

BOARD MEETING DATE: May 3, 2019

AGENDA NO. 28

**PROPOSAL:** Adopt Executive Officer's FY 2019-20 Proposed Goals and Priority Objectives, and Proposed Budget; Determine that Proposed Amendments to Regulation III – Fees and Rule 209 – Transfer and Voiding of Permits Are Exempt from CEQA and Amend Regulation III – Fees and Rule 209 – Transfer and Voiding of Permits; and Amend Salary Resolution and Class Specification

**SYNOