s) between February 5 and August 4, 2010, inclusive. The amnesty did not cover: (1) violations at Title V facilities, unless the subject equipment qualified as Schedule A, A1, or B in Table I, Rule 301- Permit Fees; (2) violations of Rule 201 and/or 203(a) discovered by the SCAQMD; or (3) violations of Rule 201 caused by construction of equipment for which an application for a permit to construct was filed but a permit was not issued. The rule did not exempt any permit application from any applicable SCAQMD rule (including, but not limited to existing New Source Review requirements) or state or federal laws pertaining to the issuance of permits, except that late applications would also be exempted from normally applicable late filing fees (a 50% surcharge on filing fees and up to three prior years of emissions fees).

In May 2010, the SCAQMD Governing Board adopted a 2.1% across-the-board fee rate increase commensurate with the change in the 2009 CPI, where applicable. However, in recognition of the ongoing economic impacts of the recession, the CPI increase for annual operating and annual emissions fees for FY 2010-11 were rebated. Other major amendments included:

- (1) A credit back to the source for any Rule 317 - Clean Air Act Non-Attainment Fees amounts remitted by a source, to be held in an accruable SCAQMD escrow account and to be used to offset any source obligation;
- (2) Addition of a new fee category to recover cost of voluntary requests to SCAQMD by sources to review Greenhouse Gas (GHG) emissions reports, required to be filed with CARB;
- (3) Deletion of rescinded Rule 1309.2 provisions from Rule 301;
- (4) Clarification that non-timely payment of equipment certification fees will result in certification revocation;
- (5) A change of fee schedule from C to B1 for Control equipment associated with Arc Welding;
- (6) Clarifying changes to some fee schedule “Equipment/Process” descriptions;
- (7) Clarifying fee caps for multiple change of operator applications are only applicable to Non-RECLAIM sources;

- (8) A Rule 306 provision for a specific breakdown of fees for recovering the cost of a voluntary request to SCAQMD by a source to review (GHG) emissions report as required to be filed with CARB;
- (9) A Rule 308 fee of \$100 per transaction to recover the cost of re-issuance of a replacement Rule 2202 ETC certificate;
- (10) Aligning the Rule 308 MSERC certificate issuance fee with the corresponding fee in Rule 309;
- (11) Amending Rule 309 applicability to include Regulation XXV plans; and
- (12) Adoption of a new Rule 315 consolidating training class and license renewal fees.

In October 2010, the SCAQMD Governing Board adopted Rule 320 - Automatic Adjustment Based on Consumer Price Index for Regulation III Fee. The rule automatically adjusts most SCAQMD Regulation III Fees each July 1 by the change in the California Consumer Price Index for the previous calendar year, unless the SCAQMD Governing Board adopts a different adjustment or no adjustment for that year. In such a case, the automatic adjustment resumes for subsequent years. The rule does not apply to fees for dishonored checks or to Rule 317-Clean Air Act Non-attainment Fees. The rule became operative with the voters approval of Proposition 26 on the November 2, 2010 ballot. Proposition 26, which amended provisions of the California Constitution to broaden the definition of “tax” to include various fees that had heretofore been held to be valid regulatory fees that are not “taxes.” In addition, even if a particular exemption is applicable, Proposition 26 provides that “The local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that 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.” This reverses the usual burden of proof in litigation which places the burden on the party challenging the fee. Since Rule 320 was adopted prior to November 3, 2010, it is not subject to Proposition 26.

In May 2011, the SCAQMD Governing Board opted to allow most Regulation III fees to increase by the 1.4% change in the 2011 CPI by automatic action of Rule 320. Specific exceptions to automatic fees adjustment are:

- Returned check for service fee in various rules (set by state law at \$25)
- Enforcement inspection fees for Statewide Portable Equipment Registration Program (PERP) in Rule 301(w)
- “State Fee” from Rule 307.1 Table I – Facility Fees by Program Category
- Electronic media submittal fees (Rule 308(c)(2)(D))
- Cost to replace Employee Transportation Coordinator Certificate of Training (Rule 308(g)(3))
- Air Quality Investment Program (AQIP) fees (Rule 311(c))
- Annual Quantity and Emissions Fees for architecture coatings (Rule 314(g)(2)(A)(i) and (ii))

No other amendments were proposed or adopted.

In June 2011, the Board adopted Rule 310.1 - Amnesty for Unpermitted Equipment and Small Business Discount for Control Equipment, effective for the time period between July 1, 2011 and December 31, 2011 inclusive, with the same provisions as in the previously adopted March 2010 amnesty (Rule 310) which however had an effective period from February 5 and August 4, 2010, inclusive, and had by this time sunsetted. Additionally, for small businesses as defined in Rule 102 - Definitions, fees for air pollution control equipment and processes that use exclusively super compliant coatings with a VOC content of less than 25 grams per liter of material, resulting in reduced emissions that require a new permit or permit modification fees were discounted an additional 50% beyond the discount provided, such that the total fee would be 25% of the fee otherwise required by Rule 301.

In May 2012, the SCAQMD Governing Board opted to allow Regulation III fees, where applicable, to increase by the 2.4% change in the 2011 CPI by automatic action of Rule 320. No other amendments were proposed or adopted.

In May 2013, the SCAQMD Governing Board opted to allow Regulation III fees, where applicable, to increase by the 2% change in the 2012 CPI by automatic action of Rule 320. No other amendments were proposed or adopted.

In September 2013, the SCAQMD Governing Board approved amendments to Rule 314 – Fees for Architectural Coatings to clarify certain reporting requirements, to exempt small manufacturers and certain coatings from fees, to remove the ability to use “grouping” in reporting, clarify existing definitions and reporting requirements, and remove outdated phased-in fee rates.

**APPENDIX B – SCAQMD 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 C 1 – COMPARISON OF FY 2014-2015 WORK PROGRAM TO COST ALLOCATION SCHEDULE**

<b>Program Category</b>	<b>(a) Work Program</b>	<b>(b) Adjusted Work Program without Overhead</b>	<b>(c) Allocatable Office Overhead (Allocated)</b>	<b>(d) Allocatable SCAQMD Overhead (Allocated)</b>	<b>(e) Total Work Program with Overhead</b>
Advance Clean Air Technology	\$5,943,280	\$5,943,280	\$246,860	\$1,429,935	\$7,620,074
Ensure Compliance	40,595,094	39,350,612	2,292,143	9,339,878	50,982,633
Customer Service and Business Assistance	11,257,410	6,928,172	624,559	1,608,052	9,160,783
Develop Programs to Achieve Clean Air	9,001,281	8,074,424	465,031	1,860,220	10,399,674
Develop Rules to Achieve Clean Air	6,937,646	6,752,960	347,738	1,514,202	8,614,899
Monitoring Air Quality	10,159,755	9,698,349	355,109	2,271,116	12,324,574
Operational Support	24,127,044	3,219,960	1,262,568	781,710	5,264,238
Timely Review of Permits	20,331,852	20,247,903	1,046,318	4,964,688	26,258,909
Policy Support	3,866,713	1,125,380	209,395	259,514	1,594,289
	<b>\$132,220,074</b>	<b>\$101,341,040</b>	<b>\$6,849,720</b>	<b>\$24,029,314</b>	<b>\$132,220,074</b>

(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 Personnel, 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 2014-2015 PROPOSED BUDGET – COST ALLOCATION SUMMARY**

Description	MOBILE SOURCES IX	CLEAN FUELS VIII	CARB SUBVENTION/STATE REVENUE XV	ANNUAL OPERATING IV	EMISSIONS FEES II	PERMIT PROCESSING FEES III	FEDERAL GRANTS/OTHER FEDERAL REVENUE V	SOURCE TEST/SAMPLE ANALYSIS VI	HEARING BOARD VII	AIR TOXICS AB 2588 X	TRANSP PROGRAMS XI	OTHER REVENUE XVII	AREA SOURCES XVIII	PERP XIX	Total
<b>EXPENDITURES</b>															
Advance Clean Air Technology	\$3,707,539	\$3,225,446	\$0	\$0	\$0	\$0	\$170,211	\$0	\$0	\$0	\$0	\$516,878	\$0	\$0	\$7,620,074
Compliance	\$4,100,204	\$0	\$1,747,755	\$25,395,500	\$7,448,268	\$1,114,964	\$2,373,916	\$2,499,844	\$1,056,141	\$2,289,806	\$0	\$0	\$1,592,959	\$1,363,277	\$50,982,633
Customer Service	\$2,485,021	\$0	\$63,025	\$2,554,436	\$1,640,831	\$1,922,314	\$109,608	\$108,856	\$0	\$2,055	\$274,636	\$0	\$0	\$0	\$9,160,783
Develop Air Programs	\$4,051,640	\$197,920	\$116,255	\$765,971	\$3,241,294	\$155,297	\$188,607	\$0	\$0	\$0	\$1,141,244	\$541,445	\$0	\$0	\$10,399,674
Develop Rules	\$1,912,572	\$59,376	\$131,899	\$1,472,216	\$4,713,728	\$37,271	\$127,156	\$0	\$0	\$0	\$0	\$5,384	\$155,297	\$0	\$8,614,899
Monitoring Air Quality	\$6,683,561	\$0	\$1,461	\$718,657	\$799,756	\$0	\$3,339,356	\$0	\$0	\$0	\$0	\$385,944	\$395,840	\$0	\$12,324,574
Operational Support	\$170,632	\$0	\$26,178	\$1,618,858	\$1,224,774	\$1,474,046	\$0	\$0	\$206,518	\$0	\$95,450	\$16,920	\$430,861	\$0	\$5,264,238
Permit	\$0	\$0	\$110,045	\$1,618,773	\$753,086	\$23,567,637	\$87,648	\$121,721	\$0	\$0	\$0	\$0	\$0	\$0	\$26,258,909
Policy Support	\$900,984	\$19,792	\$0	\$315,096	\$83,308	\$0	\$0	\$0	\$0	\$0	\$0	\$275,109	\$0	\$0	\$1,594,289
<b>TOTAL EXPENDITURES</b>	<b>\$24,012,154</b>	<b>\$3,502,534</b>	<b>\$2,196,618</b>	<b>\$34,459,507</b>	<b>\$19,905,044</b>	<b>\$28,271,530</b>	<b>\$6,396,502</b>	<b>\$2,730,421</b>	<b>\$1,262,659</b>	<b>\$2,291,861</b>	<b>\$1,511,330</b>	<b>\$1,741,680</b>	<b>\$2,574,957</b>	<b>\$1,363,277</b>	<b>\$132,220,074</b>
<b>REVENUE</b>															
FY 14-15 Projection	\$18,997,646	\$3,501,965	\$3,900,000	\$43,409,143	\$19,593,739	\$17,758,337	\$6,529,152	\$730,000	\$275,000	\$2,291,515	\$880,000	\$8,000,031	\$2,100,000	\$1,184,169	\$129,150,698
1.6% CPI	N/A	N/A	N/A	\$790,895	\$313,500	\$237,439	N/A	\$11,680	\$4,400	N/A	\$14,080	N/A	\$33,600	N/A	\$1,405,593
<b>TOTAL REVENUE</b>	<b>\$18,997,646</b>	<b>\$3,501,965</b>	<b>\$3,900,000</b>	<b>\$44,200,038</b>	<b>\$19,907,239</b>	<b>\$17,995,775</b>	<b>\$6,529,152</b>	<b>\$741,680</b>	<b>\$279,400</b>	<b>\$2,291,515</b>	<b>\$894,080</b>	<b>\$8,000,031</b>	<b>\$2,133,600</b>	<b>\$1,184,169</b>	<b>\$130,556,291</b>
Surplus/(Deficit)	(5,014,508)	(568)	1,703,382	9,740,531	2,195	(10,275,755)	132,650	(1,988,741)	(983,259)	(346)	(617,250)	6,258,351	(441,357)	(179,108)	(1,663,783)
<b>TRANSFER EXCESS REVENUES TO SUPPLEMENT SHORTFALLS</b>															
(1) Annual Op to Permit OH				(\$5,228,639)		\$5,228,639									\$0
(2) Annual Op to Source Testing				(\$1,988,741)				\$1,988,741							\$0
(3) Annual Op to Hearing Board				(\$983,259)					\$983,259						\$0
(4) Other Revenue to PERP												(\$179,108)		\$179,108	\$0
(5) Other Revenue to Area Sources												(\$441,357)	\$441,357		\$0
(6) CARB to Mobile Source & Transportation	\$1,501,198		(\$1,703,382)								\$202,183				\$0
(7) EPA to Mobile Source & Transportation	\$116,905						(\$132,650)				\$15,745				\$0
(8) Other to Mobile Source & Transportation	\$3,396,404										\$399,322	(\$3,795,726)			\$0
<b>ADJUSTED SURPLUS/(DEFICIT)</b>	<b>(\$0)</b>	<b>(\$568)</b>	<b>\$0</b>	<b>\$1,539,892</b>	<b>\$2,195</b>	<b>(\$5,047,116)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$346)</b>	<b>\$0</b>	<b>\$1,842,160</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$1,663,783)</b>
Fee Increase % to Cover Costs	n/a	n/a	n/a	-3%	0%	28%	n/a	0%	0%	n/a	0%	n/a	0%	0%	
REVENUE FROM 3% FEE INCREASE ABOVE CPI *				\$1,319,124		\$344,660									\$1,663,783
<b>ADJUSTED SURPLUS/(DEFICIT)</b>	<b>(\$0)</b>	<b>(\$568)</b>	<b>\$0</b>	<b>\$2,859,016</b>	<b>\$2,195</b>	<b>(\$4,702,457)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$346)</b>	<b>\$0</b>	<b>\$1,842,160</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Adjusted Fee Increase to Cover Costs						26%									0%

**APPENDIX C 3 – FY 2014-2015 PROPOSED BUDGET – EXPENDITURES BY REVENUE CATEGORY**

WP Code	Project Description	Activities/Outputs	MOBILE SOURCES IX	CLEAN FUELS VIII	CARB SUBVENTION/STATE REVENUE XV	ANNUAL OPERATING IV	EMISSIONS FEES II	PERMIT PROCESSING FEES III	FEDERAL GRANTS/OTHER FEDERAL REVENUE V	SOURCE TEST/SAMPLE ANALYSIS VI	HEARING BOARD VII	AIR TOXICS AB 2588 X	TRANSP PROGRAMS XI	OTHER REVENUE XVII	AREA SOURCES XVIII	PERP XIX	Total	
<b>ADVANCE CLEAN AIR TECHNOLOGY</b>																		
03455	Mobile Sources	Dev/Impl Mobile Source Strategies	\$30,539	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$30,539
04003	AB 2766/MSRC	MSRC Program Administration	\$63,633	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$63,633
04130	Clean Fuels/Contract Adm	Clean Fuels Contract Admin/Monitor	\$0	\$27,271	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$27,271
04457	Mobile Source/Carl Moyer Adm	Carl Moyer: Contract/Financial Admin	\$185,446	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$185,446
04542	Prop 1B: Goods Movement	Contracts/Finance Admin	\$90,905	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$90,905
04544	Prop 1B: Low Emiss Sch bus	Grants/Finance Admin	\$9,090	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,090
08001	AB 2766/MobileSrc/Legal Advice	AB 2766 Legal Advice: Trans/Mobile Source	\$13,114	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,114
08003	AB 2766/MSRC	Legal Advice: MSRC Program Administration	\$39,342	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$39,342
08131	Clean Fuels/Legal Advice	Legal Advice: Clean Fuels	\$0	\$13,114	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,114
08457	Mob Src/C Moyer/Leg Advice	Moyer/Implem/Program Dev	\$52,456	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$52,456
16457	MS/Carl Moyer Admin	C Moyer/Contractor Compliance	\$109,557	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$109,557
16542	Prop 1B:Goods Movement	Prop 1B: Goods Movement	\$109,557	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$109,557
26738	Target Air Shed EPA	Targeted Air Shed Admin/Impl	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$51,766	\$0	\$0	\$0	\$51,766
44003	AB 2766/MSRC	MSRC Program Administration	\$197,920	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$197,920
44004	AB 2766/MSRC/Contract Adm	Administer AB 2766 Discretionary Program	\$593,760	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$593,760
44012	AQMP/Control Tech Assessment	Tech Supp: Quantify Cost Effec	\$0	\$19,792	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$19,792
44039	Adm/Office Mgmt/Plan&Rule Dev	Assign/Manage/Support Programs	\$0	\$152,398	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$152,398
44048	Adm/Prgrm Mgmt/Tech Advance	Overall TA Program Management/Coordination	\$0	\$306,776	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$306,776
44066	AQIP Marine SCR DPP	Admin/Impl	\$29,688	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$29,688
44095	CA Natural Gas Veh Partnership	CA Natural Gas Vehicle Partnership	\$0	\$9,896	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,896
44130	Clean Fuels/Contract Adm	Admin/Project Support for TA Contracts	\$0	\$672,928	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$672,928
44132	Clean Fuels/Mobile Sources	Develop/Implement Mobile Source Proj/Demo	\$0	\$1,009,392	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,009,392
44134	Clean Fuels/Stationary Combust	Develop/Demo Clean Combustion Technology	\$0	\$138,544	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$138,544
44135	Clean Fuels/Stationary Energy	Develop/Demo Clean Energy Alternatives	\$0	\$138,544	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$138,544
44136	Clean Fuels/Technology Transfer	Disseminate Low Emission Clean Fuel Tech	\$0	\$286,984	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$286,984
44188	DERA FY 13 Veh Repl	DERA Vehicle Repl Admin/Impl	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$39,584	\$0	\$0	\$0	\$39,584
44190	Diesel Projects EPA	Diesel Projects EPA/Admin/Impl	\$0	\$0	\$0	\$0	\$0	\$0	\$21,771	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$21,771
44361	HD Trucks DOE ARRA	DOE HD Trucks Admin (ARRA)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$395,840	\$0	\$0	\$0	\$395,840
44424	LNG Trucks CEC	LNG Trucks Admin CEC	\$197,920	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$197,920
44453	Mob Src: Emiss Inven Method	Rvw CARB/US EPA emissions inven methodology	\$153,850	\$143,030	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$296,880
44457	Mobile Source/Carl Moyer Adm	Carl Moyer: Implement/Administer Grant	\$1,118,248	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,118,248
44459	Mob Src/C Moyer/Impl/Prgr Dev	Moyer/Implem/Program Dev	\$554,176	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$554,176
44460	VIP Admin	VIP Admin/Outreach/Impl	\$158,336	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$158,336
44497	Plug-in Hybrid EV DOE ARRA	DOE Plug-in Hybrid EV Admin (ARRA)	\$0	\$0	\$0	\$0	\$0	\$0	\$148,440	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$148,440
44677	School Bus/Lower Emission Prgrm	School Bus Program: Overseer Program	\$0	\$138,544	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$138,544
44738	Target Air Shed EPA	Targeted Air Shed Admin/Impl	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$29,688	\$0	\$0	\$0	\$29,688
44740	Tech Adv/Commercialization	Assess Clean Fuels/Adv Tech Potential	\$0	\$49,480	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$49,480
44741	Tech Adv/Non-Combustion	Develop/Demo Non-Combustion Technology	\$0	\$19,792	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$19,792
44816	Transportation Research	Transport Research/Adv Systems	\$0	\$98,960	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$98,960
Sub-total ADVANCE CLEAN AIR TECHNOLOGY			\$3,707,539	\$3,225,446	\$0	\$0	\$0	\$0	\$170,211	\$0	\$0	\$0	\$0	\$516,878	\$0	\$0	\$0	\$7,620,074
<b>COMPLIANCE</b>																		
50791	Toxics/AB2588	Risk Reduct Plan Rev/Comm Mtgs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$48,688	\$0	\$0	\$0	\$0	\$0	\$48,688
04791	Toxics AB 2588	AB 2588 Air Toxics Hot Spots Fee Collection	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$42,271	\$0	\$0	\$0	\$0	\$0	\$42,271
08072	Arch Ctgs - End User	Case Dispo/Rvw, Track, Prep NOV's	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,114	\$0	\$0	\$13,114
08073	Arch Ctgs - Other	Case Dispo/Rvw, Track, Prep NOV's	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$52,456	\$0	\$0	\$52,456
08115	Case Disposition	Trial/Disposition-Civil Case/Injunctions	\$0	\$0	\$78,683	\$377,680	\$944,200	\$0	\$94,420	\$0	\$78,683	\$0	\$0	\$0	\$0	\$0	\$0	\$1,573,667
08154	Compliance/NOV Administration	Review/Track/Prepare NOV's/MSAs	\$0	\$0	\$0	\$314,733	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$314,733
08185	Database Management	Support IM/Develop Tracking System	\$0	\$0	\$0	\$82,456	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$82,456
08366	Hearing Board/Legal	Hearing/Disposition-Variances/Appl/Recov	\$0	\$0	\$0	\$734,378	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$734,378
08380	Interagency Coordination	Coordinate with other agencies	\$0	\$0	\$0	\$0	\$60,324	\$0	\$5,246	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$65,569
08403	Legal Rep/Litigation	Prepare Hearing/Disposition	\$0	\$0	\$0	\$664,483	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$664,483
08465	Mutual Settlement	Mutual Settlement Program	\$0	\$0	\$0	\$786,833	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$786,833
08770	Title V	Leg Advice: Title V Program/Perm Dev	\$0	\$0	\$0	\$1,967	\$11,147	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,114
08791	Toxics AB 2588	AB 2588 Legal Advice: Plan & Implement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,114	\$0	\$0	\$0	\$0	\$0	\$13,114
17364	Hearing Board/Abatement Orders	Attnd/Record/Monitor Mtgs	\$0	\$0	\$0	\$23,270	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$23,270
17365	Hearing Board Variances	Hearing Board Attend/Rec/Monitor Mtgs	\$0	\$0	\$0	\$38,501	\$0	\$0	\$46,202	\$0	\$685,327	\$0	\$0	\$0	\$0	\$0	\$0	\$770,030
26072	Arch Ctgs - End User	Compliance/Rpts/Rule Implementation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$207,063	\$0	\$0	\$207,063
26073	Arch Ctgs - Other	Compliance/Rpts/Rule Implementation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$207,063	\$0	\$0	\$207,063
26076	Area Sources/Compliance	Area Source Compliance	\$335,595	\$0	\$46,983	\$288,611	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$671,189
26215	Annual Emissions Reporting	Annual Design/Impl/Emission Monitor System	\$0	\$0	\$0	\$0	\$1,525,335	\$0	\$132,638	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,657,973
26620	Refinery Pilot Project	Refinery Pilot Project	\$0	\$0	\$0	\$0	\$51,766	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$51,766
26645	Rule 1610 Plan Verification	Rule 1610 Plan Verification	\$96,284	\$0	\$0	\$0	\$0	\$0	\$7,247	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$103,532
26716	Spec Monitoring/R403	Rule 403 Compliance Monitoring	\$159,439	\$0	\$14,494	\$33,130	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$207,063

**APPENDIX C 3 – FY 2014-2015 PROPOSED BUDGET – EXPENDITURES BY REVENUE CATEGORY**

WP Code	Project Description	Activities/Outputs	MOBILE SOURCES IX	CLEAN FUELS VIII	CARB SUBVENTION/STATE REVENUE XV	ANNUAL OPERATING IV	EMISSIONS FEES II	PERMIT PROCESSING FEES III	FEDERAL GRANTS/OTHER FEDERAL REVENUE V	SOURCE TEST/SAMPLE ANALYSIS VI	HEARING BOARD VII	AIR TOXICS AB 2588 X	TRANSP PROGRAMS XI	OTHER REVENUE XVII	AREA SOURCES XVIII	PERP XIX	Total
<b>COMPLIANCE (cont.)</b>																	
26794	Toxics/AB2588	AB2588 Core, Tracking, IWS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,760,036	\$0	\$0	\$0	\$0	\$1,760,036
27791	Toxics AB 2588	AB 2588 Database Software Support	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$168,400	\$0	\$0	\$0	\$0	\$168,400
35111	Call Center/Cut Smog	Smoking Vehicle Complaints	\$1,528,730	\$0	\$115,066	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,643,796
44015	Acid Rain Program	Acid Rain CEMS Eval/Cert	\$0	\$0	\$0	\$7,917	\$91,043	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$99,960
44072	Arch Ctgs-End User	Sample Analysis Reports	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$197,920	\$0	\$197,920
44105	CEMS Certification	CEMS Review/Approval	\$0	\$0	\$0	\$0	\$0	\$608,604	\$0	\$608,604	\$0	\$0	\$0	\$0	\$0	\$0	\$1,217,208
44175	Database Computerization	Develop Systems/Database	\$0	\$0	\$0	\$43,542	\$13,063	\$0	\$0	\$30,480	\$0	\$0	\$0	\$0	\$0	\$0	\$87,085
44450	Microscopical Analysis	Asbestos/PM/Metals Analysis	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$593,760	\$0	\$0	\$0	\$0	\$0	\$0	\$593,760
44500	PM2.5 Program	Establish/Operate/Maintain PM2.5 Network	\$1,372,540	\$0	\$0	\$0	\$402,717	\$0	\$461,239	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,236,496
44700	Source Testing/Compliance	Conduct Source Testing/Prov Data/Compliance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$475,320	\$0	\$0	\$0	\$0	\$0	\$0	\$475,320
44704	Source Testing/Compliance	Analyze Source Testing Samples/Compliance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$791,680	\$0	\$0	\$0	\$0	\$0	\$0	\$791,680
44707	VOC Sample Analysis/Compliance	VOC Analysis & Reporting/Compliance	\$0	\$0	\$99,571	\$1,322,869	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,422,440
44716	Special Monitoring	Special Monitoring	\$362,227	\$0	\$32,930	\$75,268	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$470,424
44794	Toxics AB 2588	Evaluate Protocols/Methods/Source Testing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$247,400	\$0	\$0	\$0	\$0	\$247,400
44795	Toxics/Engineering	R1401 Toxics/HRA Prot/Rpt Eval	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,896	\$0	\$0	\$0	\$0	\$9,896
50070	CARB PERP Program	CARB Statewide Equipment Reg	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,363,277	\$1,363,277
50071	Arch Ctgs-Admin	Report Review	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$19,475	\$0	\$19,475
50072	Arch Ctgs-End User	Compliance/Rpts/Rulemplementa	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$19,475	\$0	\$19,475
50073	Arch Ctgs-Other	Compliance/Rpts/Rulemplementa	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$876,392	\$0	\$876,392
50152	Compliance/IM Related Activities	Assist IM: Design/Review/Test	\$0	\$0	\$0	\$0	\$97,377	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$97,377
50155	Compliance Guidelines	Policy/Procedures/Memos/Manuals	\$0	\$0	\$0	\$0	\$97,377	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$97,377
50156	Permit Process Info to Compliance	Prov Perm Infor to Compliance	\$0	\$0	\$0	\$467,409	\$0	\$116,852	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$584,261
50157	Compliance/Special Projects	Program Audits/Data Requests/Board Support	\$0	\$0	\$0	\$973,769	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$973,769
50158	Compliance Testing	R461/Combustion Equip Testing	\$0	\$0	\$0	\$0	\$194,754	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$194,754
50365	Hearing Board/Variations	Variations/Orders of Abatement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$292,131	\$0	\$0	\$0	\$0	\$0	\$292,131
50375	Inspections	Compliance/Inspection/Follow-up	\$0	\$0	\$1,215,910	\$12,737,470	\$0	\$0	\$1,471,121	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,424,501
50377	Inspections/RECLAIM Audits	Audit/Compliance/Assurance	\$0	\$0	\$0	\$4,438,532	\$196,608	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,635,141
50538	Port AQ Enforcement	Port AQ Enforcement	\$97,377	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$97,377
50542	Prop 1B:Goods Movement	Prop 1B: Gds Mvmt/Inspect	\$58,426	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$58,426
50550	Public Complaints/Breakdowns	Complaint response/Resolve/Invest follow up	\$0	\$0	\$136,328	\$611,986	\$1,043,421	\$0	\$155,803	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,947,538
50605	RECLAIM Admin Support	Admin/Policy/Guidelines	\$0	\$0	\$0	\$876,392	\$681,638	\$389,508	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,947,538
50678	School Siting	Identify Hax. Emission Sources near schools	\$0	\$0	\$0	\$0	\$194,754	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$194,754
50680	Small Business Assistance	Asst sm bus w/ Permit Process	\$0	\$0	\$0	\$97,377	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$97,377
50751	Title III Inspections	Title III Compliance/Inspect/Follow-up	\$0	\$0	\$0	\$97,377	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$97,377
50771	Title V Inspections	Title V Compliance/Inspection/Follow up	\$0	\$0	\$0	\$964,031	\$1,178,261	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,142,292
50850	VEE Trains	Smoking Trains-Compliance/Inspect/Follow up	\$89,587	\$0	\$7,790	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$97,377
Sub-total Compliance			\$4,100,204	\$0	\$1,747,755	\$25,395,500	\$7,448,268	\$1,114,964	\$2,373,916	\$2,499,844	\$1,056,141	\$2,289,806	\$0	\$0	\$1,592,959	\$1,363,277	\$50,982,633
<b>CUSTOMER SERVICE</b>																	
04002	AB 2766/Mobile Source	Prog Admin: Monitor/Distribute/Audit	\$28,181	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$28,181
04170	Customer Service	Answer/Resolve Inquiries/Problems/Res Acct	\$0	\$0	\$0	\$1,175,583	\$146,948	\$146,948	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,469,479
04260	Fee Review	Cmte Mtg/Fee-Related Complain	\$0	\$0	\$1,091	\$1,636	\$12,727	\$2,727	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$18,181
04355	Grants Management	Grant Analysis/Evaluate/Negotiate/Acc/Rpt	\$0	\$0	\$0	\$159,993	\$0	\$0	\$21,817	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$181,810
04631	Cash Management/Refunds	Res/Document/Prepare/Process Refunds	\$0	\$0	\$0	\$10,909	\$0	\$38,180	\$0	\$0	\$0	\$0	\$5,454	\$0	\$0	\$0	\$54,543
08404	Legal Rep/Legislation	Draft Legislation/AQMD Position/Meetings	\$3,934	\$0	\$0	\$0	\$9,180	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,114
08681	Small Business/Legal Advice	Legal Advice: Small Business/Fee Review	\$0	\$0	\$0	\$0	\$6,557	\$6,557	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,114
16720	Subscription Services	Rule & Governing Board Materials	\$0	\$0	\$0	\$372,495	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$372,495
26007	AB 2766/Mobile Source	AB2766 Provide Tech Assistance to Cities	\$227,769	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$227,769
26216	Annual Emissions Reporting	AER Design/Implement/Monitor Emissions	\$0	\$0	\$0	\$0	\$414,126	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$414,126
26833	Rule 2202 Employee Training	Employee Training: Process/Evaluation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$269,182	\$0	\$0	\$0	\$269,182
27481	Systems Development	Develop systems in support of District-wide	\$0	\$0	\$0	\$0	\$0	\$454,081	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$454,081
35126	Clean Air Congress	Coord of region-wide community group	\$158,215	\$0	\$0	\$0	\$47,259	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$205,475
35205	Environmental Education	Curriculum Development/Project Coordination	\$25,684	\$0	\$3,082	\$0	\$22,602	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$51,369
35240	Environmental Justice	Impl AQMD Board's Environmental Justice	\$0	\$0	\$0	\$143,832	\$267,117	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$410,949
35260	Fee Review	Committee Meetings/Respond to Requests	\$0	\$0	\$5,137	\$41,095	\$41,095	\$15,411	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$102,737
35381	Interagency Liaison	Agency Interact/Promote AQMD	\$0	\$0	\$925	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$925
35390	Intergovernmental	Develop/Implement Local Government Outreach	\$1,532,306	\$0	\$0	\$0	\$457,702	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,990,008
35491	Outreach/Business	Chambers/Business Meetings	\$0	\$0	\$0	\$130,845	\$87,230	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$218,075
35492	Public Education	Public Events/Conferences/Rideshare fairs	\$281,415	\$0	\$14,619	\$0	\$54,821	\$0	\$14,619	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$365,475
35514	Permit: Expired Permit Program	Assist w/ Permit Reinstatement	\$0	\$0	\$0	\$61,642	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$61,642
35555	Public Information Center	Inform public of unhealthy air	\$227,515	\$0	\$0	\$0	\$38,412	\$0	\$29,547	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$295,475
35679	Small Business Assistance	Small Business Assistance	\$0	\$0	\$0	\$0	\$0	\$205,475	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$205,475
35791	Toxics AB 2588	Outreach/AB2588 Air Toxics	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,055	\$0	\$0	\$0	\$0	\$2,055

**APPENDIX C 3 – FY 2014-2015 PROPOSED BUDGET – EXPENDITURES BY REVENUE CATEGORY**

WP Code	Project Description	Activities/Outputs	MOBILE SOURCES IX	CLEAN FUELS VIII	CARB SUBVENTION/STATE REVENUE XV	ANNUAL OPERATING IV	EMISSIONS FEES II	PERMIT PROCESSING FEES III	FEDERAL GRANTS/OTHER FEDERAL REVENUE V	SOURCE TEST/SAMPLE ANALYSIS VI	HEARING BOARD VII	AIR TOXICS AB 2588 X	TRANSP PROGRAMS XI	OTHER REVENUE XVII	AREA SOURCES XVIII	PERP XIX	Total
<b>CUSTOMER SERVICE (cont.)</b>																	
44701	Source Testing/Customer Svc	Conduct Source Testing/Prov Data/Cust Svc	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,896	\$0	\$0	\$0	\$0	\$0	\$0	\$9,896
44709	VOC Sample Analysis/SBA/Other	VOC Analysis & Reporting/Customer Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$98,960	\$0	\$0	\$0	\$0	\$0	\$0	\$98,960
50200	Economic Development	Permit Processing/Public Participation	\$0	\$0	\$0	\$0	\$0	\$19,475	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$19,475
50260	Fee Review	Fee Review Committee	\$0	\$0	\$0	\$20,157	\$35,056	\$32,427	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$87,639
50425	Lobby Permit Services	Support Permit Processing/Customer Service	\$0	\$0	\$0	\$0	\$0	\$194,754	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$194,754
50520	Permit Processing/Pre-App	Pre-Application Mtgs/General Prescreening	\$0	\$0	\$0	\$0	\$0	\$779,015	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$779,015
50690	Source Education	Provide Technical Assistance to Industries	\$0	\$0	\$38,172	\$436,249	\$0	\$27,266	\$43,625	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$545,311
Sub-total CUSTOMER SERVICE			\$2,485,021	\$0	\$63,025	\$2,554,436	\$1,640,831	\$1,922,314	\$109,608	\$108,856	\$0	\$2,055	\$274,636	\$0	\$0	\$0	\$9,160,783
<b>DEVELOP AIR PROGRAMS</b>																	
03010	AQMP	Develop/Implement AQMP	\$6,108	\$0	\$0	\$0	\$9,162	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,270
04009	AB 1318 Mitigation	AB 1318 Projects Admn/Impl	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$23,635	\$0	\$0	\$23,635
08009	AB 1318 Mitigation	AB 1318 Projects Admn/Impl	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,114	\$0	\$0	\$13,114
08010	AQMP	AQMP Revision/CEQA Review	\$20,982	\$0	\$0	\$31,473	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$52,456
26002	AB2766/Mobile Source	AB2766/Mobile Source Outreach	\$184,286	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$184,286
26010	AQMP	Coordinate AQMP/Special Studies	\$209,563	\$0	\$25,148	\$184,416	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$419,126
26068	AQMD Projects	Prepare Environmental Assessments	\$347,619	\$0	\$0	\$297,959	\$347,619	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$992,196
26102	CEQA Document Projects	Review/Prepare CEQA Comments	\$504,716	\$0	\$0	\$0	\$271,770	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$776,487
26104	CEQA Policy Development	ID/Develop/Impl CEQA Policy	\$56,766	\$0	\$56,766	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$113,532
26128	Clean Communities Plan	Clean Communities Plan	\$51,766	\$0	\$0	\$0	\$51,766	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$103,532
26217	Emissions Inventory Studies	Dev Emission Database/Dev/Update Emission	\$41,413	\$0	\$33,130	\$0	\$306,453	\$33,130	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$414,126
26218	Emissions Inventory Studies	Develop Emissions Inventory: Forecasts/RFPs	\$152,191	\$0	\$0	\$0	\$355,113	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$507,305
26219	Emissions Field Audit	Emissions Field Audit	\$0	\$0	\$0	\$0	\$103,532	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$103,532
26221	Emissions Growth Mitigation	Mitigate deve growth	\$248,476	\$0	\$0	\$0	\$62,119	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$310,595
26397	Lead Agency Projects	Prep Environmental Assessments/Perm Pro	\$0	\$0	\$0	\$0	\$0	\$155,297	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$155,297
26503	PM Strategies	PM10 Plan/Analyze/Strategy Development	\$0	\$0	\$57,978	\$0	\$704,014	\$0	\$66,260	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$828,252
26600	Credit Generation Programs	Dev RFP/AQMP Ctrl Strats/Inter	\$168,239	\$0	\$0	\$0	\$90,590	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$258,829
26685	Socio-Economic	Apply economic models/Socio-economic	\$0	\$0	\$0	\$164,674	\$658,694	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$823,368
26745	Telecommuting/Rideshare	District Rideshare/Telecommute Programs	\$134,591	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$134,591
26816	Regional Transportation Prgrms	Develop AQMP Measure/Develop/Amend Rules	\$124,238	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$124,238
26834	Vehicle/Rule 2202 Implm	2202 Proc/Sub Plans/Tech Eval	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$635,684	\$0	\$0	\$0	\$635,684
26836	Vehicle/Rule 2202 Support	2202 Tech Asst/Training/Associations	\$0	\$0	\$0	\$0	\$0	\$0	\$89,216	\$0	\$0	\$0	\$505,560	\$0	\$0	\$0	\$594,777
35560	Public Notification	Public notification of rules/hearings	\$49,095	\$0	\$0	\$30,684	\$42,958	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$122,737
44009	AB 1318 Mitigation	AB 1318 Projects Admn/Impl	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$148,440	\$0	\$0	\$148,440
44069	AQIP Evaluation	AQIP Contract Administration/Evaluation	\$128,648	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$128,648
44396	Lawnmower Exchange	Lawn Mower Admin/Impl/Outreach	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$59,376	\$0	\$0	\$59,376
44448	Mobile Source Strategies Off Road	CARB Mob Src control strategy for SIP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$197,920	\$0	\$0	\$197,920
44451	Mob Src/CARB/EPA Monitoring	CARB/US EPA Mob Src rulemakings	\$296,880	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$296,880
44452	Mob Src/CEC/US DOE Monitoring	CEC/US DOE Mob Src rulemaking proposals	\$98,960	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$98,960	\$0	\$0	\$197,920
44458	Mobile Source Strategies On Road	CARB Mob Src control strategy for SIP	\$0	\$197,920	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$197,920
44542	Prop 1B:Goods Movement	Prop 1B:Goods Movement	\$1,128,144	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,128,144
44544	Prop 1B:Low Emiss Sch Bus	Prop 1B:Low Emiss Sch Bus	\$98,960	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$98,960
44702	Source Testing/Methods	Evaluate Source Testing Methods/Validate	\$0	\$0	\$0	\$0	\$188,024	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$188,024
44705	Source Testing/Sample Analysis	Analyze Source Testing Sample/Air Programs	\$0	\$0	\$0	\$0	\$49,480	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$49,480
Sub-total DEVELOP AIR PROGRAMS			\$4,051,640	\$197,920	\$116,255	\$765,971	\$3,241,294	\$155,297	\$188,607	\$0	\$0	\$0	\$1,141,244	\$541,445	\$0	\$0	\$10,399,674
<b>DEVELOP RULES</b>																	
03385	Credit Generation Programs	Dev/Impl Marketable Permit	\$0	\$0	\$0	\$0	\$6,108	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,108
03650	Rules	Develop & Implement Rules	\$611	\$0	\$0	\$11,605	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,216
08651	Rules/Legal Advice	Legal Advice: Rules/Draft Regulations	\$0	\$0	\$0	\$0	\$262,278	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$262,278
08661	Rulemaking/RECLAIM	RECLAIM Legal Adv/Related Iss	\$0	\$0	\$0	\$0	\$13,114	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,114
26071	Arch Cigs - Admin	Rdr/Aud/DB TA/AQMD/Rpts/AER	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$155,297	\$0	\$0	\$155,297
26077	Area Sources/Rulemaking	Develop/Amend/Area Source Rules/Credits	\$82,825	\$0	\$0	\$0	\$745,427	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$828,252
26084	Blk Carbon Sdy EPA	EPA Blk Carbon Climate Study	\$0	\$0	\$0	\$0	\$0	\$0	\$36,029	\$0	\$0	\$0	\$0	\$5,384	\$0	\$0	\$41,413
26165	Conformity	Monitor General &Transportation Conformity	\$95,249	\$0	\$0	\$0	\$0	\$0	\$8,283	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$103,532
26362	Health Effects	Study Health Effects/Toxicology	\$286,909	\$0	\$0	\$0	\$48,453	\$37,271	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$372,714
26385	Credit/Criteria Pollutants	Develop/Implement Intercredit Trading	\$139,768	\$0	\$0	\$15,530	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$155,297
26460	Modeling AQMD Regional	Rule Impact/Analyses/Model Development	\$911,290	\$0	\$0	\$0	\$189,359	\$0	\$82,045	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,183,494
26654	Rulemaking/NOx	Rulemaking/NOx	\$0	\$0	\$0	\$219,487	\$194,639	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$414,126
26655	NSR/Rulemaking	Develop/Amend NSR & Admin Rules	\$0	\$0	\$0	\$323,018	\$298,171	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$621,189
26656	Rulemaking/VOC	Develop/Amend VOC Rules	\$0	\$0	\$119,208	\$902,576	\$681,189	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,702,973
26659	Rulemaking/Toxics	Develop/Amend Air Toxic Rules	\$0	\$0	\$0	\$0	\$1,035,315	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,035,315
26661	Rulemaking/RECLAIM	RECLAIM Amend Rules/Related Issues	\$0	\$0	\$0	\$0	\$455,539	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$455,539

**APPENDIX C 3 – FY 2014-2015 PROPOSED BUDGET – EXPENDITURES BY REVENUE CATEGORY**

WP Code	Project Description	Activities/Outputs	MOBILE SOURCES IX	CLEAN FUELS VIII	CARB SUBVENTION/STATE REVENUE XV	ANNUAL OPERATING IV	EMISSIONS FEES II	PERMIT PROCESSING FEES III	FEDERAL GRANTS/OTHER FEDERAL REVENUE V	SOURCE TEST/SAMPLE ANALYSIS VI	HEARING BOARD VII	AIR TOXICS AB 2588 X	TRANSP PROGRAMS XI	OTHER REVENUE XVII	AREA SOURCES XVIII	PERP XIX	Total	
<b>DEVELOP RULES (cont.)</b>																		
44449	Mob Src/AQMD Rulemaking	Prepare AQMD Mob Src rulemaking proposals	\$395,840	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$395,840
44456	MobileSource/AQMP Control Stra	Implement Fleet Rules	\$0	\$59,376	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$59,376
44653	Rulemaking/BACT	Develop/Amend BACT Guidelines	\$0	\$0	\$0	\$0	\$395,840	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$395,840
44657	Rulemaking/Support EAC	Assist PRA w/ Rulemaking	\$0	\$0	\$0	\$0	\$9,896	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,896
44706	Source Testing/Sample Analysis	Analyze Source Testing Samples/Rules	\$0	\$0	\$0	\$0	\$49,480	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$49,480
44708	VOC Sample Analysis/Rules	VOC Analysis & Reporting/Rules	\$0	\$0	\$1,979	\$0	\$47,501	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$49,480
50650	Rulemaking	Develop/Amend/Implement Rules	\$0	\$0	\$10,711	\$0	\$86,665	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$97,377
50657	Rulemaking/Support PRA	Provide Rule Development Support	\$0	\$0	\$0	\$0	\$97,377	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$97,377
50752	Title III Rulemaking	Title III Develop/Implement Rules	\$0	\$0	\$0	\$0	\$48,688	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$48,688
50773	Title V & NSR Rulemaking Supp	Title V Rule Dev/Amend/Impl	\$0	\$0	\$0	\$0	\$48,688	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$48,688
Sub-total DEVELOP RULES			\$1,912,572	\$59,376	\$131,899	\$1,472,216	\$4,713,728	\$37,271	\$127,156	\$0	\$0	\$0	\$0	\$5,384	\$155,297	\$0	\$8,614,899	
<b>MONITORING AIR QUALITY</b>																		
26061	Air Quality Evaluation	Air Quality Evaluation	\$207,063	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$207,063
26439	MATES IV	MATES IV	\$15,944	\$0	\$0	\$0	\$4,762	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,706
26445	Meteorology	Model Development/Data analysis/Forecast	\$450,865	\$0	\$0	\$0	\$99,542	\$0	\$35,132	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$585,539
26530	Photochemical Assessment	Photochemical Assessment	\$0	\$0	\$0	\$0	\$16,047	\$0	\$35,718	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$51,766
44063	Ambient Air Analysis	Analyze Criteria/Toxic/Pollutants	\$1,815,065	\$0	\$0	\$0	\$377,156	\$0	\$165,006	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,357,227
44064	Ambient Network	Air Monitoring/Toxics Network	\$2,955,562	\$0	\$0	\$575,759	\$0	\$0	\$307,071	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,838,392
44065	Audit/Data Reporting	Air Monitoring Audit/Validation/Reporting	\$152,398	\$0	\$0	\$0	\$25,730	\$0	\$19,792	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$197,920
44067	Ambient Lead Monitoring	Lead Monitoring/Analysis/Reporting	\$0	\$0	\$0	\$98,960	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$98,960
44073	Arch Ctgs - Other	Sample Analysis/Reports	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$395,840	\$0	\$0	\$395,840
44081	Air Filtration EPA	Admin/Impl	\$0	\$0	\$0	\$0	\$0	\$0	\$49,480	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$49,480
44082	Air Filtration Other	Admin/Impl	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$98,960	\$0	\$0	\$0	\$98,960
44084	Blk Carbon Study EPA	EPA Blk Carbon Climate Study	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$39,584	\$0	\$0	\$0	\$39,584
44240	Environmental Justice	Implement Environmental Justice	\$68,579	\$0	\$0	\$0	\$20,485	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$89,064
44468	NATTS (Nat'l Air Tox Trends Sta)	NATTS (Nat'l Air Trends)	\$193,055	\$0	\$0	\$0	\$20,782	\$0	\$83,043	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$296,880
44469	Near Roadway Monitoring	Near Roadway Monitoring	\$225,332	\$0	\$43,938	\$0	\$0	\$0	\$27,610	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$296,880
44505	PM Sampling Program (EPA)	PM Sampling Program - Addition	\$0	\$0	\$0	\$0	\$0	\$0	\$2,097,952	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,097,952
44507	PM Sampling Special Programs	PM Sampling Special Events	\$0	\$0	\$0	\$0	\$0	\$0	\$19,792	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$19,792
44530	Photochemical Assessment	Photochemical Assessment & Monitoring	\$142,502	\$0	\$0	\$0	\$0	\$0	\$451,258	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$593,760
44585	Quality Assurance	Quality Assurance Branch	\$457,195	\$0	\$0	\$0	\$89,064	\$0	\$47,501	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$593,760
44663	Salton Sea Air Monitoring	Mon/Analyze Hydrogen Sulfide	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$49,480	\$0	\$0	\$0	\$49,480
44715	Special Monitoring/Emergency	Emergency Response	\$0	\$0	\$0	\$0	\$98,960	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$98,960
44821	TraPac Air Filtr Prg	Admin/Tech Suppt/Reptg/Monitor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$197,920	\$0	\$0	\$0	\$197,920
50210	Emergency Response	Emerg Technical Assistance to Public Safety	\$0	\$0	\$1,461	\$0	\$47,228	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$48,688
Sub-total MONITORING AIR QUALITY			\$6,683,561	\$0	\$1,461	\$718,657	\$799,756	\$0	\$3,339,356	\$0	\$0	\$0	\$0	\$385,944	\$395,840	\$0	\$12,324,574	
<b>OPERATIONAL SUPPORT</b>																		
04071	Arch Ctgs - Admin	Cost Analysis/Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,272	\$0	\$0	\$7,272
04447	Mobile Sources/Accounting	Record Acct Rec & Pay/Special Funds	\$118,176	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$118,176
04630	Cash Management	Receive \$/Post Payments/Reconcile	\$0	\$0	\$572,701	\$95,450	\$190,900	\$0	\$0	\$0	\$0	\$0	\$95,450	\$0	\$0	\$0	\$0	\$954,502
08071	Arch Ctgs - Admin	Rule Dev/TA/Rinterpretatons	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$367,189	\$0	\$0	\$367,189
08102	CEQA	CEQA Review	\$52,456	\$0	\$0	\$131,139	\$78,683	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$262,278
17024	Adm/Governing/Hearing Board	Admin of AQMD Governing/Hearing Boards	\$0	\$0	\$26,178	\$0	\$0	\$0	\$0	\$0	\$206,518	\$0	\$0	\$0	\$0	\$0	\$0	\$232,697
27071	Arch Ctgs - Admin	Database Dev/Maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$56,400	\$0	\$0	\$56,400
27215	Annual Emission Reporting	System Enhancements for GHG	\$0	\$0	\$0	\$0	\$95,880	\$0	\$0	\$0	\$0	\$0	\$0	\$16,920	\$0	\$0	\$0	\$112,800
27480	Systems Development	Develop systems for special operating needs	\$0	\$0	\$223,199	\$520,799	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$743,998
27616	Records Services	Records/Documents processing	\$0	\$0	\$441,451	\$0	\$441,451	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$882,902
27735	Systems Maintenance	Maintain Existing Software Programs	\$0	\$0	\$381,506	\$381,506	\$763,012	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,526,023
Sub-total OPERATIONAL SUPPORT			\$170,632	\$0	\$26,178	\$1,618,858	\$1,224,774	\$1,474,046	\$0	\$0	\$206,518	\$0	\$95,450	\$16,920	\$430,861	\$0	\$5,264,238	
<b>PERMIT</b>																		
	Permit Processing/Legal	Legal Advice: Permit Processing	\$0	\$0	\$0	\$0	\$0	\$39,342	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$39,342
08772	Title V Permits	Legal Advice: New Source Title V Permits	\$0	\$0	\$0	\$0	\$0	\$13,114	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,114
26120	Certification/Rgistration Prgm	Certification/Registration Program	\$0	\$0	\$0	\$0	\$372,714	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$372,714
26461	Perm & CEQA Modeling Review	Model Permit Review/Risk Assessment	\$0	\$0	\$0	\$0	\$330,595	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$330,595
26643	Rule 222 Filing Program	Rule 222 Filing Program	\$0	\$0	\$91,413	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$91,413
27523	Permit Streamlining	Permit Streamlining	\$0	\$0	\$0	\$0	\$56,400	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$56,400
27770	Title V	Dev/Maintain Title V Program	\$0	\$0	\$0	\$0	\$225,601	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$225,601
35680	Small Business/Permit Streamln	Assist small businesses to comply/AQMD req	\$0	\$0	\$48,697	\$227,255	\$202,906	\$284,069	\$48,697	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$811,624
44545	Protocols/Reports/Plans	Evaluate Test Protocols/Customer Service	\$0	\$0	\$7,917	\$0	\$0	\$11,875	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$19,792
44546	Protocols/Reports/Plans	Evaluate Test Protocols/Compliance	\$0	\$0	\$1,095,487	\$0	\$0	\$0	\$0	\$121,721	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,217,208
44725	Permit Processing/Support EAC	Assist EAC w/ Permit Processing	\$0	\$0	\$0	\$0	\$0	\$9,896	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,896

**APPENDIX C 3 – FY 2014-2015 PROPOSED BUDGET – EXPENDITURES BY REVENUE CATEGORY**

WP Code	Project Description	Activities/Outputs	MOBILE SOURCES IX	CLEAN FUELS VIII	CARB SUBVENTION/STA TE REVENUE XV	ANNUAL OPERATING IV	EMISSIONS FEES II	PERMIT PROCESSING FEES III	FEDERAL GRANTS/OTHER FEDERAL REVENUE V	SOURCE TEST/SAMPLE ANALYSIS VI	HEARING BOARD VII	AIR TOXICS AB 2588 X	TRANSP PROGRAMS XI	OTHER REVENUE XVII	AREA SOURCES XVIII	PERP XX	Total
<b>PERMIT (cont.)</b>																	
50253	ERC Appl; Processing	Process ERC Applications	\$0	\$0	\$0	\$0	\$0	\$681,638	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$681,638
50367	Hearing Board/Appeals	Appeals: Permits & Denials	\$0	\$0	\$0	\$0	\$0	\$97,377	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$97,377
50475	NSR/Implementation	Implement NSR/Allocate ERCs	\$0	\$0	\$0	\$0	\$413,852	\$34,082	\$38,951	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$486,885
50476	NSR/Data Cleanup	Edit/Update NSR Data	\$0	\$0	\$0	\$0	\$97,377	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$97,377
50515	Per Proc/Non TV/Non RECLAIM	Non Title V/Title III/RECLAIM	\$0	\$0	\$0	\$0	\$0	\$10,869,886	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,869,886
50517	Permit Services	Facility Data-Create/Edit	\$0	\$0	\$0	\$0	\$0	\$2,434,423	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,434,423
50518	RECLAIM Non-Title V	Process RECLAIM Permits	\$0	\$0	\$61,347	\$157,751	\$0	\$657,294	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$876,392
50519	Perm Proc/Title III (non TV)	Process Title III Permits	\$0	\$0	\$0	\$0	\$0	\$194,754	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$194,754
50521	Permit Processing/Expedited Permit	Proc Expedited Permits (3010T)	\$0	\$0	\$0	\$0	\$0	\$97,377	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$97,377
50523	Permit Streamlining	Permit Streamlining	\$0	\$0	\$0	\$0	\$0	\$730,327	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$730,327
50607	RECALIM/Title V	Process RECALIM/Title 5 Permits	\$0	\$0	\$0	\$0	\$0	\$2,414,947	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,414,947
50728	Perm Proc/IM Prog	Assist IM: Design/Review/Test	\$0	\$0	\$0	\$38,951	\$38,951	\$311,606	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$389,508
50774	Title V/Non RECLAIM	Process Title V Only Permits	\$0	\$0	\$0	\$0	\$0	\$3,505,569	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,505,569
50775	Title V Administration	Title V Administration	\$0	\$0	\$0	\$0	\$0	\$194,754	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$194,754
Sub-total PERMIT			\$0	\$0	\$110,045	\$1,618,773	\$753,086	\$23,567,637	\$87,648	\$121,721	\$0	\$0	\$0	\$0	\$0	\$0	\$26,258,909
<b>POLICY SUPPORT</b>																	
20494	Outreach/Media	Editorials, Op-eds,Talk shows,Commercials	\$146,859	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$146,859
26148	Climate Change	GHG/Climate Change Policy Development	\$0	\$0	\$0	\$227,769	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$227,769
26240	EJ-Guidance Document	AQ Guidance Documents	\$36,671	\$0	\$0	\$0	\$10,954	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$47,625
26277	Advisory Group/AQMP	Governing Board/AQMP Advisory Group	\$7,972	\$0	\$0	\$0	\$2,381	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,353
26278	Advisory Group/Sci,Tech,Model	Scientific/Tech/Model Peer Review	\$7,972	\$0	\$0	\$0	\$2,381	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,353
35280	Advisory Group/Ethnic Comm	GB Ethnic Communities Advisory Group	\$63,286	\$0	\$0	\$0	\$18,904	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$82,190
35281	Advisory Group/Small Business	Small Business Admin Advisory Group support	\$15,411	\$0	\$0	\$87,327	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$102,737
35345	Goods Mvmt&Financial Incentive	Goods Movement & Financial Incentives program	\$205,475	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$205,475
35414	Legislation/Effects	Lobbying/Analyses/Tracking	\$269,690	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$269,690
44276	Advisory Group/Technology Adv	Technology Advancement Advisory Group Supp	\$0	\$19,792	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$19,792
44410	Legislation	Supp/promote/influence legis	\$98,960	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$98,960
44454	Mob Src.Greenhs Gas Reduc Meas	Provide comments on mob src portion of AB32	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$275,109	\$0	\$0	\$275,109
50148	Climate Change	GHG/Climate Change Support	\$48,688	\$0	\$0	\$0	\$48,688	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$97,377
Sub-total POLICY SUPPORT			\$900,984	\$19,792	\$0	\$315,096	\$83,308	\$0	\$0	\$0	\$0	\$0	\$0	\$275,109	\$0	\$0	\$1,594,289
Total Expenditures			\$24,012,154	\$3,502,534	\$2,196,618	\$34,459,507	\$19,905,044	\$28,271,530	\$6,396,502	\$2,730,421	\$1,262,659	\$2,291,861	\$1,511,330	\$1,741,680	\$2,574,957	\$1,363,277	\$132,220,074

## APPENDIX C 4– COMPARISON OF EXPENDITURES BY REVENUE CATEGORY: IX - MOBILE SOURCES

WP Code	Program Category	Project Description	Activities/Outputs	FY 2013-14 Adopted Budget	FY 2014-15 Proposed Budget	Increase/ (Decrease)
03455	ADV CLEAN TECH	Mobile Sources	Dev/Impl Mobile Source Strategies	\$ 30,391	\$ 30,539	\$ 149
04003	ADV CLEAN TECH	AB 2766/MSRC	MSRC Program Administration	62,023	63,633	1,611
04457	ADV CLEAN TECH	Mobile Source/Carl Moyer Adm	Carl Moyer: Contract/Financial Admin	180,752	185,446	4,694
04542	ADV CLEAN TECH	Prop 1B: Goods Movement	Contracts/Finance Admin	88,604	90,905	2,301
04544	ADV CLEAN TECH	Prop 1B: Low Emiss Sch bus	Grants/Finance Admin	8,860	9,090	230
08001	ADV CLEAN TECH	AB 2766/MobileSrc/Legal Advice	AB 2766 Legal Advice: Trans/Mobile Source	12,783	13,114	331
08003	ADV CLEAN TECH	AB 2766/MSRC	Legal Advice: MSRC Program Administration	25,566	39,342	13,775
08457	ADV CLEAN TECH	Mob Src/C Moyer/Leg Advice	Moyer/Implem/Program Dev	51,133	52,456	1,323
16457	ADV CLEAN TECH	MS/Carl Moyer Admin	C Moyer/Contractor Compliance	214,154	109,557	(104,597)
16542	ADV CLEAN TECH	Prop 1B:Goods Movement	Prop 1B: Goods Movement	-	109,557	109,557
44003	ADV CLEAN TECH	AB 2766/MSRC	MSRC Program Administration	193,329	197,920	4,591
44004	ADV CLEAN TECH	AB 2766/MSRC/Contract Adm	Administer AB 2766 Discretionary Program	579,986	593,760	13,774
44066	ADV CLEAN TECH	AQIP Marine SCR DPF	Admin\Impl	28,999	29,688	689
44424	ADV CLEAN TECH	LNG Trucks CEC	LNG Trucks Admin CEC	193,329	197,920	4,591
44453	ADV CLEAN TECH	Mob Src: Emiss Inven Method	Rvw CARB/US EPA emissions inven methodology	150,281	153,850	3,569
44457	ADV CLEAN TECH	Mobile Source/Carl Moyer Adm	Carl Moyer: Implement/Administer Grant	1,092,307	1,118,248	25,941
44459	ADV CLEAN TECH	Mob Src/C Moyer/Impl/Prg Dev	Moyer/Implem/Program Dev	541,320	554,176	12,856
44460	ADV CLEAN TECH	VIP Admin	VIP Admin/Outreach/Impl	154,663	158,336	3,673
Sub-total ADV CLEAN TECH				\$ 3,608,480	\$ 3,707,539	\$ 99,059
26076	COMPLIANCE	Area Sources/Compliance	Area Source Compliance	\$ 377,981	\$ 335,595	\$ (42,386)
26645	COMPLIANCE	Rule 1610 Plan Verification	Rule 1610 Plan Verification	93,792	96,284	2,492
26716	COMPLIANCE	Spec Monitoring/R403	Rule 403 Compliance Monitoring	116,484	159,439	42,955
35111	COMPLIANCE	Call Center/Cut Smog	Smoking Vehicle Complaints	1,504,488	1,528,730	24,242
44500	COMPLIANCE	PM2.5 Program	Establish/Operate/Maintain PM2.5 Network	606,323	1,372,540	766,217
44716	COMPLIANCE	Special Monitoring	Special Monitoring	365,999	362,227	(3,772)
50538	COMPLIANCE	Port AQ Enforcement	Port AQ Enforcement	94,932	97,377	2,444
50542	COMPLIANCE	Prop 1B:Goods Movement	Prop 1B: Gds Mvmnt/Inspect	56,959	58,426	1,467
50850	COMPLIANCE	VEE Trains	Smoking Trains-Compliance/Inspect/Follow up	87,338	89,587	2,249
Sub-total COMPLIANCE				\$ 3,304,296	\$ 4,100,204	\$ 795,908
04002	CUSTOMER SERV	AB 2766/Mobile Source	Prog Admin: Monitor/Distribute/Audit	\$ 17,721	\$ 28,181	\$ 10,460
08404	CUSTOMER SERV	Legal Rep/Legislation	Draft Legislation/AQMD Position/Meetings	3,835	3,934	99
26007	CUSTOMER SERV	AB 2766/Mobile Source	AB2766 Provide Tech Assistance to Cities	221,874	227,769	5,896
35126	CUSTOMER SERV	Clean Air Congress	Coord of region-wide community group	155,706	158,215	2,509
35205	CUSTOMER SERV	Environmental Education	Curriculum Development/Project Coordination	25,277	25,684	407
35390	CUSTOMER SERV	Intergovernmental	Develop/Implement Local Government Outreach	1,508,471	1,532,306	23,835
35492	CUSTOMER SERV	Public Education	Public Events/Conferences/Rideshare fairs	278,906	281,415	2,509
35555	CUSTOMER SERV	Public Information Center	Inform public of unhealthy air	225,006	227,515	2,509
Sub-total CUSTOMER SERV				\$ 2,436,797	\$ 2,485,021	\$ 48,224
03010	DEV AIR PROG	AQMP	Develop/Implement AQMP	\$ 6,078	\$ 6,108	\$ 30
08010	DEV AIR PROG	AQMP	AQMP Revision/CEQA Review	10,227	20,982	10,756
26002	DEV AIR PROG	AB2766/Mobile Source	AB2766 Mobile Source Outreach	179,516	184,286	4,770
26010	DEV AIR PROG	AQMP	Coordinate AQMP/Special Studies	204,203	209,563	5,360
26068	DEV AIR PROG	AQMD Projects	Prepare Environmental Assessments	367,041	347,619	(19,422)
26102	DEV AIR PROG	CEQA Document Projects	Review/Prepare CEQA Comments	445,765	504,716	58,952
26104	DEV AIR PROG	CEQA Policy Development	ID/Develop/Impl CEQA Policy	115,937	56,766	(59,171)
26128	DEV AIR PROG	Clean Communities Plan	Clean Communities Plan	151,278	51,766	(99,512)
26217	DEV AIR PROG	Emissions Inventory Studies	Dev Emission Database/Dev/Update Emission	80,681	41,413	(39,269)
26218	DEV AIR PROG	Emissions Inventory Studies	Develop Emissions Inventory: Forecasts/RFPs	136,150	152,191	16,042
26221	DEV AIR PROG	Emissions Growth Mitigation	Mitigate deve growth	164,590	248,476	83,886
26600	DEV AIR PROG	Credit Generation Programs	Dev RFP/AQMP Ctrl Strats/Inter	163,884	168,239	4,355
26745	DEV AIR PROG	Telecommuting/Rideshare	District Rideshare/Telecommute Programs	131,107	134,591	3,484
26816	DEV AIR PROG	Regional Transportation Prgms	Develop AQMP Measure/Develop/Amend Rules	121,022	124,238	3,216
35560	DEV AIR PROG	Public Notification	Public notification of rules/hearings	48,443	49,095	652
44069	DEV AIR PROG	AQIP Evaluation	AQIP Contract Administration/Evaluation	125,664	128,648	2,984
44451	DEV AIR PROG	Mob Src/CARB/EPA Monitoring	CARB/US EPA Mob Src rulemakings	289,993	296,880	6,887
44452	DEV AIR PROG	Mob Src/CEC/US DOE Monitoring	CEC/US DOE Mob Src rulemaking proposals	96,664	98,960	2,296
44542	DEV AIR PROG	Prop 1B:Goods Movement	Prop 1B:Goods Movement	1,101,973	1,128,144	26,171
44544	DEV AIR PROG	Prop 1B:Low Emiss Sch Bus	Prop 1B:Low Emiss Sch Bus	193,329	98,960	(94,369)
Sub-total DEV AIR PROG				\$ 4,133,545	\$ 4,051,640	\$ (81,905)

**APPENDIX C 4– COMPARISON OF EXPENDITURES BY REVENUE  
CATEGORY: IX - MOBILE SOURCES (cont.)**

WP Code	Program Category	Project Description	Activities/Outputs	FY 2013-14 Adopted Budget	FY 2014-15 Proposed Budget	Increase/ (Decrease)
03650	DEVELOP RULES	Rules	Develop & Implement Rules	\$ 608	\$ 611	\$ 3
26077	DEVELOP RULES	Area Sources/Rulemaking	Develop/Amend/Area Source Rules/Credits	80,681	82,825	2,144
26165	DEVELOP RULES	Conformity	Monitor General &Transportation Conformity	92,784	95,249	2,465
26362	DEVELOP RULES	Health Effects	Study Health Effects/Toxicology	279,561	286,989	7,428
26385	DEVELOP RULES	Credit/Criteria Pollutants	Develop/Implement Intercredit Trading	181,533	139,768	(41,766)
26460	DEVELOP RULES	Modeling AQMD Regional	Rule Impact/Analyses/Model Development	892,386	911,290	18,904
44449	DEVELOP RULES	Mob Src/AQMD Rulemaking	Prepare AQMD Mob Src rulemaking proposals	386,657	395,840	9,183
Sub-total DEVELOP RULES				\$ 1,914,211	\$ 1,912,572	\$ (1,638)
26061	MONITOR AIR	Air Quality Evaluation	Air Quality Evaluation	\$ 201,703	\$ 207,063	\$ 5,360
26439	MONITOR AIR	MATES IV	MATES IV	15,531	15,944	413
26445	MONITOR AIR	Meteorology	Model Development/Data analysis/Forecast	430,743	450,865	20,122
44063	MONITOR AIR	Ambient Air Analysis	Analyze Criteria/Toxic/Pollutants	1,772,959	1,815,065	42,106
44064	MONITOR AIR	Ambient Network	Air Monitoring/Toxics Network	2,769,830	2,955,562	185,732
44065	MONITOR AIR	Audit/Data Reporting	Air Monitoring Audit/Validation/Reporting	148,863	152,398	3,535
44240	MONITOR AIR	Environmental Justice	Implement Environmental Justice	66,988	68,579	1,591
44468	MONITOR AIR	NATTS (Natl Air Tox Trends Sta)	NATTS (Natl Air Trends)	188,577	193,055	4,479
44469	MONITOR AIR	Near Roadway Monitoring	Near Roadway Monitoring	220,105	225,332	5,227
44501	MONITOR AIR	PM2.5 Program	Analyze PM2.5 Samples	672,784	-	(672,784)
44530	MONITOR AIR	Photochemical Assessment	Photochemical Assessment & Monitoring	139,197	142,502	3,306
44585	MONITOR AIR	Quality Assurance	Quality Assurance Branch	446,589	457,195	10,606
Sub-total MONITOR AIR				\$ 7,073,870	\$ 6,683,561	\$ (390,308)
04447	OPER SUPPORT	Mobile Sources/Accounting	Record Acct Rec & Pay/Special Funds	\$ 115,185	\$ 118,176	\$ 2,991
08102	OPER SUPPORT	CEQA	CEQA Review	38,350	52,456	14,106
Sub-total OPER SUPPORT				\$ 153,535	\$ 170,632	\$ 17,097
20494	POLICY SUPPORT	Outreach/Media	Editorials, Op-eds,Talk shows,Commercials	\$ 149,542	\$ 146,859	\$ (2,682)
26240	POLICY SUPPORT	EJ-Guidance Document	AQ Guidance Documents	43,487	36,671	(6,816)
26277	POLICY SUPPORT	Advisory Group/AQMP	Governing Board/AQMP Advisory Group	7,766	7,972	206
26278	POLICY SUPPORT	Advisory Group/Sci,Tech,Model	Scientific/Tech/Model Peer Review	7,766	7,972	206
35280	POLICY SUPPORT	Advisory Group/Ethnic Comm	GB Ethnic Communities Advisory Group	62,283	63,286	1,004
35281	POLICY SUPPORT	Advisory Group/Small Business	Small Business Admin Advisory Group support	15,166	15,411	244
35345	POLICY SUPPORT	Goods Mvmt&Financial Incentive	Goods Movement & Financial Incentives program	202,216	205,475	3,258
35414	POLICY SUPPORT	Legislation/Effects	Lobbying/Analyses/Tracking	85,886	269,690	183,803
44410	POLICY SUPPORT	Legislation	Supp/promote/influence legis	96,664	98,960	2,296
50148	POLICY SUPPORT	Climate Change	GHG/Climate Change Support	47,466	48,688	1,222
Sub-total POLICY SUPPORT				\$ 718,242	\$ 900,984	\$ 182,742
Total Expenditures				\$ 23,342,975	\$ 24,012,154	\$ 669,178

**APPENDIX C 4– COMPARISON OF EXPENDITURES BY REVENUE  
CATEGORY: VIII - CLEAN FUELS**

WP Code	Program Category	Project Description	Activities/Outputs	FY 2013-14 Adopted Budget	FY 2014-15 Proposed Budget	Increase/ (Decrease)
04130	ADV CLEAN TECH	Clean Fuels/Contract Adm	Clean Fuels Contract Admin/Monitor	\$ 26,581	\$ 27,271	\$ 690
08131	ADV CLEAN TECH	Clean Fuels/Legal Advice	Legal Advice: Clean Fuels	12,783	13,114	331
44012	ADV CLEAN TECH	AQMP/Control Tech Assessment	Tech Supp: Quantify Cost Effec	19,333	19,792	459
44039	ADV CLEAN TECH	Adm/Office Mgmt/Plan&Rule Dev	Assign/Manage/Support Programs	148,863	152,398	3,535
44048	ADV CLEAN TECH	Adm/Prgm Mgmt/Tech Advance	Overall TA Program Management/Coordination	299,659	306,776	7,117
44095	ADV CLEAN TECH	CA Natural Gas Veh Partnership	CA Natural Gas Vehicle Partnership	9,666	9,896	230
44130	ADV CLEAN TECH	Clean Fuels/Contract Adm	Admin/Project Support for TA Contracts	657,317	672,928	15,611
44132	ADV CLEAN TECH	Clean Fuels/Mobile Sources	Develop/Implement Mobile Source Proj/Demo	1,024,642	1,009,392	(15,250)
44134	ADV CLEAN TECH	Clean Fuels/Stationary Combust	Develop/Demo Clean Combustion Technology	135,330	138,544	3,214
44135	ADV CLEAN TECH	Clean Fuels/Stationary Energy	Develop/Demo Clean Energy Alternatives	135,330	138,544	3,214
44136	ADV CLEAN TECH	Clean Fuels/Technology Trnsfer	Disseminate Low Emission Clean Fuel Tech	292,927	286,984	(5,943)
44453	ADV CLEAN TECH	Mob Src: Emiss Inven Method	Rvw CARB/US EPA emissions inven methodology	139,712	143,030	3,318
44677	ADV CLEAN TECH	School Bus/Lower Emission Prgm	School Bus Program: Oversee Program	38,666	138,544	99,878
44740	ADV CLEAN TECH	Tech Adv/Commercialization	Assess Clean Fuels/Adv Tech Potential	48,332	49,480	1,148
44741	ADV CLEAN TECH	Tech Adv/Non-Combustion	Develop/Demo Non-Combustion Technology	19,333	19,792	459
44816	ADV CLEAN TECH	Transportation Research	Transport Research/Adv Systems	96,664	98,960	2,296
Sub-total ADV CLEAN TECH				\$ 3,105,139	\$ 3,225,446	\$ 120,307
44458	DEV AIR PROG	Mobile Source Strategies On Road	CARB Mob Src control strategy for SIP	\$ 193,329	\$ 197,920	\$ 4,591
44456	DEVELOP RULES	MobileSource/AQMP Control Stra	Implement Fleet Rules	\$ 57,999	\$ 59,376	\$ 1,377
44439	MONITOR AIR	MATESIV	MATESIV	\$ 96,664	\$ -	\$ (96,664)
44276	POLICY SUPPORT	Advisory Group/Technology Adv	Technology Advancement Advisory Group Supp	\$ 19,333	\$ 19,792	\$ 459
Total Expenditures				\$ 3,472,463	\$ 3,502,534	\$ 30,070

## APPENDIX C 4– COMPARISON OF EXPENDITURES BY REVENUE CATEGORY: XV - CARB SUBVENTION

WP Code	Program Category	Project Description	Activities/Outputs	FY 2013-14 Adopted Budget	FY 2014-15 Proposed Budget	Increase/ (Decrease)
08115	COMPLIANCE	Case Disposition	Trial/Disposition-Civil Case/Injunctions	\$ 76,699	\$ 78,683	\$ 1,984
26076	COMPLIANCE	Area Sources/Compliance	Area Source Compliance	52,917	46,983	(5,934)
26716	COMPLIANCE	Spec Monitoring/R403	Rule 403 Compliance Monitoring	10,589	14,494	3,905
35111	COMPLIANCE	Call Center/Cut Smog	Smoking Vehicle Complaints	113,241	115,066	1,825
44707	COMPLIANCE	VOC Sample Analysis/Compliance	VOC Analysis & Reporting/Compliance	96,971	99,571	2,600
44716	COMPLIANCE	Special Monitoring	Special Monitoring	33,273	32,930	(343)
50375	COMPLIANCE	Inspections	Compliance/Inspection/Follow-up	1,185,388	1,215,910	30,523
50550	COMPLIANCE	Public Complaints/Breakdowns	Complaint response/Resolve/Invest follow up	132,905	136,328	3,422
50850	COMPLIANCE	VEE Trains	Smoking Trains-Compliance/Inspect/Follow up	7,595	7,790	196
Sub-total COMPLIANCE				\$ 1,709,579	\$ 1,747,755	\$ 38,177
04260	CUSTOMER SERV	Fee Review	Cmte Mtg/Fee-Related Complain	\$ 1,063	\$ 1,091	\$ 28
35205	CUSTOMER SERV	Environmental Education	Curriculum Development/Project Coordination	3,033	3,082	49
35260	CUSTOMER SERV	Fee Review	Committee Meetings/Respond to Requests	5,055	5,137	81
35381	CUSTOMER SERV	Interagency Liaison	Agency Interact/Promote AQMD	910	925	15
35492	CUSTOMER SERV	Public Education	Public Events/Conferences/Rideshare fairs	14,489	14,619	130
50690	CUSTOMER SERV	Source Education	Provide Technical Assistance to Industries	37,214	38,172	958
Sub-total CUSTOMER SERV				\$ 61,764	\$ 63,025	\$ 1,261
26010	DEV AIR PROG	AQMP	Coordinate AQMP/Special Studies	\$ 24,504	\$ 25,148	\$ 643
26217	DEV AIR PROG	Emissions Inventory Studies	Dev Emission Database/Dev/Update Emission	64,545	33,130	(31,415)
26503	DEV AIR PROG	PM Strategies	PM10 Plan/Analyze/Strategy Development	56,477	57,978	1,501
Sub-total DEV AIR PROG				\$ 145,527	\$ 116,255	\$ (29,271)
26656	DEVELOP RULES	Rulemaking/VOC	Develop/Amend VOC Rules	\$ 105,823	\$ 119,208	\$ 13,385
44708	DEVELOP RULES	VOC Sample Analysis/Rules	VOC Analysis & Reporting/Rules	1,933	1,979	46
50650	DEVELOP RULES	Rulemaking	Develop/Amend/Implement Rules	10,443	10,711	269
Sub-total DEVELOP RULES				\$ 118,199	\$ 131,899	\$ 13,700
50210	MONITOR AIR	Emergency Response	Emerg Technical Assistance to Public Safety	\$ 1,424	\$ 1,461	\$ 37
17024	OPER SUPPORT	Adm/Governing/Hearing Board	Admin of AQMD Governing/Hearing Boards	\$ 25,751	\$ 26,178	\$ 428
35680	PERMIT	Small Business/Permit Streamln	Assist small businesses to comply/AQMD req	\$ 47,925	\$ 48,697	\$ 772
50518	PERMIT	RECLAIM Non-Title V	Process RECLAIM Permits	59,807	61,347	1,540
Sub-total PERMIT				\$ 107,733	\$ 110,045	\$ 2,312
Total Expenditures				\$ 2,169,975	\$ 2,196,618	\$ 26,643

## APPENDIX C 4– COMPARISON OF EXPENDITURES BY REVENUE CATEGORY: IV – ANNUAL OPERATING FEES

WP Code	Program Category	Project Description	Activities/Outputs	FY 2013-14 Adopted	FY 2014-15 Proposed	Increase/ (Decrease)
08115	COMPLIANCE	Case Disposition	Trial/Disposition-Civil Case/Injunctions	\$ 368,157	\$ 377,680	\$ 9,523
08154	COMPLIANCE	Compliance/NOV Administration	Review/Track/Prepare NOV/MSAs	306,798	314,733	7,936
08185	COMPLIANCE	Database Management	Support IM/Develop Tracking System	51,133	82,456	31,323
08366	COMPLIANCE	Hearing Board/Legal	Hearing/Disposition-Variations/App/Recov	715,861	734,378	18,517
08465	COMPLIANCE	Mutual Settlement	Mutual Settlement Program	766,994	786,833	19,839
08770	COMPLIANCE	Title V	Leg Advice: Title V Program/Perm Dev	1,917	1,967	50
17364	COMPLIANCE	Hearing Board/Abatement Orders	Attnd/Record/Monitor Mtgs	22,890	23,270	380
17365	COMPLIANCE	Hearing Board Variations	Hearing Board Attend/Rec/Monitor Mtgs	37,893	38,501	608
26076	COMPLIANCE	Area Sources/Compliance	Area Source Compliance	325,064	288,611	(36,452)
26716	COMPLIANCE	Spec Monitoring/R403	Rule 403 Compliance Monitoring	24,204	33,130	8,926
44015	COMPLIANCE	Acid Rain Program	Acid Rain CEMS Eval/Cert	7,733	7,917	184
44175	COMPLIANCE	Database Computerization	Develop Systems/Database	42,532	43,542	1,010
44707	COMPLIANCE	VOC Sample Analysis/Compliance	VOC Analysis & Reporting/Compliance	1,288,330	1,322,869	34,540
44716	COMPLIANCE	Special Monitoring	Special Monitoring	76,052	75,268	(784)
50156	COMPLIANCE	Permit Process Info to Compliance	Prov Perm Infor to Compliance	455,676	467,409	11,733
50157	COMPLIANCE	Compliance/Special Projects	Program Audits/Data Requests/Board Support	949,325	973,769	24,444
50375	COMPLIANCE	Inspections	Compliance/Inspection/Follow-up	12,417,726	12,737,470	319,744
50377	COMPLIANCE	Inspections/RECLAIM Audits	Audit/Compliance/Assurance	4,327,113	4,438,532	111,419
50550	COMPLIANCE	Public Complaints/Breakdowns	Complaint response/Resolve/Invest follow up	596,624	611,986	15,362
50605	COMPLIANCE	RECLAIM Admin Support	Admin/Policy/Guidelines	854,392	876,392	22,000
50680	COMPLIANCE	Small Business Assistance	Asst sm bus w/ Permit Process	94,932	97,377	2,444
50751	COMPLIANCE	Title III Inspections	Title III Compliance/Inspect/Follow-up	94,932	97,377	2,444
50771	COMPLIANCE	Title V Inspections	Title V Compliance/Inspection/Follow up	939,832	964,031	24,200
Sub-total COMPLIANCE				\$ 24,766,112	\$ 25,395,500	\$ 629,388
04170	CUSTOMER SERV	Customer Service	Answer/Resolve Inquiries/Problems/Res Acct	\$ 1,142,129	\$ 1,175,583	\$ 33,454
04260	CUSTOMER SERV	Fee Review	Cmte Mtg/Fee-Related Complain	1,595	1,636	41
04355	CUSTOMER SERV	Grants Management	Grant Analysis/Evaluate/Negotiate/Acc/Rpt	155,943	159,993	4,050
04631	CUSTOMER SERV	Cash Management/Refunds	Res/Document/Prepare/Process Refunds	10,632	10,909	276
16720	CUSTOMER SERV	Subscription Services	Rule & Governing Board Materials	364,062	372,495	8,433
35240	CUSTOMER SERV	Environmental Justice	Impl AQMD Board's Environmental Justice	141,551	143,832	2,281
35260	CUSTOMER SERV	Fee Review	Committee Meetings/Respond to Requests	40,443	41,095	652
35491	CUSTOMER SERV	Outreach/Business	Chambers/Business Meetings	121,330	130,845	9,515
35514	CUSTOMER SERV	Permit: Expired Permit Program	Assist w/ Permit Reinstatement	60,665	61,642	978
50260	CUSTOMER SERV	Fee Review	Fee Review Committee	19,651	20,157	506
50690	CUSTOMER SERV	Source Education	Provide Technical Assistance to Industries	425,298	436,249	10,951
Sub-total CUSTOMER SERV				\$ 2,483,299	\$ 2,554,436	\$ 71,137
08010	DEV AIR PROG	AQMP	AQMP Revision/CEQA Review	\$ 15,340	\$ 31,473	\$ 16,133
26010	DEV AIR PROG	AQMP	Coordinate AQMP/Special Studies	179,699	184,416	4,716
26068	DEV AIR PROG	AQMD Projects	Prepare Environmental Assessments	314,606	297,959	(16,647)
26104	DEV AIR PROG	CEQA Policy Development	ID/Develop/Impl CEQA Policy	115,937	56,766	(59,171)
26685	DEV AIR PROG	Socio-Economic	Apply economic models/Socio-economic	163,407	164,674	1,266
35560	DEV AIR PROG	Public Notification	Public notification of rules/hearings	30,277	30,684	407
Sub-total DEV AIR PROG				\$ 819,266	\$ 765,971	\$ (53,295)
03650	DEVELOP RULES	Rules	Develop & Implement Rules	\$ 11,548	\$ 11,605	\$ 57
26385	DEVELOP RULES	Credit/Criteria Pollutants	Develop/Implement Intercredit Trading	20,170	15,530	(4,641)
26654	DEVELOP RULES	Rulemaking/NOx	Rulemaking/NOx	106,903	219,487	112,584
26655	DEVELOP RULES	NSR/Rulemaking	Develop/Amend NSR & Admin Rules	524,429	323,018	(201,411)
26656	DEVELOP RULES	Rulemaking/VOC	Develop/Amend VOC Rules	801,230	902,576	101,346
Sub-total DEVELOP RULES				\$ 1,464,280	\$ 1,472,216	\$ 7,935
44064	MONITOR AIR	Ambient Network	Air Monitoring/Toxics Network	\$ 539,577	\$ 575,759	\$ 36,182
44067	MONITOR AIR	Ambient Lead Monitoring	Lead Monitoring/Analysis/Reporting	96,664	98,960	2,296
44469	MONITOR AIR	Near Roadway Monitoring	Near Roadway Monitoring	42,919	43,938	1,019
Sub-total MONITOR AIR				\$ 679,161	\$ 718,657	\$ 39,496

**APPENDIX C 4– COMPARISON OF EXPENDITURES BY REVENUE  
CATEGORY: IV – ANNUAL OPERATING FEES (cont.)**

WP Code	Program Category	Project Description	Activities/Outputs	FY 2013-14 Adopted	FY 2014-15 Proposed	Increase/ (Decrease)
04630	OPER SUPPORT	Cash Management	Receive \$/Post Payments/Reconcile	\$ 558,204	\$ 572,701	\$ 14,497
27480	OPER SUPPORT	Systems Development	Develop systems for special operating needs	217,817	223,199	5,382
27616	OPER SUPPORT	Records Services	Records/Documents processing	431,360	441,451	10,091
27735	OPER SUPPORT	Systems Maintenance	Maintain Existing Software Programs	393,798	381,506	(12,292)
Sub-total OPER SUPPORT				\$ 1,601,180	\$ 1,618,858	\$ 17,678
26643	PERMIT	Rule 222 Filing Program	Rule 222 Filing Program	\$ 86,341	\$ 91,413	\$ 5,072
35680	PERMIT	Small Business/Permit Streamln	Assist small businesses to comply/AQMD req	223,651	227,255	3,604
44545	PERMIT	Protocols/Reports/Plans	Evaluate Test Protocols/Customer Service	7,733	7,917	184
44546	PERMIT	Protocols/Reports/Plans	Evaluate Test Protocols/Compliance	1,070,074	1,095,487	25,413
50518	PERMIT	RECLAIM Non-Title V	Process RECLAIM Permits	153,791	157,751	3,960
50728	PERMIT	Perm Proc/IM Prog	Assist IM: Design/Review/Test	37,973	38,951	978
Sub-total PERMIT				\$ 1,579,563	\$ 1,618,773	\$ 39,210
26148	POLICY SUPPORT	Climate Change	GHG/Climate Change Policy Development	\$ 403,407	\$ 227,769	\$ (175,638)
35281	POLICY SUPPORT	Advisory Group/Small Business	Small Business Admin Advisory Group support	85,942	87,327	1,385
Sub-total POLICY SUPPORT				\$ 489,349	\$ 315,096	\$ (174,253)
Total Expenditures				\$ 33,882,209	\$ 34,459,507	\$ 577,298

## APPENDIX C 4– COMPARISON OF EXPENDITURES BY REVENUE CATEGORY: II – EMISSIONS FEES

WP Code	Program Category	Project Description	Activities/Outputs	FY 2013-14 Adopted Budget	FY 2014-15 Proposed Budget	Increase/ (Decrease)
08115	COMPLIANCE	Case Disposition	Trial/Disposition-Civil Case/Injunctions	\$ 920,393	\$ 944,200	\$ 23,807
08380	COMPLIANCE	Interagency Coordination	Coordinate with other agencies	58,803	60,324	1,521
08403	COMPLIANCE	Legal Rep/Litigation	Prepare Hearing/Disposition	665,936	664,483	(1,452)
08770	COMPLIANCE	Title V	Leg Advice: Title V Program/Perm Dev	10,866	11,147	281
26215	COMPLIANCE	Annual Emissions Reporting	Annual Design/Impl/Emission Monitor System	838,869	1,525,335	686,466
26620	COMPLIANCE	Refinery Pilot Project	Refinery Pilot Project	50,426	51,766	1,340
44015	COMPLIANCE	Acid Rain Program	Acid Rain CEMS Eval/Cert	88,931	91,043	2,112
44175	COMPLIANCE	Database Computerization	Develop Systems/Database	12,760	13,063	303
44500	COMPLIANCE	PM2.5 Program	Establish/Operate/Maintain PM2.5 Network	177,901	402,717	224,816
50152	COMPLIANCE	Compliance/IM Related Activities	Assist IM: Design/Review/Test	94,932	97,377	2,444
50155	COMPLIANCE	Compliance Guidelines	Policy/Procedures/Memos/Manuals	94,932	97,377	2,444
50158	COMPLIANCE	Compliance Testing	R461/Combustion Equip Testing	189,865	194,754	4,889
50377	COMPLIANCE	Inspections/RECLAIM Audits	Audit/Compliance/Assurance	191,673	196,608	4,935
50550	COMPLIANCE	Public Complaints/Breakdowns	Complaint response/Resolve/Invest follow up	1,017,228	1,043,421	26,193
50605	COMPLIANCE	RECLAIM Admin Support	Admin/Policy/Guidelines	664,527	681,638	17,111
50678	COMPLIANCE	School Siting	Identify Hax. Emission Sources near schools	189,865	194,754	4,889
50771	COMPLIANCE	Title V Inspections	Title V Compliance/Inspection/Follow up	1,148,683	1,178,261	29,577
Sub-total COMPLIANCE				\$ 6,416,591	\$ 7,448,268	\$ 1,031,677
04170	CUSTOMER SERV	Customer Service	Answer/Resolve Inquiries/Problems/Res Acct	\$ 142,766	\$ 146,948	\$ 4,182
04260	CUSTOMER SERV	Fee Review	Cmte Mtg/Fee-Related Complain	12,405	12,727	322
08404	CUSTOMER SERV	Legal Rep/Legislation	Draft Legislation/AQMD Position/Meetings	8,948	9,180	231
08681	CUSTOMER SERV	Small Business/Legal Advice	Legal Advice: Small Business/Fee Review	12,783	6,557	(6,226)
26216	CUSTOMER SERV	Annual Emissions Reporting	AER Design/Implement/Monitor Emissions	30,256	414,126	383,871
35126	CUSTOMER SERV	Clean Air Congress	Coord of region-wide community group	46,510	47,259	749
35205	CUSTOMER SERV	Environmental Education	Curriculum Development/Project Coordination	22,244	22,602	358
35240	CUSTOMER SERV	Environmental Justice	Impl AQMD Board's Environmental Justice	262,881	267,117	4,236
35260	CUSTOMER SERV	Fee Review	Committee Meetings/Respond to Requests	40,443	41,095	652
35390	CUSTOMER SERV	Intergovernmental	Develop/Implement Local Government Outreach	450,582	457,702	7,120
35491	CUSTOMER SERV	Outreach/Business	Chambers/Business Meetings	80,886	87,230	6,343
35492	CUSTOMER SERV	Public Education	Public Events/Conferences/Rideshare fairs	54,332	54,821	489
35555	CUSTOMER SERV	Public Information Center	Inform public of unhealthy air	37,988	38,412	424
50260	CUSTOMER SERV	Fee Review	Fee Review Committee	34,176	35,056	880
Sub-total CUSTOMER SERV				\$ 1,237,200	\$ 1,640,831	\$ 403,630
03010	DEV AIR PROG	AQMP	Develop/Implement AQMP	\$ 9,117	\$ 9,162	\$ 45
26068	DEV AIR PROG	AQMD Projects	Prepare Environmental Assessments	367,041	347,619	(19,422)
26102	DEV AIR PROG	CEQA Document Projects	Review/Prepare CEQA Comments	240,027	271,770	31,743
26128	DEV AIR PROG	Clean Communities Plan	Clean Communities Plan	151,278	51,766	(99,512)
26217	DEV AIR PROG	Emissions Inventory Studies	Dev Emission Database/Dev/Update Emission	597,042	306,453	(290,589)
26218	DEV AIR PROG	Emissions Inventory Studies	Develop Emissions Inventory: Forecasts/RFPs	317,683	355,113	37,430
26219	DEV AIR PROG	Emissions Field Audit	Emissions Field Audit	403,407	103,532	(299,875)
26221	DEV AIR PROG	Emissions Growth Mitigation	Mitigate deve growth	41,148	62,119	20,971
26503	DEV AIR PROG	PM Strategies	PM10 Plan/Analyze/Strategy Development	685,792	704,014	18,223
26600	DEV AIR PROG	Credit Generation Programs	Dev RFP/AQMP Ctrl Strats/Inter	88,245	90,590	2,345
26685	DEV AIR PROG	Socio-Economic	Apply economic models/Socio-economic	653,629	658,694	5,065
35560	DEV AIR PROG	Public Notification	Public notification of rules/hearings	42,388	42,958	570
44702	DEV AIR PROG	Source Testing/Methods	Evaluate Source Testing Methods/Validate	183,662	188,024	4,362
44705	DEV AIR PROG	Source Testing/Sample Analysis	Analyze Source Testing Sample/Air Programs	48,332	49,480	1,148
Sub-total DEV AIR PROG				\$ 3,828,791	\$ 3,241,294	\$ (587,496)

## APPENDIX C 4– COMPARISON OF EXPENDITURES BY REVENUE CATEGORY: II – EMISSIONS FEES (cont.)

WP Code	Program Category	Project Description	Activities/Outputs	FY 2013-14 Adopted Budget	FY 2014-15 Proposed Budget	Increase/ (Decrease)
03385	DEVELOP RULES	Credit Generation Programs	Dev/Impl Marketable Permit	\$ 6,078	\$ 6,108	\$ 30
08651	DEVELOP RULES	Rules/Legal Advice	Legal Advice: Rules/Draft Regulations	191,749	262,278	70,529
08661	DEVELOP RULES	Rulemaking/RECLAIM	RECLAIM Legal Adv/Related Iss	25,566	13,114	(12,453)
26077	DEVELOP RULES	Area Sources/Rulemaking	Develop/Amend/Area Source Rules/Credits	726,133	745,427	19,295
26362	DEVELOP RULES	Health Effects	Study Health Effects/Toxicology	47,199	48,453	1,254
26460	DEVELOP RULES	Modeling AQMD Regional	Rule Impact/Analyses/Model Development	185,431	189,359	3,928
26654	DEVELOP RULES	Rulemaking/NOx	Rulemaking/NOx	94,801	194,639	99,839
26655	DEVELOP RULES	NSR/Rulemaking	Develop/Amend NSR & Admin Rules	484,088	298,171	(185,917)
26656	DEVELOP RULES	Rulemaking/VOC	Develop/Amend VOC Rules	604,702	681,189	76,488
26659	DEVELOP RULES	Rulemaking/Toxics	Develop/Amend Air Toxic Rules	645,451	1,035,315	389,864
26661	DEVELOP RULES	Rulemaking/RECLAIM	RECLAIM Amend Rules/Related Issues	403,407	455,539	52,132
44653	DEVELOP RULES	Rulemaking/BACT	Develop/Amend BACT Guidelines	386,657	395,840	9,183
44657	DEVELOP RULES	Rulemaking/Support EAC	Assist PRA w/ Rulemaking	9,666	9,896	230
44706	DEVELOP RULES	Source Testing/Sample Analysis	Analyze Source Testing Samples/Rules	48,332	49,480	1,148
44708	DEVELOP RULES	VOC Sample Analysis/Rules	VOC Analysis & Reporting/Rules	46,399	47,501	1,102
50650	DEVELOP RULES	Rulemaking	Develop/Amend/Implement Rules	84,490	86,665	2,176
50657	DEVELOP RULES	Rulemaking/Support PRA	Provide Rule Development Support	94,932	97,377	2,444
50752	DEVELOP RULES	Title III Rulemaking	Title III Develop/Implement Rules	47,466	48,688	1,222
50773	DEVELOP RULES	Title V & NSR Rulemaking Supp	Title V Rule Dev/Amend/Impl	47,466	48,688	1,222
Sub-total DEVELOP RULES				\$ 4,180,014	\$ 4,713,728	\$ 533,715
26439	MONITOR AIR	MATES IV	MATES IV	\$ 4,639	\$ 4,762	\$ 123
26445	MONITOR AIR	Meteorology	Model Development/Data analysis/Forecast	95,099	99,542	4,442
26530	MONITOR AIR	Photochemical Assessment	Photochemical Assessment	15,632	16,047	415
44063	MONITOR AIR	Ambient Air Analysis	Analyze Criteria/Toxic/Pollutants	368,407	377,156	8,749
44065	MONITOR AIR	Audit/Data Reporting	Air Monitoring Audit/Validation/Reporting	25,133	25,730	597
44240	MONITOR AIR	Environmental Justice	Implement Environmental Justice	20,010	20,485	475
44468	MONITOR AIR	NATTS (Natl Air Tox Trends Sta)	NATTS (Natl Air Trends)	20,300	20,782	482
44501	MONITOR AIR	PM2.5 Program	Analyze PM2.5 Samples	197,195		(197,195)
44585	MONITOR AIR	Quality Assurance	Quality Assurance Branch	86,998	89,064	2,066
44715	MONITOR AIR	Special Monitoring/Emergency	Emergency Response	96,664	98,960	2,296
50210	MONITOR AIR	Emergency Response	Emerg Technical Assistance to Public Safety	46,042	47,228	1,186
Sub-total MONITOR AIR				\$ 976,119	\$ 799,756	\$ (176,363)
04630	OPER SUPPORT	Cash Management	Receive \$/Post Payments/Reconcile	\$ 93,034	\$ 95,450	\$ 2,416
08102	OPER SUPPORT	CEQA	CEQA Review	95,874	131,139	35,265
27215	OPER SUPPORT	Annual Emission Reporting	System Enhancements for GHG	93,339	95,880	2,542
27480	OPER SUPPORT	Systems Development	Develop systems for special operating needs	508,241	520,799	12,558
27735	OPER SUPPORT	Systems Maintenance	Maintain Existing Software Programs	393,798	381,506	(12,292)
Sub-total OPER SUPPORT				\$ 1,184,286	\$ 1,224,774	\$ 40,488
35680	PERMIT	Small Business/Permit Streamln	Assist small businesses to comply/AQMD req	\$ 199,688	\$ 202,906	\$ 3,218
50475	PERMIT	NSR/Implementation	Implement NSR/Allocate ERCs	403,463	413,852	10,389
50476	PERMIT	NSR/Data Cleanup	Edit/Update NSR Data	94,932	97,377	2,444
50728	PERMIT	Perm Proc/IM Prog	Assist IM: Design/Review/Test	37,973	38,951	978
Sub-total PERMIT				\$ 736,057	\$ 753,086	\$ 17,029
26240	POLICY SUPPORT	EJ-Guidance Document	AQ Guidance Documents	\$ 12,990	\$ 10,954	\$ (2,036)
26277	POLICY SUPPORT	Advisory Group/AQMP	Governing Board/AQMP Advisory Group	2,320	2,381	62
26278	POLICY SUPPORT	Advisory Group/Sci,Tech,Model	Scientific/Tech/Model Peer Review	2,320	2,381	62
35280	POLICY SUPPORT	Advisory Group/Ethnic Comm	GB Ethnic Communities Advisory Group	18,604	18,904	300
50148	POLICY SUPPORT	Climate Change	GHG/Climate Change Support	47,466	48,688	1,222
Sub-total POLICY SUPPORT				\$ 83,699	\$ 83,308	\$ (391)
Total Expenditures				\$ 18,642,756	\$ 19,905,044	\$ 1,262,288

## APPENDIX C 4 – COMPARISON OF EXPENDITURES BY REVENUE CATEGORY: III – PERMIT PROCESSING FEES

WP Code	Program Category	Project Description	Activities/Outputs	FY 2013-14 Adopted Budget	FY 2014-15 Proposed Budget	Increase/ (Decrease)
44105	COMPLIANCE	CEMS Certification	CEMS Review/Approval	\$ 594,486	\$ 608,604	\$ 14,118
50156	COMPLIANCE	Permit Process Info to Compliance	Prov Perm Infor to Compliance	113,919	116,852	2,933
50605	COMPLIANCE	RECLAIM Admin Support	Admin/Policy/Guidelines	379,730	389,508	9,778
Sub-total COMPLIANCE				\$ 1,088,135	\$ 1,114,964	\$ 26,829
04170	CUSTOMER SERV	Customer Service	Answer/Resolve Inquiries/Problems/Res Acct	142,766	146,948	4,182
04260	CUSTOMER SERV	Fee Review	Cmte Mtg/Fee-Related Complain	2,658	2,727	69
04631	CUSTOMER SERV	Cash Management/Refunds	Res/Document/Prepare/Process Refunds	37,214	38,180	966
08681	CUSTOMER SERV	Small Business/Legal Advice	Legal Advice: Small Business/Fee Review	12,783	6,557	(6,226)
27481	CUSTOMER SERV	Systems Development	Develop systems in support of District-wide	365,825	454,081	88,256
35260	CUSTOMER SERV	Fee Review	Committee Meetings/Respond to Requests	15,166	15,411	244
35679	CUSTOMER SERV	Small Business Assistance	Small Business Assistance	202,216	205,475	3,258
50200	CUSTOMER SERV	Economic Development	Permit Processing/Public Participation	18,986	19,475	489
50260	CUSTOMER SERV	Fee Review	Fee Review Committee	31,613	32,427	814
50425	CUSTOMER SERV	Lobby Permit Services	Support Permit Processing/Customer Service	189,865	194,754	4,889
50520	CUSTOMER SERV	Permit Processing/Pre-Appl	Pre-Application Mtgs/General Prescreening	759,460	779,015	19,555
50690	CUSTOMER SERV	Source Education	Provide Technical Assistance to Industries	26,581	27,266	684
Sub-total CUSTOMER SERV				\$ 1,805,133	\$ 1,922,314	\$ 117,181
26397	DEV AIR PROG	Lead Agency Projects	Prep Environmental Assessments/Perm Proj	\$ 262,215	\$ 155,297	\$ (106,917)
26362	DEVELOP RULES	Health Effects	Study Health Effects/Toxicology	\$ 36,307	\$ 37,271	\$ 965
04630	OPER SUPPORT	Cash Management	Receive \$/Post Payments/Reconcile	\$ 186,068	\$ 190,900	\$ 4,832
08102	OPER SUPPORT	CEQA	CEQA Review	57,525	78,683	21,159
27616	OPER SUPPORT	Records Services	Records/Documents processing	431,360	441,451	10,091
27735	OPER SUPPORT	Systems Maintenance	Maintain Existing Software Programs	787,596	763,012	(24,585)
Sub-total OPER SUPPORT				\$ 1,462,549	\$ 1,474,046	\$ 11,498
08516	PERMIT	Permit Processing/Legal	Legal Advice: Permit Processing	\$ 63,916	\$ 39,342	\$ (24,575)
08772	PERMIT	Title V Permits	Legal Advice: New Source Title V Permits	25,566	13,114	(12,453)
26120	PERMIT	Certification/Rgistration Prgm	Certification/Registration Program	363,066	372,714	9,647
26461	PERMIT	Perm & CEQA Modeling Review	Model Permit Review/Risk Assessment	322,555	330,595	8,039
27523	PERMIT	Permit Streamlining	Permit Streamlining	54,905	56,400	1,495
27770	PERMIT	Title V	Dev/Maintain Title V Program	219,621	225,601	5,980
35680	PERMIT	Small Business/Permit Streamln	Assist small businesses to comply/AQMD req	279,564	284,069	4,505
44545	PERMIT	Protocols/Reports/Plans	Evaluate Test Protocols/Customer Service	11,600	11,875	275
44725	PERMIT	Permit Processing/Support EAC	Assist EAC w/ Permit Processing	9,666	9,896	230
50253	PERMIT	ERC Appl; Processing	Process ERC Applications	664,527	681,638	17,111
50367	PERMIT	Hearing Board/Appeals	Appeals: Permits & Denials	94,932	97,377	2,444
50475	PERMIT	NSR/Implementation	Implement NSR/Allocate ERCs	33,226	34,082	856
50515	PERMIT	Per Proc/Non TV/Non RECLAIM	Non Title V/Title III/RECLAIM	10,609,533	10,869,886	260,352
50517	PERMIT	Permit Services	Facility Data-Create/Edit	2,373,312	2,434,423	61,110
50518	PERMIT	RECLAIM Non-Title V	Process RECLAIM Permits	640,794	657,294	16,500
50519	PERMIT	Perm Proc/Title III (non TV)	Process Title III Permits	189,865	194,754	4,889
50521	PERMIT	Permit Processing/Expedited Permit	Proc Expedited Permits (301OT)	94,932	97,377	2,444
50523	PERMIT	Permit Streamlining	Permit Streamlining	711,994	730,327	18,333
50607	PERMIT	RECALIM/Title V	Process RECALIM/Title 5 Permits	2,401,792	2,414,947	13,155
50728	PERMIT	Perm Proc/IM Prog	Assist IM: Design/Review/Test	303,784	311,606	7,822
50774	PERMIT	Title V/Non RECLAIM	Process Title V Only Permits	3,417,570	3,505,569	87,999
50775	PERMIT	Title V Administration	Title V Administration	189,865	194,754	4,889
Sub-total PERMIT				\$ 23,076,588	\$ 23,567,637	\$ 491,049
Total Expenditures				\$ 27,730,926	\$ 28,271,530	\$ 540,605

## APPENDIX C 4 – COMPARISON OF EXPENDITURES BY REVENUE CATEGORY: V – FEDERAL GRANTS/OTHER FEDERAL REVENUE

WP Code	Program Category	Project Description	Activities/Outputs	FY 2013-14 Adopted Budget	FY 2014-15 Proposed Budget	Increase/ (Decrease)
44190	ADV CLEAN TECH	Diesel Projects EPA	Diesel Projects EPA/Admin/Impl	\$ 21,266	\$ 21,771	\$ 505
44497	ADV CLEAN TECH	Plug-in Hybrid EV DOE ARRA	DOE Plug-in Hybrid EV Admin (ARRA)	144,996	148,440	3,444
Sub-total ADV CLEAN TECH				\$ 166,263	\$ 170,211	\$ 3,949
08115	COMPLIANCE	Case Disposition	Trial/Disposition-Civil Case/Injunctions	\$ 92,039	\$ 94,420	\$ 2,381
08380	COMPLIANCE	Interagency Coordination	Coordinate with other agencies	5,113	5,246	132
17365	COMPLIANCE	Hearing Board Variances	Hearing Board Attend/Rec/Monitor Mtgs	45,472	46,202	730
26215	COMPLIANCE	Annual Emissions Reporting	Annual Design/Impl/Emission Monitor System	72,945	132,638	59,693
26357	COMPLIANCE	GHG Rpt Sys - EPA	GHG Reptg Sys EPA Admin/Impl	20,170	-	(20,170)
26645	COMPLIANCE	Rule 1610 Plan Verification	Rule 1610 Plan Verification	7,060	7,247	188
44500	COMPLIANCE	PM2.5 Program	Establish/Operate/Maintain PM2.5 Network	203,754	461,239	257,486
50375	COMPLIANCE	Inspections	Compliance/Inspection/Follow-up	1,434,192	1,471,121	36,929
50550	COMPLIANCE	Public Complaints/Breakdowns	Complaint response/Resolve/Invest follow up	151,892	155,803	3,911
Sub-total COMPLIANCE				\$ 2,032,637	\$ 2,373,916	\$ 341,278
04355	CUSTOMER SERV	Grants Management	Grant Analysis/Evaluate/Negotiate/Acc/Rpt	\$ 21,265	\$ 21,817	\$ 552
35492	CUSTOMER SERV	Public Education	Public Events/Conferences/Rideshare fairs	14,489	14,619	130
35555	CUSTOMER SERV	Public Information Center	Inform public of unhealthy air	29,222	29,547	326
50690	CUSTOMER SERV	Source Education	Provide Technical Assistance to Industries	42,530	43,625	1,095
Sub-total CUSTOMER SERV				\$ 107,505	\$ 109,608	\$ 2,104
26217	DEV AIR PROG	Emissions Inventory Studies	Dev Emission Database/Dev/Update Emission	\$ 64,545	\$ 33,130	\$ (31,415)
26463	DEV AIR PROG	Mold EPA Project	Mold EPA Project/Admin Impl	20,170	-	(20,170)
26503	DEV AIR PROG	PM Strategies	PM10 Plan/Analyze/Strategy Development	64,545	66,260	1,715
26836	DEV AIR PROG	Vehicle/Rule 2202 Support	2202 Tech Asst/Training/Associations	84,848	89,216	4,369
Sub-total DEV AIR PROG				\$ 234,108	\$ 188,607	\$ (45,501)
26084	DEVELOP RULES	Blk Carbon Stdy EPA	EPA Blck Carbon Climate Study	\$ -	\$ 36,029	\$ 36,029
26165	DEVELOP RULES	Conformity	Monitor General &Transportation Conformity	8,068	8,283	214
26460	DEVELOP RULES	Modeling AQMD Regional	Rule Impact/Analyses/Model Development	81,126	82,845	1,719
Sub-total DEVELOP RULES				\$ 89,194	\$ 127,156	\$ 37,962
26445	MONITOR AIR	Meteorology	Model Development/Data analysis/Forecast	\$ 33,564	\$ 35,132	\$ 1,568
26530	MONITOR AIR	Photochemical Assessment	Photochemical Assessment	34,794	35,718	925
44063	MONITOR AIR	Ambient Air Analysis	Analyze Criteria/Toxic/Pollutants	161,178	165,006	3,828
44064	MONITOR AIR	Ambient Network	Air Monitoring/Toxics Network	287,775	307,071	19,297
44065	MONITOR AIR	Audit/Data Reporting	Air Monitoring Audit/Validation/Reporting	19,333	19,792	459
44081	MONITOR AIR	Air Filtration EPA	Admin\Impl	48,332	49,480	1,148
44468	MONITOR AIR	NATTS (Natl Air Tox Trends Sta)	NATTS (Natl Air Trends)	81,117	83,043	1,926
44469	MONITOR AIR	Near Roadway Monitoring	Near Roadway Monitoring	26,969	27,610	640
44501	MONITOR AIR	PM2.5 Program	Analyze PM2.5 Samples	289,993	-	(289,993)
44505	MONITOR AIR	PM Sampling Program (EPA)	PM Sampling Program - Addition	2,049,284	2,097,952	48,668
44507	MONITOR AIR	PM Sampling Special Programs	PM Sampling Special Events	19,333	19,792	459
44530	MONITOR AIR	Photochemical Assessment	Photochemical Assessment & Monitoring	440,789	451,258	10,468
44585	MONITOR AIR	Quality Assurance	Quality Assurance Branch	46,399	47,501	1,102
Sub-total MONITOR AIR				\$ 3,538,860	\$ 3,339,356	\$ (199,504)
35680	PERMIT	Small Business/Permit Streamln	Assist small businesses to comply/AQMD req	\$ 47,925	\$ 48,697	\$ 772
50475	PERMIT	NSR/Implementation	Implement NSR/Allocate ERCs	37,973	38,951	978
Sub-total PERMIT				\$ 85,898	\$ 87,648	\$ 1,750
Total Expenditures				\$ 6,254,465	\$ 6,396,502	\$ 142,037

**APPENDIX C 4 – COMPARISON OF EXPENDITURES BY REVENUE  
CATEGORY: VI – SOURCE TEST/ANALYSIS FEES**

WP Code	Program Category	Project Description	Activities/Outputs	FY 2013-14 Adopted Budget	FY 2014-15 Proposed Budget	Increase/ (Decrease)
44105	COMPLIANCE	CEMS Certification	CEMS Review/Approval	\$ 594,486	\$ 608,604	\$ 14,118
44175	COMPLIANCE	Database Computerization	Develop Systems/Database	29,773	30,480	707
44450	COMPLIANCE	Microscopical Analysis	Asbestos/PM/Metals Analysis	579,986	593,760	13,774
44700	COMPLIANCE	Source Testing/Compliance	Conduct Source Testing/Prov Data/Compliance	454,989	475,320	20,331
44704	COMPLIANCE	Source Testing/Compliance	Analyze Source Testing Samples/Compliance	773,315	791,680	18,365
Sub-total COMPLIANCE				\$ 2,432,548	\$ 2,499,844	\$ 67,296
44701	CUSTOMER SERV	Source Testing/Customer Svc	Conduct Source Testing/Prov Data/Cust Svc	\$ 9,666	\$ 9,896	\$ 230
44709	CUSTOMER SERV	VOC Sample Analysis/SBA/Other	VOC Analysis & Reporting/Customer Service	96,664	98,960	2,296
Sub-total CUSTOMER SERV				\$ 106,331	\$ 108,856	\$ 2,525
44546	PERMIT	Protocols/Reports/Plans	Evaluate Test Protocols/Compliance	\$ 118,897	\$ 121,721	\$ 2,824
Total Expenditures				\$ 2,657,776	\$ 2,730,421	\$ 72,644

**APPENDIX C 4 – COMPARISON OF EXPENDITURES BY REVENUE  
CATEGORY: VII – HEARING BOARD FEES**

WP Code	Program Category	Project Description	Activities/Outputs	FY 2013-14 Adopted Budget	FY 2014-15 Proposed Budget	Increase/ (Decrease)
08115	COMPLIANCE	Case Disposition	Trial/Disposition-Civil Case/Injunctions	\$ 76,699	\$ 78,683	\$ 1,984
17365	COMPLIANCE	Hearing Board Variances	Hearing Board Attend/Rec/Monitor Mtgs	674,502	685,327	10,824
50365	COMPLIANCE	Hearing Board/Variances	Variances/Orders of Abatement	284,797	292,131	7,333
Sub-total COMPLIANCE				\$ 1,035,999	\$ 1,056,141	\$ 20,142
17024	OPER SUPPORT	Adm/Governing/Hearing Board	Admin of AQMD Governing/Hearing Boards	\$ 203,145	\$ 206,518	\$ 3,373
Total Expenditures				\$ 1,239,144	\$ 1,262,659	\$ 23,515

**APPENDIX C 4 – COMPARISON OF EXPENDITURES BY REVENUE  
CATEGORY: X – AB 2588 TOXICS “HOT SPOT” FEES**

WP Code	Program Category	Project Description	Activities/Outputs	FY 2013-14 Adopted Budget	FY 2014-15 Proposed Budget	Increase/ (Decrease)
04791	COMPLIANCE	Toxics AB 2588	AB 2588 Air Toxics Hot Spots Fee Collection	\$ 41,581	\$ 42,271	\$ 690
08791	COMPLIANCE	Toxics AB 2588	AB 2588 Legal Advice: Plan & Implement	12,783	13,114	331
26790	COMPLIANCE	Toxics AB 2588 Plans/Rpts	AB2588/Review Report/Risk Assessment Plan	100,852	-	(100,852)
26794	COMPLIANCE	Toxics/AB2588	AB2588 Core, Tracking, IWS	1,411,924	1,760,036	348,112
27791	COMPLIANCE	Toxics AB 2588	AB 2588 Database Software Support	165,410	168,400	2,990
44794	COMPLIANCE	Toxics AB 2588	Evaluate Protocols/Methods/Source Testing	241,661	247,400	5,739
44795	COMPLIANCE	Toxics\Engineering	R1401 Toxics/HRA Prot/Rpt Eval	9,666	9,896	230
50791	COMPLIANCE	Toxics/AB2588	Risk Reduct Plan Rev/Comm Mtgs	-	48,688	48,688
Sub-total COMPLIANCE				\$ 1,983,878	\$ 2,289,806	\$ 305,928
35791	CUSTOMER SERV	Toxics AB 2588	Outreach/AB2588 Air Toxics	\$ 2,022	\$ 2,055	\$ 33
26789	MONITOR AIR	Toxic Inventory Development	Toxic Emission Inventory Study	\$ 201,703	\$ -	\$ (201,703)
Total Expenditures				\$ 2,187,604	\$ 2,291,861	\$ 104,257

**APPENDIX C 4 – COMPARISON OF EXPENDITURES BY REVENUE  
CATEGORY: XI – TRANSPORTATION PROGRAMS**

WP Code	Program Category	Project Description	Activities/Outputs	FY 2013-14 Adopted Budget	FY 2014-15 Proposed Budget	Increase/ (Decrease)
04631	CUSTOMER SERV	Cash Management/Refunds	Res/Document/Prepare/Process Refunds	\$ 5,316	\$ 5,454	\$ 138
26833	CUSTOMER SERV	Rule 2202 Employee Training	Employee Training: Process/Evaluation	262,215	269,182	6,967
Sub-total CUSTOMER SERV				\$ 267,531	\$ 274,636	\$ 7,106
26834	DEV AIR PROG	Vehicle/Rule 2202 Implm	2202 Proc/Sub Plans/Tech Eval	\$ 619,230	\$ 635,684	\$ 16,454
26836	DEV AIR PROG	Vehicle/Rule 2202 Support	2202 Tech Asst/Training/Associations	480,803	505,560	24,757
Sub-total DEV AIR PROG				\$ 1,100,033	\$ 1,141,244	\$ 41,211
04630	OPER SUPPORT	Cash Management	Receive \$/Post Payments/Reconcile	\$ 93,034	\$ 95,450	\$ 2,416
Total Expenditures				\$ 1,460,597	\$ 1,511,330	\$ 50,733

**APPENDIX C 4 – COMPARISON OF EXPENDITURES BY REVENUE  
CATEGORY: XVII – OTHER REVENUE**

WP Code	Program Category	Project Description	Activities/Outputs	FY 2013-14 Adopted Budget	FY 2014-15 Proposed Budget	Increase/ (Decrease)
26738	ADV CLEAN TECH	Target Air Shed EPA	Targeted Air Shed Admin\Impl	\$ 100,852	\$ 51,766	\$ (49,086)
44361	ADV CLEAN TECH	HD Trucks DOE ARRA	DOE HD Trucks Admin (ARRA)	386,657	-	(386,657)
44188	ADV CLEAN TECH	DERA FY 13 Veh Repl	DERA Vehicle Repl Admin/Impl	-	39,584	39,584
44361	ADV CLEAN TECH	HD Trucks DOE ARRA	DOE HD Trucks Admin (ARRA)	-	395,840	395,840
44738	ADV CLEAN TECH	Target Air Shed EPA	Targeted Air Shed Admin/Impl	28,999	29,688	689
Sub-total ADV CLEAN TECH				\$ 516,508	\$ 516,878	\$ 369
04009	DEV AIR PROG	AB 1318 Mitigation	AB 1318 Projects Admn/Impl	\$ 23,037	\$ 23,635	\$ 598
08009	DEV AIR PROG	AB 1318 Mitigation	AB 1318 Projects Admn/Impl	12,783	13,114	331
26009	DEV AIR PROG	AB 1318 Mitigation	AB 1318 Projects Admn/Impl	100,852	-	(100,852)
26103	DEV AIR PROG	CEQA Special Projects	Contracted by Lead Agency	80,681	-	(80,681)
44009	DEV AIR PROG	AB 1318 Mitigation	AB 1318 Projects Admn/Impl	144,996	148,440	3,444
44396	DEV AIR PROG	Lawnmower Exchange	Lawn Mower Admin/Impl/Outreach	57,999	59,376	1,377
44448	DEV AIR PROG	Mobile Source Strategies Off Road	CARB Mob Src control strategy for SIP	193,329	197,920	4,591
44452	DEV AIR PROG	Mob Src/CEC/US DOE Monitoring	CEC/US DOE Mob Src rulemaking proposals	96,664	98,960	2,296
Sub-total DEV AIR PROG				\$ 710,341	\$ 541,445	\$ (168,896)
26084	DEVELOP RULES	Blk Carbon Stdy EPA	EPA Blck Carbon Climate Study	\$ -	\$ 5,384	\$ 5,384
26151	MONITOR AIR	Community Scale Air Toxics Study	EPA-Funded airports air monitoring	\$ 100,852	\$ -	\$ (100,852)
26821	MONITOR AIR	TraPac Air Filter Prg	Admin\Tech Support\Reporting\Monitor	50,426	-	(50,426)
44082	MONITOR AIR	Air Filtration Other	Admin\Impl	96,664	98,960	2,296
44084	MONITOR AIR	Blk Carbon Stdy EPA	EPA Blck Carbon Climate Study	-	39,584	39,584
44151	MONITOR AIR	Community Scale Air Toxics Study	EPA-funded airports air monit	193,329	-	(193,329)
44663	MONITOR AIR	Salton Sea Air Monitoring	Mon/Analyze Hydrogen Sulfide	48,332	49,480	1,148
44821	MONITOR AIR	TraPac Air Filt Prg	Admin/Tech Suppt/Reptg/Monitor	193,329	197,920	4,591
Sub-total MONITOR AIR				\$ 682,931	\$ 385,944	\$ (296,987)
27215	OPER SUPPORT	Annual Emission Reporting	System Enhancements for GHG	\$ 16,472	\$ 16,920	\$ 449
44454	POLICY SUPPORT	Mob Src:Greenhs Gas Reduc Meas	Provide comments on mob src portion of AB32	\$ 268,727	\$ 275,109	\$ 6,382
Total Expenditures				\$ 2,194,980	\$ 1,741,680	\$ (453,300)

**APPENDIX C 4 – COMPARISON OF EXPENDITURES BY REVENUE  
CATEGORY: XVIII – AREA SOURCES**

WP Code	Program Category	Project Description	Activities/Outputs	FY 2013-14 Adopted Budget	FY 2014-15 Proposed Budget	Increase/ (Decrease)
08072	COMPLIANCE	Arch Ctgs - End User	Case Dispo/Rvw, Track, Prep NOVs	\$ 12,783	\$ 13,114	\$ 331
08073	COMPLIANCE	Arch Ctgs - Other	Case Dispo/Rvw, Track, Prep NOVs	127,832	52,456	(75,377)
26072	COMPLIANCE	Arch Ctgs - End User	Compliance/Rpts/Rule Implementation	201,703	207,063	5,360
26073	COMPLIANCE	Arch Ctgs - Other	Compliance/Rpts/Rule Implementation	201,703	207,063	5,360
44072	COMPLIANCE	Arch Ctgs-End User	Sample Analysis Reports	193,329	197,920	4,591
50071	COMPLIANCE	Arch Ctgs-Admin	Report Review	18,986	19,475	489
50072	COMPLIANCE	Arch Ctgs-End User	Compliance/Rpts/RuleImpmenta	18,986	19,475	489
50073	COMPLIANCE	Arch Ctgs-Other	Compliance/Rpts/RuleImpmenta	854,392	876,392	22,000
Sub-total COMPLIANCE				\$ 1,629,717	\$ 1,592,959	\$ (36,758)
26071	DEVELOP RULES	Arch Ctgs - Admin	Rder/Aud/DB, TA/AQMD/Rpts/AER	\$ 201,703	\$ 155,297	\$ (46,406)
44073	MONITOR AIR	Arch Ctgs - Other	Sample Analysis/Reports	\$ 386,657	\$ 395,840	\$ 9,183
04071	OPER SUPPORT	Arch Ctgs - Admin	Cost Analysis/Payments	\$ 7,088	\$ 7,272	\$ 184
08071	OPER SUPPORT	Arch Ctgs - Admin	Rule Dev/TA/Rinterpretatons	357,931	367,189	9,258
27071	OPER SUPPORT	Arch Ctgs - Admin	Database Dev/Maintenance	54,905	56,400	1,495
Sub-total OPER SUPPORT				\$ 419,924	\$ 430,861	\$ 10,937
Total Expenditures				\$ 2,638,001	\$ 2,574,957	\$ (63,044)

**APPENDIX C 4 – COMPARISON OF EXPENDITURES BY REVENUE  
CATEGORY: XIX – PORTABLE EQUIPMENT REGISTRATION  
PROGRAM (PERP)**

WP Code	Program Category	Project Description	Activities/Outputs	FY 2013-14 Adopted Budget	FY 2014-15 Proposed Budget	Increase/ (Decrease)
50070	COMPLIANCE	CARB PERP Program	CARB Statewide Equipment Reg	\$ 1,329,055	\$ 1,363,277	\$ 34,222
Total Expenditures				\$ 1,329,055	\$ 1,363,277	\$ 34,222

## ATTACHMENT H

### SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

#### **Final Socioeconomic Assessment for Automatic Consumer Price Index (CPI) Increase**

March 2014

#### **Executive Officer**

Barry R. Wallerstein, D.Env.

#### **Deputy Executive Officer**

**Planning, Rule Development & Area Sources**

Elaine Chang, DrPH

#### **Assistant Deputy Executive Officer**

**Planning, Rule Development & Area Sources**

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**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT  
GOVERNING BOARD**

Chairman: DR. WILLIAM A. BURKE  
Speaker of the Assembly Appointee

Vice Chairman: DENNIS YATES  
Mayor, Chino  
Cities of San Bernardino County

MEMBERS: MICHAEL D. ANTONOVICH  
Supervisor, Fifth District  
County of Los Angeles

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Mayor Pro Tem, Wildomar  
Cities of Riverside County

JOHN J. BENOIT  
Supervisor, Fourth District  
County of Riverside

JOE BUSCAINO  
Councilmember, Fifteenth District  
City of Los Angeles

MICHAEL A. CACCIOTTI  
Councilmember, South Pasadena  
Cities of Los Angeles County/Eastern Region

JOSIE GONZALES  
Supervisor, Fifth District  
County of San Bernardino

JOSEPH K. LYOU, Ph. D.  
Governor's Appointee

JUDITH MITCHELL  
Mayor, 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 Appointee

MIGUEL A. PULIDO  
Mayor, Santa Ana  
Cities of Orange County

EXECUTIVE OFFICER: BARRY R. WALLERSTEIN, D.Env.

**EXECUTIVE SUMMARY**

Rule 320 (Automatic Adjustment Based on Consumer Price Index for Regulation III Fees) allows adjustments of most fee rates in Regulation III (Fees) by the California Consumer Price Index (CPI) annually. 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. Furthermore, 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.

In addition, staff is proposing a fee increase of three percent in fiscal year 2014-2015 and three percent in fiscal year 2015-2016 for permit processing and annual operating fees. A socioeconomic assessment analyzing the impact of that fee increase will be available prior to the May 2 Board Meeting.

<b>Automatic Consumer Price Index Increase</b>	Pursuant to Rule 320, an across-the-board 1.6-percent increase in fee rates (equivalent to the change in the California CPI from December 2012 to December 2013) will occur on July 1, 2014 unless the Governing Board decides to forego the 1.6-percent increase.
<b>Affected Facilities</b>	Nearly all the facilities regulated by the SCAQMD would be affected by the proposed CPI increase. These facilities belong to every sector of the economy.
<b>Approach and Findings</b>	<p>The analysis herein examines the impact of the existing Regulation III fees on various industries. The fees examined include emissions fees, permit fees, annual operating fees, toxic hot spot fees, source testing fees, and a portion of Rule 2202 (Mobile Source Emissions Mitigation Programs) fees. The existing 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 (66 percent), permit fees (39 percent), and annual operating fees (38 percent). Overall, the costs of complying with the current Regulation III rates are very small relative to the industry output (less than 0.01 percent overall).</p>
<b>Impact of CPI Increase</b>	The across-the-board 1.6-percent fee rate increase would bring additional revenue of \$1.4 million to the SCAQMD. Based on 2013 emissions and current equipment and activity profiles of individual facilities, the petroleum and coal products manufacturing sector would experience the largest increase in fees (approximately \$0.23 million with about 90 facilities) among all of the sectors, followed by retail trade (approximately \$0.15 million with about 4,130 facilities) and utility (approximately \$0.07 million with about 910 facilities) sectors.

	<p>Relative to the estimated fiscal year 2013-2014 revenue, the projected total revenue for the next fiscal year would decrease by \$5.7 million in spite of the 1.6-percent fee rate increase. The decline in revenue is mainly attributable to a large unanticipated penalty that was received in FY 2013-14, and there is no way to predict that a similar large penalty would occur in FY 2014-2015.</p>
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## 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 operating 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 air contaminants), civil penalties/settlements, and other revenues.

Pursuant to Rule 320, an across-the-board 1.6-percent increase in fee rates (equivalent to the change in the California Consumer Price Index (CPI) from December 2012 to December 2013) will occur on July 1, 2014 unless the Governing Board decides to forego the 1.6-percent increase. To examine the impact of such increase on various industry sectors, this report focuses the analysis on emission fees, annual operating fees, permit processing fees, toxic hot spot fees, source test fees, and a portion of Rule 2202 fees.<sup>1</sup>

## REVENUE TREND

Table 1 lists historical revenue for two prior fiscal years, estimated revenue for the current fiscal year<sup>2</sup> (FY) 2013-2014, and projected revenue for FY 2014-2015, by major fee category. Estimated revenue for FY 2013-2014 is calculated based on actual revenue received through February, 2014. Emission fees, annual operating fees, and permit processing fees together represented approximately 60 percent of the SCAQMD's actual total revenues.

Compared to the estimated revenue in FY 2013-2014, a net total revenue decrease of \$5.7 million is expected for FY 2014-2015 in spite of the 1.6-percent fee rate increase. Emission fees are projected to decline in correlation with the decline in emissions reported over previous years, a result of many facilities adopting cleaner technologies. The decline in other revenues projected for FY 2014-15 compared to the FY 2013-14 estimate is mainly attributable to a large unanticipated penalty that was received in FY 2013-14. The last two columns in Table 1 break down the revenue changes by fee category.

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<sup>1</sup> Other fees that are also subject to the automatic CPI increase, such as hearing board fees and area source fees, are not examined for the impact by industry. They account for relatively small portions of the total revenue.

<sup>2</sup> A fiscal year runs from July 1 to June 30. For example, FY 2013-2014 refers to the period of July 1, 2013 to June 30, 2014. In comparison, calendar year (CY) 2014 refers to the period of January 1 to December 31, 2014.

**Table 1: Actual and Estimated SCAQMD Revenue**

Revenue Category	FY 2011-2012 Actual* (Thousands)	FY 2012-2013 Actual* (Thousands)	FY 2013-2014 Estimated** (Thousands)	FY 2014-2015 Projected (Thousands)	% Change in Fee Rates	Changes in Revenue	
						(from FY 13-14 Estimated)	
						Thousands	%
Emission Fees	\$19,715	\$20,540	\$20,319	\$19,907	1.6%	-\$411	-2.0%
Annual Operating Fees	\$41,222	\$41,935	\$43,758	\$44,200	1.6%	\$442	1.0%
Permit Processing Fees	\$15,659	\$17,211	\$17,781	\$17,996	1.6%	\$215	1.2%
Mobile Source/Clean Fuels	\$20,301	\$19,397	\$22,470	\$22,453	N/A	-\$17	0.0%
Source Test & Lab Analysis	\$760	\$791	\$606	\$742	1.6%	\$136	22.4%
Hearing Board Fees	\$222	\$278	\$336	\$279	1.6%	-\$57	-16.9%
Transportation Program (Rule 2202) Fees	\$849	\$928	\$1,043	\$894	1.6%	-\$149	-14.3%
Other Revenues***	\$25,453	\$31,852	\$29,879	\$24,085	N/A	-\$5,794	-19.5%
<b>Total</b>	<b>\$124,180</b>	<b>\$132,932</b>	<b>\$136,192</b>	<b>\$130,556</b>		<b>-\$5,636</b>	<b>-4.1%</b>

(Note: Numbers may not add up due to rounding.)

\* Information as reported in the Comprehensive Annual Financial Reports (FYs 2011-12 & 2012-13).

\*\* Estimates are based on actual revenue received through February 2014.

\*\*\* Other Revenues include: CARB Subvention; Federal Grants; Interest; Lease Income; Penalties/Settlements; Subscriptions; AB 2588 Reimbursement; Miscellaneous revenues; Portable Equipment Registration Program (PERP); and Area Sources.

## 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 H&SC Sections 40440.8(a) and (b) for proposed rules and rule amendments that *"will significantly affect air quality or emissions limitations."* The proposed adjustment for Consumer Price index does not satisfy this criterion, so the analysis herein is presented for informational purposes only. It should be noted that this analysis has used the most recent available emission data with existing fee rates and the most recent invoiced amounts to arrive at an estimated picture of 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 account for approximately 15 percent of the SCAQMD's estimated total revenue based on actual revenue received through February, 2014 (Table 1). In May 2001, an emissions flat fee was introduced on all facilities with at least one operating permit (excluding equipment in Rule 222—Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation II). 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, PC (March 1999).

Table 2 shows the estimated revenue by industry for flat emission fee (\$2.4 million) and emissions-based fees (\$16.4 million) that are expected to be collected from more than 20,000 facilities. The former contributes approximately 13 percent of total emission fees collected.

The estimated revenue from emissions-based fees in Table 2 was derived from 2013 emissions and the invoiced amount, or the amount a facility should have paid, in Calendar Year 2013 based on the existing Rule 301 fee rates. These emissions include permitted and non-permitted emissions from the pollutants NO<sub>x</sub>, SO<sub>x</sub>, VOC, TSP, CO, and specific organic gasses (SPOG) as well as toxic air contaminants listed in Table IV of Rule 301 for facilities required to report their actual emissions each year. Also included were clean fuels fees on stationary sources. The most recent historical emissions (2013) were used because future emissions cannot be accurately projected at the industry level.

The services sector (NAICS 54-81) that is made of a large number of facilities shows the highest share of the flat emission fee, contributing \$0.8 million or 33 percent of the total amount estimated. In comparison, emission-based fees are largely correlated with the size of facilities. The sectors with a high concentration of small businesses, such as the retail trade and service sectors have a much smaller proportion of emissions-based fees than the sectors with a lower concentration of small businesses (e.g., manufacturing).

For example, albeit being the largest contributor to the flat emission fees, the services sector contributes only about six-percent of the total \$16.4 million in revenue from emissions-based fees. Similarly, the retail trade sector (NAICS 44-45, which has many small businesses) is estimated to pay less than 1 percent of the total emission-based fees while this same sector contributes to 16 percent of the flat emission fee.

The largest contributor to emissions-based fees is the manufacturing sector (NAICS 31-33). It accounts for almost half of the facilities that pay into this fee category. Moreover, the sector is estimated to pay \$12 million, or 73 percent of the total emissions-based fee revenue. Within the manufacturing sector, the petroleum and coal industry (NAICS 324) alone contributes \$9.3 million to emissions-based fees, accounting for 78 percent of the sectoral total.

#### Permit Fees and Annual Operating Fees

Permit and annual operating 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. 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.

Table 2: Estimated Emission Fee Revenue by Industry

Industry	NAICS	Flat Fee			Emission-based Fees			Total	
		MMS\$	%	# of Fac.**	MMS\$	%	# of Fac.**	MMS\$	%
<b>Agriculture, Forestry, Fishing &amp; Hunting</b>	<b>111-115</b>	<b>\$0.01</b>	<b>0.43%</b>	<b>91</b>	<b>\$0.22</b>	<b>1.33%</b>	<b>58</b>	<b>\$0.23</b>	<b>1.21%</b>
<b>Mining</b>	<b>21</b>	<b>\$0.03</b>	<b>1.33%</b>	<b>279</b>	<b>\$0.56</b>	<b>3.44%</b>	<b>90</b>	<b>\$0.60</b>	<b>3.17%</b>
Oil and Gas Extraction	211	\$0.02	0.91%	190	\$0.38	2.34%	68	\$0.41	2.16%
Mining (except oil and gas)	212-213	\$0.01	0.43%	89	\$0.18	1.10%	22	\$0.19	1.01%
<b>Construction</b>	<b>23</b>	<b>\$0.08</b>	<b>3.52%</b>	<b>734</b>	<b>\$0.04</b>	<b>0.27%</b>	<b>19</b>	<b>\$0.13</b>	<b>0.69%</b>
<b>Manufacturing</b>	<b>31-33</b>	<b>\$0.41</b>	<b>16.82%</b>	<b>3,513</b>	<b>\$12.01</b>	<b>73.21%</b>	<b>507</b>	<b>\$12.41</b>	<b>65.98%</b>
Food Manufacturing	311	\$0.02	0.93%	197	\$0.13	0.81%	40	\$0.16	0.83%
Wood Products Manufacturing	321	\$0.01	0.40%	85	\$0.01	0.05%	6	\$0.02	0.09%
Petroleum and Coal Products Mfg.	324	\$0.01	0.40%	83	\$9.32	56.83%	35	\$9.33	49.59%
Chemical Manufacturing	325	\$0.04	1.51%	316	\$0.47	2.86%	49	\$0.51	2.69%
Nonmetallic Mineral Product Mfg.	327	\$0.03	1.04%	218	\$0.23	1.38%	26	\$0.25	1.34%
Primary & Fabricated Metal Mfg.	331-332	\$0.09	3.93%	821	\$0.58	3.53%	140	\$0.67	3.58%
Machinery Manufacturing	333	\$0.02	0.91%	191	\$0.02	0.11%	10	\$0.04	0.22%
Computer and Electronic Product Mfg.	334	\$0.03	1.24%	259	\$0.04	0.22%	16	\$0.07	0.35%
Electrical Equipment & Appliance Mfg.	335	\$0.01	0.62%	129	\$0.02	0.11%	12	\$0.03	0.18%
Motor Vehicle & Trans. Equipment Mfg.	336	\$0.03	1.10%	226	\$0.13	0.78%	33	\$0.15	0.82%
Other Manufacturing	Other in 31-33	\$0.11	4.73%	988	\$1.07	6.53%	140	\$1.18	6.30%
<b>Utilities</b>	<b>22</b>	<b>\$0.10</b>	<b>4.20%</b>	<b>877</b>	<b>\$1.46</b>	<b>8.92%</b>	<b>107</b>	<b>\$1.56</b>	<b>8.32%</b>
<b>Transportation &amp; Warehousing</b>	<b>48-49</b>	<b>\$0.06</b>	<b>2.37%</b>	<b>496</b>	<b>\$0.52</b>	<b>3.15%</b>	<b>30</b>	<b>\$0.57</b>	<b>3.05%</b>
<b>Information</b>	<b>51</b>	<b>\$0.09</b>	<b>3.61%</b>	<b>754</b>	<b>\$0.02</b>	<b>0.15%</b>	<b>11</b>	<b>\$0.11</b>	<b>0.59%</b>
Publishing Industries, Except Internet	511	\$0.00	0.17%	35	\$0.01	0.05%	2	\$0.01	0.06%
Motion Picture & Sound Recording	512	\$0.01	0.28%	59	\$0.02	0.10%	9	\$0.02	0.12%
Internet Services and data processing	518,519	\$0.01	0.23%	47	\$0.00	0.00%	0	\$0.01	0.03%
Other Information	Other in 51	\$0.07	2.93%	613	\$0.00	0.00%	0	\$0.07	0.38%
<b>Wholesale Trade</b>	<b>42</b>	<b>\$0.11</b>	<b>4.56%</b>	<b>956</b>	<b>\$0.32</b>	<b>1.97%</b>	<b>50</b>	<b>\$0.43</b>	<b>2.31%</b>
<b>Retail Trade</b>	<b>44-45</b>	<b>\$0.38</b>	<b>15.96%</b>	<b>3,336</b>	<b>\$0.03</b>	<b>0.21%</b>	<b>21</b>	<b>\$0.42</b>	<b>2.23%</b>
Car & Parts Dealers	441	\$0.03	1.33%	277	\$0.01	0.04%	2	\$0.04	0.21%
Gas Stations	447	\$0.19	7.74%	1,618	\$0.03	0.21%	11	\$0.22	1.17%
Other Retail Trade***	Other in 44-45	\$0.17	6.90%	1,441	(\$0.01)	N/A	8	\$0.16	0.84%
<b>Finance and Insurance</b>	<b>52</b>	<b>\$0.03</b>	<b>1.32%</b>	<b>277</b>	<b>\$0.00</b>	<b>0.00%</b>	<b>3</b>	<b>\$0.03</b>	<b>0.17%</b>
<b>Real Estate and Rental Leasing</b>	<b>53</b>	<b>\$0.11</b>	<b>4.42%</b>	<b>924</b>	<b>\$0.03</b>	<b>0.16%</b>	<b>8</b>	<b>\$0.13</b>	<b>0.70%</b>
<b>Services</b>	<b>54-81</b>	<b>\$0.80</b>	<b>33.04%</b>	<b>6,901</b>	<b>\$1.02</b>	<b>6.19%</b>	<b>166</b>	<b>\$1.81</b>	<b>9.63%</b>
Professional and Technical Services	54	\$0.06	2.46%	513	\$0.01	0.03%	6	\$0.06	0.34%
Accommodation	721	\$0.02	0.89%	186	\$0.00	0.00%	1	\$0.02	0.11%
Food Services & Drinking Places	722	\$0.01	0.53%	111	\$0.01	0.04%	5	\$0.02	0.11%
Automotive Repairs & Maintenance	8111	\$0.23	9.34%	1,951	\$0.00	0.00%	2	\$0.23	1.20%
Dry Cleaning & Laundry Services	8123	\$0.15	6.31%	1,317	\$0.00	0.00%	6	\$0.15	0.81%
Health Care & Social Assistance	62	\$0.08	3.18%	667	\$0.11	0.69%	53	\$0.19	1.01%
Other Services	Other in 54-81	\$0.25	10.33%	2,156	\$0.89	5.42%	93	\$1.14	6.05%
<b>Public Administration</b>	<b>92</b>	<b>\$0.16</b>	<b>6.56%</b>	<b>1,372</b>	<b>\$0.16</b>	<b>0.99%</b>	<b>23</b>	<b>\$0.32</b>	<b>1.70%</b>
<b>Unclassified*</b>	<b>N/A</b>	<b>\$0.04</b>	<b>1.84%</b>	<b>388</b>	<b>\$0.00</b>	<b>0.02%</b>	<b>3</b>	<b>\$0.05</b>	<b>0.27%</b>
<b>Totals</b>		<b>\$2.41</b>	<b>100%</b>	<b>20,898</b>	<b>\$16.40</b>	<b>100%</b>	<b>1096</b>	<b>\$18.81</b>	<b>100%</b>

\* Facilities with no NAICS codes assigned are categorized as "unclassified."

\*\* Almost all facilities paying emission-based fees also pay the flat fee.

\*\*\* Due to refunds issued in CY 2013, revenue from emission-based fees has a negative balance.

As Table 3 indicates, an estimated total of \$14.1 million from 6,624 facilities that applied for permits to construct or operate was invoiced during FY 2012-2013. It should be noted that a facility could apply for multiple permits. The manufacturing sector paid \$5.5 million, or 39 percent of the total permit fee revenue, followed by the services sector at 21 percent. As with emission fees, for those facilities classified with NAICS codes, the majority of the permit processing fee revenue came from the manufacturing sector.

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. There were a total of 26,958 facilities with operating permits as of March 14, 2014. The revenue from these facilities at the current fee rate is estimated to be \$41.6 million (Table 3). The manufacturing sector has the largest share of annual operating fees, totaling \$15.7 million or 38 percent of the total annual operating fee revenue. The sectors of retail trade and services together would have paid \$15.2 million.

#### Toxic Hot Spots Fees

AB 2588 toxic hot spots fees were calculated based on risks and priority scores. The most recent invoiced revenue for the FY 2012-2013 was approximately \$1.9 million. The services sector's share of this total was 32 percent, followed by the manufacturing sector (18 percent) and retail trade (18 percent).

#### Source Testing Fees

The revenue from source testing fees is based on the invoiced source test fees during FY 2012-2013. During this period of time, the source test fee revenue from Rules 304 and 304.1 was \$0.64 million. The manufacturing and service sectors accounted for 65 percent of this revenue.

#### Rule 2202 Fees

Rule 2202—On-Road Motor Vehicle Mitigation Options—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 as their AQIP contribution. The latter 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 2012-2013. A total of \$0.86 million was collected from Rule 2202 fees for ECRP, ERS, and AQIP. The services sector accounted for approximately 36 percent (\$0.31 million) of the estimated Rule 2202 fee revenue. Only 15 percent of the revenue (\$0.13 million) came from the manufacturing sector. This reflects that the majority of employment in the four-county economy is in the more labor-intensive services sector.

**Table 3: Estimated Permit & Annual Operating Fee Revenue by Industry at Current Fee Rates**

Industry	NAICS	Permit Fees <sup>1</sup>			Annual Operating Fees <sup>2</sup>		
		MM\$	%	# of Fac.	MM\$	%	# of Fac.
<b>Agriculture, Forestry, Fishing &amp; Hunting</b>	<b>111-115</b>	<b>\$0.05</b>	<b>0.33%</b>	<b>46</b>	<b>\$0.09</b>	<b>0.21%</b>	<b>144</b>
<b>Mining</b>	<b>21</b>	<b>\$0.36</b>	<b>2.52%</b>	<b>74</b>	<b>\$1.27</b>	<b>3.05%</b>	<b>373</b>
Oil and Gas Extraction	211	\$0.26	1.82%	52	\$0.93	2.23%	262
Mining (except oil and gas)	212-213	\$0.10	0.71%	22	\$0.34	0.82%	111
<b>Construction</b>	<b>23</b>	<b>\$0.38</b>	<b>2.67%</b>	<b>263</b>	<b>\$1.01</b>	<b>2.43%</b>	<b>934</b>
<b>Manufacturing</b>	<b>31-33</b>	<b>\$5.47</b>	<b>38.80%</b>	<b>906</b>	<b>\$15.72</b>	<b>37.77%</b>	<b>3,988</b>
Food Manufacturing	311	\$0.41	2.89%	99	\$1.24	2.98%	232
Wood Products Manufacturing	321	\$0.02	0.13%	8	\$0.08	0.19%	100
Petroleum and Coal Products Mfg.	324	\$0.91	6.46%	42	\$3.77	9.07%	89
Chemical Manufacturing	325	\$0.77	5.44%	108	\$1.82	4.37%	367
Nonmetallic Mineral Product Mfg.	327	\$0.24	1.68%	53	\$1.32	3.17%	252
Primary & Fabricated Metal Mfg.	331-332	\$0.93	6.59%	164	\$3.03	7.27%	905
Machinery Manufacturing	333	\$0.11	0.75%	26	\$0.34	0.81%	217
Computer and Electronic Product Mfg.	334	\$0.42	2.96%	85	\$0.64	1.54%	291
Electrical Equipment & Appliance Mfg.	335	\$0.18	1.28%	35	\$0.36	0.87%	140
Motor Vehicle & Trans. Equipment Mfg.	336	\$0.43	3.03%	58	\$0.81	1.94%	257
Other Manufacturing	Other in 31-33	\$1.07	7.58%	228	\$2.31	5.55%	1,138
<b>Utilities</b>	<b>22</b>	<b>\$0.96</b>	<b>6.84%</b>	<b>136</b>	<b>\$1.74</b>	<b>4.18%</b>	<b>910</b>
<b>Transportation &amp; Warehousing</b>	<b>48-49</b>	<b>\$0.35</b>	<b>2.46%</b>	<b>133</b>	<b>\$0.92</b>	<b>2.22%</b>	<b>553</b>
<b>Information</b>	<b>51</b>	<b>\$0.23</b>	<b>1.60%</b>	<b>144</b>	<b>\$0.49</b>	<b>1.19%</b>	<b>836</b>
Publishing Industries, Except Internet	511	\$0.02	0.14%	12	\$0.06	0.14%	42
Motion Picture & Sound Recording	512	\$0.06	0.40%	24	\$0.13	0.32%	83
Internet Services and data processing	518,519	\$0.01	0.07%	20	\$0.04	0.09%	50
Other Information	Other in 51	\$0.14	0.99%	88	\$0.27	0.64%	661
<b>Wholesale Trade</b>	<b>42</b>	<b>\$1.00</b>	<b>7.07%</b>	<b>386</b>	<b>\$2.43</b>	<b>5.85%</b>	<b>1,125</b>
<b>Retail Trade</b>	<b>44-45</b>	<b>\$1.27</b>	<b>9.02%</b>	<b>1,853</b>	<b>\$7.41</b>	<b>17.80%</b>	<b>4,134</b>
Car & Parts Dealers	441	\$0.10	0.71%	48	\$0.20	0.48%	321
Gas Stations	447	\$0.42	2.97%	318	\$5.25	12.62%	2,011
Other Retail Trade	Other in 44-45	\$0.75	5.34%	1,487	\$1.96	4.70%	1,802
<b>Finance and Insurance</b>	<b>52</b>	<b>\$0.09</b>	<b>0.63%</b>	<b>122</b>	<b>\$0.26</b>	<b>0.62%</b>	<b>327</b>
<b>Real Estate and Rental Leasing</b>	<b>53</b>	<b>\$0.22</b>	<b>1.58%</b>	<b>295</b>	<b>\$0.77</b>	<b>1.85%</b>	<b>1,074</b>
<b>Services</b>	<b>54-81</b>	<b>\$3.02</b>	<b>21.43%</b>	<b>1,754</b>	<b>\$7.76</b>	<b>18.65%</b>	<b>10,525</b>
Professional and Technical Services	54	\$0.69	4.86%	238	\$0.91	2.18%	679
Accommodation	721	\$0.06	0.44%	74	\$0.19	0.47%	260
Food Services & Drinking Places	722	\$0.05	0.38%	148	\$0.56	1.34%	2,445
Automotive Repairs & Maintenance	8111	\$0.33	2.35%	283	\$1.39	3.35%	2,282
Dry Cleaning & Laundry Services	8123	\$0.10	0.70%	116	\$0.55	1.33%	1,494
Health Care & Social Assistance	62	\$0.45	3.19%	239	\$0.91	2.19%	731
Other Services	Other in 54-81	\$1.34	9.51%	656	\$3.24	7.79%	2,634
<b>Public Administration</b>	<b>92</b>	<b>\$0.32</b>	<b>2.30%</b>	<b>199</b>	<b>\$0.98</b>	<b>2.36%</b>	<b>1,468</b>
<b>Unclassified*</b>	<b>N/A</b>	<b>\$0.39</b>	<b>2.76%</b>	<b>313</b>	<b>\$0.76</b>	<b>1.83%</b>	<b>567</b>
<b>Totals</b>		<b>\$14.10</b>	<b>100.00%</b>	<b>6,624</b>	<b>\$41.61</b>	<b>100.00%</b>	<b>26,958</b>

<sup>1</sup> Based on permit applications in FY 2012-2013.

<sup>2</sup> Based on permits held on March 7, 2014.

\* Facilities with no NAICS codes assigned are categorized as "unclassified."

Share of Major Revenue Sources by Industry

Approximately 60 percent of the SCAQMD's FY 2013-2014 estimated revenue comes from the following major revenue categories: emission fees, annual operating fees, permit processing fees, toxic hot spot fees, source test fees, and a portion of Rule 2202 fees.<sup>3</sup> Table 4 shows the percentage of fees from these categories in each industry's total output, a surrogate of affordability for the industries in the SCAQMD.<sup>4</sup> Collectively, revenue from these fees is estimated to amount to \$78 million, based on 2013 emissions, existing emission fee rates, and invoiced amounts for other fee categories.

As shown in Table 4, the amount of fees paid by each industry is relatively small compared to that industry's regional output. This is the case with industries which are predominantly comprised of small businesses, such as retail trade (NAICS 44-45), and automotive and repair (NAICS 811). But it is also the case for industries predominately comprised of large businesses, such as refineries (NAICS 324) and utilities (NAICS 22).

The petroleum product sector, mainly refineries, paid \$14.2 million in various fees, which represents five hundredths of one percent of the sector's output. Fees paid by the pipeline transportation sector represent fourteen hundredths of one percent of the total output. Fees for the utilities sector represent approximately three hundredths of one percent of its output. Overall, major SCAQMD fee revenue, as a whole, represents less than one-hundredth of one percent of the four county output.

**Table 4: Share of Major Revenue by Industry**

Industry Sector	NAICS	MM\$	% of Total Fees	% of Total Output
Farm (Agricultural Products)	111-112	\$0.32	0.40%	0.01%
Agriculture & Forestry support activities	115	\$0.05	0.07%	0.02%
Oil & Gas Extraction	211	\$1.62	2.07%	0.02%
Mining (except oil and gas)	212	\$0.46	0.58%	0.10%
Support Activities for Mining	213	\$0.19	0.24%	0.02%
Utilities	22	\$4.51	5.79%	0.03%
Construction	23	\$1.56	2.00%	0.00%
Wood Products Mfg.	321	\$0.12	0.15%	0.01%
Nonmetallic Mineral Product Mfg.	327	\$1.82	2.33%	0.05%
Primary Metal Mfg.	331	\$1.51	1.94%	0.02%
Fabricated Metal Product Mfg.	332	\$3.35	4.30%	0.02%
Machinery Manufacturing	333	\$0.50	0.64%	0.01%
Computer & Electronic Product Mfg.	334	\$1.17	1.50%	0.00%
Electrical Equipment & Appliance Mfg.	335	\$0.61	0.78%	0.01%
Motor Vehicle Mfg.	3361-3363	\$0.34	0.43%	0.00%
Transport Equip. Mfg. Excl. Motor Veh.	3364-3369	\$1.12	1.44%	0.00%
Furniture & Related Product Mfg.	337	\$0.37	0.47%	0.01%
Miscellaneous Mfg.	339	\$0.69	0.88%	0.00%
Food Mfg.	311	\$1.84	2.37%	0.01%

<sup>3</sup> The AQIP fees per Rule 2202 are placed in the restricted fund to obtain necessary emissions reduction or air quality benefits; therefore, are not included in the SCAQMD's revenue.

<sup>4</sup>The year 2011 output in 2005 dollars was used and converted to 2013 dollars. The conversion used the California Consumer Price Index Calendar Year Averages from the California Department of Industrial Relations (Retrieved January 23, 2014 [http://www.dof.ca.gov/HTML/FS\\_DATA/LatestEconData/FS\\_Price.htm](http://www.dof.ca.gov/HTML/FS_DATA/LatestEconData/FS_Price.htm)).

**Table 4: Share of Major Revenue by Industry (Continued)**

Industry Sector	NAICS	MM\$	% of Total Fees	% of Total Output
Beverage and Tobacco Product Mfg.	312	\$0.53	0.68%	0.01%
Textile & Textile Product Mills	313-314	\$0.49	0.63%	0.02%
Apparel, Leather & Allied Product Mfg.	315-316	\$0.06	0.07%	0.00%
Paper Mfg.	322	\$0.58	0.74%	0.01%
Printing & Related Support Activities	323	\$0.69	0.89%	0.01%
Petroleum and Coal Products Mfg.	324	\$14.18	18.19%	0.05%
Chemical Mfg.	325	\$3.15	4.04%	0.02%
Plastics and Rubber Products Mfg.	326	\$1.31	1.68%	0.01%
Wholesale Trade	42	\$3.99	5.12%	0.00%
Retail Trade	44-45	\$9.57	12.27%	0.01%
Air Transportation	481	\$0.05	0.06%	0.00%
Rail Transportation	482	\$0.01	0.01%	0.00%
Water Transportation	483	\$0.01	0.01%	0.00%
Truck Transportation	484	\$0.15	0.19%	0.00%
Couriers & Messengers	491-492	\$0.04	0.05%	0.00%
Transit & Ground passenger Transportation	485	\$0.10	0.13%	0.01%
Pipeline Transportation	486	\$0.83	1.07%	0.14%
Scenic & Sightseeing Transportation	487-488	\$0.49	0.63%	0.01%
Warehousing & Storage	493	\$0.26	0.33%	0.01%
Publishing Industries, Except Internet	511	\$0.10	0.13%	0.00%
Motion Picture & Sound Recording Industries	512	\$0.23	0.30%	0.00%
Internet Services & Data Processing	518-519	\$0.07	0.08%	0.00%
Broadcasting, Except Internet	515	\$0.13	0.17%	0.00%
Telecommunications	517	\$0.43	0.55%	0.00%
Monetary Authorities	521-522, 525	\$0.20	0.25%	0.00%
Securities, Commodity Contracts, Investments	523	\$0.17	0.22%	0.00%
Insurance Carriers & Related Activities	524	\$0.10	0.13%	0.00%
Real Estate	531	\$0.98	1.26%	0.00%
Rental & Leasing Services	532-533	\$0.24	0.31%	0.00%
Professional and Technical Services	54	\$1.73	2.22%	0.00%
Management of Companies & Enterprises	55	\$0.05	0.07%	0.00%
Administrative & Support Services	561	\$1.44	1.84%	0.00%
Waste Management & Remediation Services	562	\$1.81	2.32%	0.05%
Education Services	61	\$1.17	1.51%	0.01%
Ambulatory Health Care Services	621	\$0.52	0.67%	0.00%
Hospitals	622	\$0.97	1.24%	0.00%
Nursing & Residential Care Facilities	623	\$0.14	0.18%	0.00%
Social Assistance	624	\$0.13	0.17%	0.00%
Performing Arts & Spectator Sports	711	\$0.07	0.08%	0.00%
Museums, Historical Sites, Zoos, and Parks	712	\$0.05	0.06%	0.01%
Amusement, Gambling, and Recreation	713	\$0.37	0.47%	0.01%
Accommodation	721	\$0.33	0.43%	0.00%
Food Services & Drinking Places	722	\$0.65	0.83%	0.00%
Repair & Maintenance	811	\$2.66	3.42%	0.03%
Personal & Laundry Services	812	\$1.24	1.59%	0.02%
Membership Associations and Organizations	813	\$0.27	0.35%	0.00%
Government	92	\$1.84	2.36%	0.00%
Unclassified*	N/A	\$1.25	1.61%	
<b>Totals</b>		<b>\$77.94</b>	<b>100.00%</b>	<b>&lt; 0.01%</b>

\*Facilities with no NAICS codes assigned are categorized as "unclassified."

## **REVENUE IMPACTS OF PROPOSED FEE RATE INCREASE BY INDUSTRY**

Rule 320 allows annual adjustment of most fee rates in Regulation III by an amount equal to the change in CPI, which is 1.6-percent for the period of December 2012 to December 2013. Such fee rate increase is expected to increase total SCAQMD revenue by approximately \$1.4 million compared to what would have been paid in the event that the 1.6-percent CPI increase is not implemented.

Table 5 examines the major fee categories that are subject to the CPI-based rate increase and shows the distribution of these fee changes across affected industries. The fees examined include emission fees, annual operating fees, permit processing fees, toxic hot spot fees, source test fees, and a portion of Rule 2202 fees. Revenues for these fee categories are expected to increase by approximately \$1.25 million, compared to the \$78 million that would have been collected based on 2013 emissions data and current equipment and activity profiles of individual facilities.

The petroleum and coal products manufacturing sector (NAICS 324) would experience the largest increase in fees (approximately \$0.23 million with about 90 facilities) among all of the sectors, followed by retail trade (approximately \$0.15 million with about 4,130 facilities) and utility (approximately \$0.07 million with about 910 facilities) sectors.

### **SUMMARY**

The above analysis provides background information on SCAQMD revenue and summarizes the economic impact of the automatic consumer price index (Rule 320) increase on facilities regulated by SCAQMD. The amount of SCAQMD fees paid by each industry is small relative to the industry's economic output (less than 0.01 percent overall). SCAQMD revenues are expected to increase by \$1.4 million resulting from the across-the-board 1.6-percent fee rate increase. In spite of the fee rate increase, the projected revenue for FY 2014-2015 as a whole would decrease by \$5.7 million from a year ago. The decline in revenue is mainly attributable to a large unanticipated penalty that was received in FY 2013-14, and there is no way to predict that a similar large penalty would occur in FY 2014-2015.

**Table 5**  
**Revenue Impact of the Fee Rate Increase by Industry**

Industry Sector	NAICS	Revenue Change
Farm (Agricultural Products)	111-112	\$5,045
Agriculture & Forestry support activities	115	\$821
Oil & Gas Extraction	211	\$25,843
Mining (except oil and gas)	212	\$7,289
Support Activities for Mining	213	\$2,987
Utilities	22	\$72,145
Construction	23	\$24,979
Wood Products Mfg.	321	\$1,894
Nonmetallic Mineral Product Mfg.	327	\$29,068
Primary Metal Mfg.	331	\$24,143
Fabricated Metal Product Mfg.	332	\$53,583
Machinery Manufacturing	333	\$8,042
Computer & Electronic Product Mfg.	334	\$18,719
Electrical Equipment & Appliance Mfg.	335	\$9,703
Motor Vehicle Mfg.	3361-3363	\$5,394
Transport Equip. Mfg. Excl. Motor Veh.	3364-3369	\$17,941
Furniture & Related Product Mfg.	337	\$5,896
Miscellaneous Mfg.	339	\$11,035
Food Mfg.	311	\$29,500
Beverage and Tobacco Product Mfg.	312	\$8,421
Textile & Textile Product Mills	313-314	\$7,808
Apparel, Leather & Allied Product Mfg.	315-316	\$909
Paper Mfg.	322	\$9,200
Printing & Related Support Activities	323	\$11,116
Petroleum and Coal Products Mfg.	324	\$226,883
Chemical Mfg.	325	\$50,332
Plastics and Rubber Products Mfg.	326	\$20,930
Wholesale Trade	42	\$63,879
Retail Trade	44-45	\$153,049
Air Transportation	481	\$722
Rail Transportation	482	\$133
Water Transportation	483	\$163
Truck Transportation	484	\$2,339
Couriers & Messengers	491-492	\$600
Transit & Ground passenger Transportation	485	\$1,603
Pipeline Transportation	486	\$13,341

**Table 5 – Revenue Impact of the Fee Rate Increase by Industry  
(Continued)**

Industry Sector	NAICS	Revenue Change
Scenic & Sightseeing Transportation	487-488	\$7,801
Warehousing & Storage	493	\$4,122
Publishing Industries, Except Internet	511	\$1,573
Motion Picture & Sound Recording Industries	512	\$3,686
Internet Services & Data Processing	518-519	\$1,052
Broadcasting, Except Internet	515	\$2,088
Telecommunications	517	\$6,894
Monetary Authorities	521-522, 525	\$3,171
Securities, Commodity Contracts, Investments	523	\$2,758
Insurance Carriers & Related Activities	524	\$1,604
Real Estate	531	\$15,732
Rental & Leasing Services	532-533	\$3,836
Professional and Technical Services	54	\$27,688
Management of Companies & Enterprises	55	\$846
Administrative & Support Services	561	\$22,986
Waste Management & Remediation Services	562	\$28,913
Education Services	61	\$18,777
Ambulatory Health Care Services	621	\$8,353
Hospitals	622	\$15,503
Nursing & Residential Care Facilities	623	\$2,306
Social Assistance	624	\$2,118
Performing Arts & Spectator Sports	711	\$1,049
Museums, Historical Sites, Zoos, and Parks	712	\$748
Amusement, Gambling, and Recreation	713	\$5,892
Accommodation	721	\$5,316
Food Services & Drinking Places	722	\$10,404
Repair & Maintenance	811	\$42,629
Personal & Laundry Services	812	\$19,831
Membership Associations and Organizations	813	\$4,341
Government	92	\$29,465
Unclassified*	N/A	\$20,072
<b>Totals</b>		<b>\$1,247,010</b>

\*Facilities with no NAICS codes assigned are categorized as “unclassified.”

**REFERENCES**

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## ATTACHMENT I

# SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

### **Final Socioeconomic Assessment for Proposed Amended Regulation III—Fees**

April 2014

#### **Executive Officer**

Barry R. Wallerstein, D.Env.

#### **Deputy Executive Officer**

**Planning, Rule Development & Area Sources**

Elaine Chang, Dr.P.H.

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Cities of Orange County

EXECUTIVE OFFICER: BARRY R. WALLERSTEIN, D.Env.

**EXECUTIVE SUMMARY**

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. To partly compensate for a shortfall in fees associated with permits, staff has proposed amendments to Regulation III that would apply a six-percent increase in fees to permit processing and annual permit renewal. (Please see the staff report for a complete list of amended fees.) The amendments would be phased in over two years: Fees in each of these two categories would be increased by three percent for fiscal year (FY) 2014-2015 and three percent for FY 2015-2016. The increase in fee rates would be additional to the automatic adjustment based on the California Consumer Price Index (CPI), specified by Rule 320. A socioeconomic analysis was conducted to assess the impacts of the proposed amendments to Regulation III. A summary of the analysis and findings is presented below.

<b>Elements of the Proposed Amendments</b>	The proposed amendments to Regulation III would apply a six-percent increase in fees to permit processing and annual permit renewal. The increase in fee rates would be phased in over two years: Fees in each of these two categories would be increased by three percent for FY 2014-2015 and three percent for FY 2015-2016. The increase is in addition to the automatic adjustment based on the California CPI (Rule 320).
<b>Affected Facilities</b>	Nearly all the facilities regulated by the SCAQMD would be affected by the proposed amendments. These facilities belong to every sector of the economy.
<b>Approach and Findings</b>	<p>The analysis herein examines the impact of the proposed amendments to Regulation III on various industries. The existing 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>Permit processing and annual permit renewal fees are estimated to account for 45 percent of the SCAQMD's total revenue in FY 2013-2014. The manufacturing sector is the largest contributor to both the permit processing fees (39 percent) and annual permit renewal fees (38 percent).</p>
<b>Impact of CPI Increase</b>	The six-percent fee rate increase for permit processing and annual permit renewal would bring to the SCAQMD additional revenue of \$1.7 million in FY 2014-2015 and \$3.3 million annually from FY 2015-2016 onwards. Within the manufacturing sector, petroleum and coal products manufacturing would experience the largest increase in fees (\$0.14 million in FY 2014-2015 and \$0.18 million annually from FY 2015-2016 onwards). Other sectors that would experience larger impacts include retail trade (\$0.26 million in FY 2014-2015 and \$0.52 million annually from FY 2015-2016 onwards) and wholesale trade (\$0.1 million in FY 2014-2015 and \$0.21 million annually from FY

	<p>2015-2016 onwards).</p> <p>Relative to the estimated FY 2013-2014 revenue, the projected total revenue for the next fiscal year would decrease by nearly \$4 million in spite of the proposed three-percent permit-related fee rate increase and the 1.6-percent across-the-board CPI-based increase due to Rule 320. The decline in revenue is mainly attributable to a large unanticipated penalty that was received in FY 2013-14, and there is no way to predict that a similar large penalty would occur in FY 2014-2015.</p>
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## INTRODUCTION

The SCAQMD General Fund is comprised of revenues from a number of sources. The majority of SCAQMD revenues are derived from emission fees, permit processing fees, annual operating (permit renewal) 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 air contaminants), 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. To partly compensate for a shortfall in fees associated with permits, the proposed amendments would apply a six-percent increase in fees to permit processing and annual permit renewal. (Please see the staff report for a complete list of amended fees.) The amendments would be phased in over two years: Fees in each of these two categories would be increased by three percent for fiscal year (FY)<sup>1</sup> 2014-2015 and three percent for FY 2015-2016. The increase in fee rates would be additional to the automatic adjustment specified by Rule 320, which is based on the California Consumer Price Index (CPI).

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 amendments to Regulation III do not satisfy this criterion, so the analysis herein is presented for informational purposes only.

## REVENUE TREND

Table 1 lists historical revenue for two prior fiscal years, estimated revenue for the current FY 2013-2014, and projected revenue for FY 2014-2015, by major fee category. Estimated revenue for FY 2013-2014 is calculated based on actual revenue received through February, 2014. Permit processing and annual operating fees together represented approximately 45 percent of the SCAQMD's actual total revenues.

The last two columns in Table 1 break down the revenue changes by fee category. Compared to the estimated revenue in FY 2013-2014, permit processing and annual operating fees would increase by \$0.56 million and \$1.76 million, respectively, with the proposed three-percent permit-related fee rate increase and the 1.6-percent across-the-board CPI-based increase due to Rule 320. Despite these increases, however, a net total revenue decrease of nearly \$4 million is expected for FY 2014-2015.

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<sup>1</sup> A fiscal year runs from July 1 to June 30. For example, FY 2013-2014 refers to the period of July 1, 2013 to June 30, 2014. In comparison, calendar year (CY) 2014 refers to the period of January 1 to December 31, 2014.

**Table 1: Actual and Estimated SCAQMD Revenue**

Revenue Category	FY 2011-2012 Actual* (Thousands)	FY 2012-2013 Actual* (Thousands)	FY 2013-2014 Estimated** (Thousands)	FY 2014-2015 Projected (Thousands)	% Change in Fee Rates	Changes in Revenue	
						(from FY 13-14 Estimated)	
						Thousands	%
Emission Fees	\$19,715	\$20,540	\$20,319	\$19,907	1.6%	-\$411	-2.0%
Annual Operating (Permit Renewal) Fees	\$41,222	\$41,935	\$43,758	\$45,519	4.6%	\$1,761	4.0%
Permit Processing Fees	\$15,659	\$17,211	\$17,781	\$18,340	4.6%	\$559	3.1%
Mobile Source/Clean Fuels	\$20,301	\$19,397	\$22,470	\$22,453	N/A	-\$17	-0.1%
Source Test & Lab Analysis	\$760	\$791	\$606	\$742	1.6%	\$136	22.4%
Hearing Board Fees	\$222	\$278	\$336	\$279	1.6%	-\$57	-16.9%
Transportation Program (Rule 2202) Fees	\$849	\$928	\$1,043	\$894	1.6%	-\$149	-14.3%
Other Revenues***	\$25,453	\$31,852	\$29,879	\$24,085	N/A	-\$5,794	-19.4%
<b>Total</b>	<b>\$124,180</b>	<b>\$132,932</b>	<b>\$136,192</b>	<b>\$132,220</b>		<b>-\$3,972</b>	<b>-2.9%</b>

(Note: Numbers may not add up due to rounding.)

\* Information as reported in the Comprehensive Annual Financial Reports (FYs 2011-12 & 2012-13).

\*\* Estimates are based on actual revenue received through February 2014.

\*\*\* Other Revenues include: CARB Subvention; Federal Grants; Interest; Lease Income; Penalties/Settlements; Subscriptions; AB 2588 Reimbursement; Miscellaneous revenues; Portable Equipment Registration Program (PERP); and Area Sources.

## Permit Processing and Annual Operating Fees by Industry

SCAQMD revenue from permit processing and annual operating fees by industry is shown in Table 3. It should be noted that this analysis has used the most recent available emission data with existing fee rates and the most recent invoiced amounts to arrive at an estimated picture of current fee revenue by industry. Thus, the figures below may differ slightly from Table 1 because data sources may reflect different time periods.

Applicants for permits to construct/operate equipment listed in Rule 301 pay a permit processing fee which varies by equipment type. 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.

As Table 3 indicates, an estimated total of \$14.1 million from 6,624 facilities that applied for permits to construct or operate was invoiced during FY 2012-2013. It should be noted that a facility could apply for multiple permits. For those facilities classified with NAICS codes, the manufacturing sector was the largest contributor, paying \$5.5 million or 39 percent of the total permit fee revenue. It was followed by the services sector at 21 percent and the retail trade sector at 9 percent.

**Table 3: Estimated Permit & Annual Operating Fee Revenue by Industry at Current Fee Rates**

Industry	NAICS	Permit Fees <sup>1</sup>			Annual Operating Fees <sup>2</sup>		
		MM\$	%	# of Fac.	MM\$	%	# of Fac.
<b>Agriculture, Forestry, Fishing &amp; Hunting</b>	<b>111-115</b>	<b>\$0.05</b>	<b>0.33%</b>	<b>46</b>	<b>\$0.09</b>	<b>0.21%</b>	<b>144</b>
<b>Mining</b>	<b>21</b>	<b>\$0.36</b>	<b>2.52%</b>	<b>74</b>	<b>\$1.27</b>	<b>3.05%</b>	<b>373</b>
Oil and Gas Extraction	211	\$0.26	1.82%	52	\$0.93	2.23%	262
Mining (except oil and gas)	212-213	\$0.10	0.71%	22	\$0.34	0.82%	111
<b>Construction</b>	<b>23</b>	<b>\$0.38</b>	<b>2.67%</b>	<b>263</b>	<b>\$1.01</b>	<b>2.43%</b>	<b>934</b>
<b>Manufacturing</b>	<b>31-33</b>	<b>\$5.46</b>	<b>38.79%</b>	<b>906</b>	<b>\$15.72</b>	<b>37.77%</b>	<b>3,988</b>
Food Manufacturing	311	\$0.41	2.93%	99	\$1.25	2.99%	233
Wood Products Manufacturing	321	\$0.02	0.13%	8	\$0.08	0.20%	100
Petroleum and Coal Products Mfg.	324	\$0.90	6.40%	42	\$3.77	9.07%	89
Chemical Manufacturing	325	\$0.77	5.45%	108	\$1.82	4.37%	367
Nonmetallic Mineral Product Mfg.	327	\$0.24	1.68%	53	\$1.32	3.17%	252
Primary & Fabricated Metal Mfg.	331-332	\$0.90	6.42%	163	\$2.99	7.18%	904
Machinery Manufacturing	333	\$0.11	0.75%	26	\$0.34	0.81%	217
Computer and Electronic Product Mfg.	334	\$0.42	2.96%	85	\$0.64	1.54%	291
Electrical Equipment & Appliance Mfg.	335	\$0.20	1.45%	36	\$0.40	0.96%	141
Motor Vehicle & Trans. Equipment Mfg.	336	\$0.43	3.03%	58	\$0.80	1.92%	256
Other Manufacturing	312-339	\$1.07	7.59%	228	\$2.31	5.55%	1,138
<b>Utilities</b>	<b>22</b>	<b>\$0.96</b>	<b>6.85%</b>	<b>136</b>	<b>\$1.74</b>	<b>4.18%</b>	<b>910</b>
<b>Transportation &amp; Warehousing</b>	<b>48-49</b>	<b>\$0.35</b>	<b>2.46%</b>	<b>133</b>	<b>\$0.92</b>	<b>2.22%</b>	<b>553</b>
<b>Information</b>	<b>51</b>	<b>\$0.22</b>	<b>1.59%</b>	<b>144</b>	<b>\$0.49</b>	<b>1.19%</b>	<b>836</b>
Publishing Industries, Except Internet	511	\$0.02	0.14%	12	\$0.06	0.14%	42
Motion Picture & Sound Recording	512	\$0.06	0.40%	24	\$0.13	0.32%	83
Internet Services and data processing	518,519	\$0.01	0.07%	20	\$0.04	0.09%	50
Other Information	Other in 51	\$0.14	0.98%	88	\$0.27	0.64%	661
<b>Wholesale Trade</b>	<b>42</b>	<b>\$1.00</b>	<b>7.08%</b>	<b>386</b>	<b>\$2.44</b>	<b>5.85%</b>	<b>1,125</b>
<b>Retail Trade</b>	<b>44-45</b>	<b>\$1.27</b>	<b>9.02%</b>	<b>1,853</b>	<b>\$7.41</b>	<b>17.80%</b>	<b>4,134</b>
Car & Parts Dealers	441	\$0.10	0.72%	48	\$0.20	0.48%	321
Gas Stations	447	\$0.42	2.97%	318	\$5.25	12.61%	2,011
Other Retail Trade	Other in 44-45	\$0.75	5.33%	1,487	\$1.96	4.70%	1,802
<b>Finance and Insurance</b>	<b>52</b>	<b>\$0.09</b>	<b>0.63%</b>	<b>122</b>	<b>\$0.26</b>	<b>0.62%</b>	<b>327</b>
<b>Real Estate and Rental Leasing</b>	<b>53</b>	<b>\$0.22</b>	<b>1.56%</b>	<b>295</b>	<b>\$0.77</b>	<b>1.85%</b>	<b>1,074</b>
<b>Services</b>	<b>54-81</b>	<b>\$3.02</b>	<b>21.44%</b>	<b>1,754</b>	<b>\$7.76</b>	<b>18.65%</b>	<b>10,525</b>
Professional and Technical Services	54	\$0.69	4.87%	238	\$0.91	2.18%	679
Accommodation	721	\$0.06	0.44%	74	\$0.19	0.47%	260
Food Services & Drinking Places	722	\$0.05	0.38%	148	\$0.56	1.34%	2,445
Automotive Repairs & Maintenance	8111	\$0.33	2.35%	283	\$1.39	3.35%	2,282
Dry Cleaning & Laundry Services	8123	\$0.10	0.70%	116	\$0.56	1.33%	1,494
Health Care & Social Assistance	62	\$0.45	3.19%	239	\$0.91	2.19%	731
Other Services	Other in 54-81	\$1.34	9.50%	656	\$3.24	7.79%	2,634
<b>Public Administration</b>	<b>92</b>	<b>\$0.32</b>	<b>2.29%</b>	<b>199</b>	<b>\$0.98</b>	<b>2.36%</b>	<b>1,468</b>
<b>Unclassified*</b>	<b>N/A</b>	<b>\$0.39</b>	<b>2.80%</b>	<b>329</b>	<b>\$0.78</b>	<b>1.88%</b>	<b>599</b>
<b>Totals</b>		<b>\$14.08</b>	<b>100.00%</b>	<b>6,624</b>	<b>\$41.63</b>	<b>100.00%</b>	<b>26,958</b>

<sup>1</sup> Based on permit applications in FY 2012-2013.

<sup>2</sup> Based on permits held on March 7, 2014.

\* Facilities with no NAICS codes assigned are categorized as "unclassified."

Operating permits must be renewed annually. An annual operating fee is assessed on the renewed permits to support continuing SCAQMD inspection and compliance activities and other permit related activities. There was a total of 26,958 facilities with operating permits as of March 14, 2014. The revenue from these facilities at the current fee rate was estimated to be \$42 million. The manufacturing sector had the largest share of annual operating fees, totaling \$15.7 million or 38 percent of the total annual operating fee revenue. The sectors of retail trade and services together paid \$15.2 million.

Collectively, revenue from permit processing and annual operating fees was estimated to amount to \$55.7 million, based on 2013 emissions, existing emission fee rates, and invoiced amounts for other fee categories. In either of these two fee categories, the petroleum and coal products manufacturing sector (mainly refineries) paid the highest average fees per facility: about \$21,700 for permit processing and \$42,400 for annual renewal. In comparison, food services and drinking places on average paid the lowest fees: \$360 for permit processing and \$230 for annual renewal. The differences reflected, among other factors, the number of permits held by facilities and the complexity in evaluation, review, planning, inspection, and monitoring related to the issuance of each permit.

Table 4 shows the percentage of fees permit processing and annual operating fees in each industry's total output, a surrogate of affordability for the industries in the SCAQMD.<sup>2</sup> Overall, the amount of fees paid by each industry was relatively small compared to that industry's regional output. This is the case with industries which are predominantly comprised of small businesses, such as retail trade (NAICS 44-45), and automotive and repair (NAICS 811). But it is also the case for industries predominately comprised of large businesses, such as refineries (NAICS 324) and utilities (NAICS 22).

**Table 4: Share of Permit-Related Revenue by Industry**

Industry Sector	NAICS	MM\$	% of Total Fees	% of Total Output
Farm (Agricultural Products)	111-112	\$0.08	0.15%	0.002%
Agriculture & Forestry support activities	115	\$0.05	0.09%	0.020%
Oil & Gas Extraction	211	\$1.18	2.12%	0.016%
Mining (except oil and gas)	212	\$0.28	0.50%	0.062%
Support Activities for Mining	213	\$0.16	0.29%	0.021%
Utilities	22	\$2.70	4.85%	0.016%
Construction	23	\$1.39	2.49%	0.003%
Wood Products Mfg.	321	\$0.10	0.18%	0.004%
Nonmetallic Mineral Product Mfg.	327	\$1.56	2.79%	0.046%
Primary Metal Mfg.	331	\$1.21	2.18%	0.019%
Fabricated Metal Product Mfg.	332	\$2.74	4.92%	0.014%
Machinery Manufacturing	333	\$0.44	0.80%	0.005%
Computer & Electronic Product Mfg.	334	\$1.06	1.90%	0.002%
Electrical Equipment & Appliance Mfg.	335	\$0.54	0.97%	0.011%
Motor Vehicle Mfg.	3361-3363	\$0.26	0.47%	0.003%
Transport Equip. Mfg. Excl. Motor Veh.	3364-3369	\$0.97	1.75%	0.004%
Furniture & Related Product Mfg.	337	\$0.33	0.58%	0.007%

<sup>2</sup>The year 2011 output in 2005 dollars was used and converted to 2013 dollars. The conversion used the California Consumer Price Index Calendar Year Averages from the California Department of Industrial Relations (Retrieved January 23, 2014 [http://www.dof.ca.gov/HTML/FS\\_DATA/LatestEconData/FS\\_Price.htm](http://www.dof.ca.gov/HTML/FS_DATA/LatestEconData/FS_Price.htm)).

**Table 4: Share of Permit-Related Revenue by Industry (Continued)**

Industry Sector	NAICS	MM\$	% of Total Fees	% of Total Output
Miscellaneous Mfg.	339	\$0.59	1.07%	0.004%
Food Mfg.	311	\$1.65	2.96%	0.007%
Beverage and Tobacco Product Mfg.	312	\$0.18	0.33%	0.002%
Textile & Textile Product Mills	313-314	\$0.44	0.80%	0.015%
Apparel, Leather & Allied Product Mfg.	315-316	\$0.04	0.08%	0.001%
Paper Mfg.	322	\$0.34	0.60%	0.007%
Printing & Related Support Activities	323	\$0.54	0.96%	0.009%
Petroleum and Coal Products Mfg.	324	\$4.69	8.41%	0.017%
Chemical Mfg.	325	\$2.59	4.64%	0.013%
Plastics and Rubber Products Mfg.	326	\$0.92	1.64%	0.011%
Wholesale Trade	42	\$3.43	6.16%	0.004%
Retail Trade	44-45	\$8.68	15.58%	0.012%
Air Transportation	481	\$0.04	0.07%	0.001%
Rail Transportation	482	\$0.01	0.01%	0.000%
Water Transportation	483	\$0.01	0.02%	0.001%
Truck Transportation	484	\$0.13	0.23%	0.001%
Couriers & Messengers	491-492	\$0.02	0.04%	0.000%
Transit & Ground passenger Transportation	485	\$0.08	0.14%	0.004%
Pipeline Transportation	486	\$0.36	0.64%	0.058%
Scenic & Sightseeing Transportation	487-488	\$0.40	0.73%	0.006%
Warehousing & Storage	493	\$0.23	0.40%	0.006%
Publishing Industries, Except Internet	511	\$0.08	0.14%	0.001%
Motion Picture & Sound Recording Industries	512	\$0.19	0.34%	0.000%
Internet Services & Data Processing	518-519	\$0.05	0.09%	0.001%
Broadcasting, Except Internet	515	\$0.09	0.16%	0.001%
Telecommunications	517	\$0.31	0.56%	0.001%
Monetary Authorities	521-522, 525	\$0.14	0.26%	0.000%
Securities, Commodity Contracts, Investments	523	\$0.14	0.26%	0.001%
Insurance Carriers & Related Activities	524	\$0.06	0.10%	0.000%
Real Estate	531	\$0.78	1.41%	0.000%
Rental & Leasing Services	532-533	\$0.21	0.37%	0.001%
Professional and Technical Services	54	\$1.59	2.86%	0.002%
Management of Companies & Enterprises	55	\$0.05	0.09%	0.000%
Administrative & Support Services	561	\$1.28	2.30%	0.003%
Waste Management & Remediation Services	562	\$1.01	1.81%	0.026%
Education Services	61	\$0.91	1.63%	0.007%
Ambulatory Health Care Services	621	\$0.37	0.67%	0.001%
Hospitals	622	\$0.77	1.38%	0.003%
Nursing & Residential Care Facilities	623	\$0.11	0.20%	0.001%
Social Assistance	624	\$0.10	0.19%	0.001%
Performing Arts & Spectator Sports	711	\$0.05	0.09%	0.000%
Museums, Historical Sites, Zoos, and Parks	712	\$0.04	0.07%	0.005%
Amusement, Gambling, and Recreation	713	\$0.30	0.54%	0.005%
Accommodation	721	\$0.26	0.46%	0.002%
Food Services & Drinking Places	722	\$0.61	1.10%	0.002%
Repair & Maintenance	811	\$2.15	3.86%	0.021%
Personal & Laundry Services	812	\$0.94	1.69%	0.013%
Membership Associations and Organizations	813	\$0.22	0.40%	0.002%
Government	92	\$1.31	2.35%	0.001%
Unclassified*	N/A	\$1.15	2.06%	
<b>Totals</b>		<b>\$55.71</b>	<b>100.00%</b>	<b>&lt; 0.004%</b>

\*Facilities with no NAICS codes assigned are categorized as "unclassified."

Within the manufacturing sector, petroleum and coal products manufacturing paid \$4.7 million in permit processing and annual operating fees, which represented less than two hundredths of one percent of the sector's output. Fees paid by the mining and the pipeline transportation sectors represented approximately six hundredths of one percent of their respective total outputs. Overall, permit processing and annual operating fees together represented less than four-thousandth of one percent of the total economic output produced in Los Angeles, Orange, Riverside, and San Bernardino counties.

## **REVENUE IMPACTS OF PROPOSED FEE RATE INCREASE BY INDUSTRY**

The proposed amendments to Regulation III would apply a six-percent increase in fees to permit processing and annual permit renewal. The increase in fee rates would be phased in over two years: Fees in each of these two categories would be increased by three percent for FY 2014-2015 and three percent for FY 2015-2016. (The increase is in addition to the automatic adjustment based on the California CPI, specified by Rule 320.) The fee rate increase due to such amendments, when compared to what would have been paid in the event that the six-percent increase is not implemented, is expected to increase total SCAQMD revenue by \$1.7 million in FY 2014-2015 and by \$3.3 million annually from FY 2015-2016 onwards.

Table 5 shows the distribution of these fee changes across affected industries. Within the manufacturing sector, petroleum and coal products manufacturing would experience the largest increase in fees (\$0.14 million in FY 2014-2015 and \$0.18 million annually from FY 2015-2016 onwards). Other sectors that would experience larger impacts include retail trade (\$0.26 million in FY 2014-2015 and \$0.52 million annually from FY 2015-2016 onwards) and wholesale trade (\$0.1 million in FY 2014-2015 and \$0.21 million annually from FY 2015-2016 onwards).

## **SUMMARY**

The above analysis provides background information on SCAQMD revenue and summarizes the economic impact on facilities regulated by SCAQMD due to the proposed six-percent fee rate increase for permit processing and annual permit renewal. The combined amount of these fees currently paid by each industry is small relative to the industry's economic output (less than 0.004 percent overall). If the proposed amendments to Regulation III are implemented, SCAQMD revenues are expected to increase by \$1.7 million in FY 2014-2015 and by \$3.3 million annually from FY 2015-2016 onwards.

However, the increase in revenue only partly compensate for a shortfall in fees associated with permits. Relative to the estimated fiscal year 2013-2014 revenue, the projected total revenue for the next fiscal year would decrease by nearly \$4 million in spite of the proposed three-percent permit-related fee rate increase and the 1.6-percent across-the-board CPI-based increase due to Rule 320. The decline in revenue is mainly attributable to a large unanticipated penalty that was received in FY 2013-14, and there is no way to predict that a similar large penalty would occur in FY 2014-2015.

**Table 5**  
**Revenue Impact of the Fee Rate Increase by Industry**

Industry Sector	NAICS	Revenue Change in FY 2014-2015	Revenue Change in FY 2015-2016
Farm (Agricultural Products)	111-112	\$2,532	\$5,064
Agriculture & Forestry support activities	115	\$1,490	\$2,981
Oil & Gas Extraction	211	\$35,510	\$71,021
Mining (except oil and gas)	212	\$8,415	\$16,830
Support Activities for Mining	213	\$4,855	\$9,710
Utilities	22	\$81,124	\$162,249
Construction	23	\$41,603	\$83,207
Wood Products Mfg.	321	\$2,967	\$5,934
Nonmetallic Mineral Product Mfg.	327	\$46,679	\$93,359
Primary Metal Mfg.	331	\$36,441	\$72,882
Fabricated Metal Product Mfg.	332	\$82,212	\$164,424
Machinery Manufacturing	333	\$13,334	\$26,668
Computer & Electronic Product Mfg.	334	\$31,773	\$63,546
Electrical Equipment & Appliance Mfg.	335	\$16,259	\$32,517
Motor Vehicle Mfg.	3361-3363	\$7,813	\$15,626
Transport Equip. Mfg. Excl. Motor Veh.	3364-3369	\$29,173	\$58,346
Furniture & Related Product Mfg.	337	\$9,758	\$19,516
Miscellaneous Mfg.	339	\$17,838	\$35,677
Food Mfg.	311	\$49,397	\$98,795
Beverage and Tobacco Product Mfg.	312	\$5,544	\$11,088
Textile & Textile Product Mills	313-314	\$13,310	\$26,620
Apparel, Leather & Allied Product Mfg.	315-316	\$1,283	\$2,565
Paper Mfg.	322	\$10,055	\$20,109
Printing & Related Support Activities	323	\$16,074	\$32,148
Petroleum and Coal Products Mfg.	324	\$140,583	\$281,166
Chemical Mfg.	325	\$77,606	\$155,213
Plastics and Rubber Products Mfg.	326	\$27,494	\$54,988
Wholesale Trade	42	\$102,907	\$205,814
Retail Trade	44-45	\$260,391	\$520,782
Air Transportation	481	\$1,099	\$2,198
Rail Transportation	482	\$196	\$391
Water Transportation	483	\$273	\$546
Truck Transportation	484	\$3,825	\$7,650
Couriers & Messengers	491-492	\$726	\$1,452
Transit & Ground passenger Transportation	485	\$2,311	\$4,623
Pipeline Transportation	486	\$10,742	\$21,484
Scenic & Sightseeing Transportation	487-488	\$12,125	\$24,251
Warehousing & Storage	493	\$6,765	\$13,530
Publishing Industries, Except Internet	511	\$2,299	\$4,598
Motion Picture & Sound Recording Industries	512	\$5,683	\$11,366
Internet Services & Data Processing	518-519	\$1,426	\$2,852
Broadcasting, Except Internet	515	\$2,738	\$5,476
Telecommunications	517	\$9,440	\$18,880
Monetary Authorities	521-522, 525	\$4,301	\$8,603
Securities, Commodity Contracts, Investments	523	\$4,336	\$8,672
Insurance Carriers & Related Activities	524	\$1,742	\$3,483
Real Estate	531	\$23,550	\$47,100
Rental & Leasing Services	532-533	\$6,248	\$12,497
Professional and Technical Services	54	\$47,842	\$95,683
Management of Companies & Enterprises	55	\$1,434	\$2,868
Administrative & Support Services	561	\$38,493	\$76,986
Waste Management & Remediation Services	562	\$30,230	\$60,460
Education Services	61	\$27,267	\$54,535

**Table 5 – Revenue Impact of the Fee Rate Increase by Industry  
(Continued)**

Industry Sector	NAICS	Revenue Change in FY 2014-2015	Revenue Change in FY 2015-2016
Ambulatory Health Care Services	621	\$11,232	\$22,465
Hospitals	622	\$23,141	\$46,281
Nursing & Residential Care Facilities	623	\$3,265	\$6,531
Social Assistance	624	\$3,146	\$6,293
Performing Arts & Spectator Sports	711	\$1,506	\$3,011
Museums, Historical Sites, Zoos, and Parks	712	\$1,206	\$2,412
Amusement, Gambling, and Recreation	713	\$9,044	\$18,089
Accommodation	721	\$7,690	\$15,379
Food Services & Drinking Places	722	\$18,335	\$36,670
Repair & Maintenance	811	\$64,576	\$129,151
Personal & Laundry Services	812	\$28,311	\$56,622
Membership Associations and Organizations	813	\$6,743	\$13,487
Government	92	\$39,214	\$78,427
Unclassified*	N/A	\$34,486	\$68,971
<b>Totals</b>		<b>\$1,671,407</b>	<b>\$3,342,815</b>

\*Facilities with no NAICS codes assigned are categorized as "unclassified."

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## ATTACHMENT J



# South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4182  
(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 will prepare a Notice of Exemption for the project identified above.

The proposed amendments to Regulation III – Fees, include an adjustment by the change in the Consumer Price Index (CPI) (1.6 percent) pursuant to Rule 320 - Automatic Adjustment Based on CPI for Regulation III Fees. The proposed project also includes an additional six percent increase in fees for permit processing and annual permit renewal, phased in over two years, to address an identified shortfall in costs associated with issuing the permits. The proposed project would increase fees in each of these two categories by three percent for fiscal years 2014/15 and 2015/16.

Pursuant to CEQA, the SCAQMD is the Lead Agency and has reviewed the proposed project mentioned above pursuant to CEQA Guidelines §§15002 (k)(1) and 15061. SCAQMD staff has reviewed the proposed amendments to Regulation III – Fees, and determined them to be statutorily exempt from CEQA requirements pursuant to State CEQA Guidelines §15273 – Rates, Tolls, Fares, and Charges. A Notice of Exemption has been prepared pursuant to CEQA Guidelines §15062 - Notice of Exemption. The Notice of Exemption will be filed with the county clerks of Los Angeles, Orange, Riverside and San Bernardino counties immediately following the adoption of the proposed project.

Any questions regarding this Notice of Exemption should be sent to Jeff Inabinet (c/o Planning, Rule Development & Area Sources) at the above address. Mr. Inabinet can also be reached at (909) 396-2453.

**Date:** May 2, 2014

**Signature:** \_\_\_\_\_

Michael Krause  
Program Supervisor – CEQA Section  
Planning, Rule Development &  
Area Sources

# NOTICE OF EXEMPTION

**To:** County Clerks of  
Los Angeles, Orange, Riverside, 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:**

South Coast Air Quality Management District (SCAQMD) area of jurisdiction consisting of the four-county South Coast Air Basin (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 and the Mojave Desert Air Basin.

**Description of Nature, Purpose, and Beneficiaries of Project:**

The proposed amendments to Regulation III – Fees, include an adjustment by the change in the Consumer Price Index (CPI) (1.6 percent) pursuant to Rule 320 - Automatic Adjustment Based on CPI for Regulation III Fees. The proposed project also includes an additional six percent increase in fees for permit processing and annual permit renewal, phased in over two years, to address an identified shortfall in costs associated with issuing the permits. The proposed project would increase fees in each of these two categories by three percent for fiscal years 2014/15 and 2015/16.

**Public Agency Approving Project:**

South Coast Air Quality Management District

**Agency Carrying Out Project:**

South Coast Air Quality Management District

**Exempt Status:**

General Concepts [CEQA Guidelines §15002 (k)(1)]; and  
General Rule Exemption [CEQA Guidelines §15061 (b)(3)]

**Reasons why project is exempt:**

SCAQMD staff has reviewed the proposed amendments to Regulation III – Fees, and determined them to be statutorily exempt from CEQA requirements pursuant to State CEQA Guidelines §15273 – Rates, Tolls, Fares, and Charges. The proposed amendments to Regulation III – Fees, have minor fee adjustments to better recover costs and contain administrative amendments.

**Project Approval Date:**

SCAQMD Governing Board Hearing: May 2, 2014, 9:00 a.m.; SCAQMD Headquarters

**CEQA Contact Person:**

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[tpham@aqmd.gov](mailto:tpham@aqmd.gov)

Date Received for Filing \_\_\_\_\_

Signature Signed upon certification \_\_\_\_\_

Michael Krause  
Program Supervisor – CEQA Section  
Planning, Rule Development  
and Area Sources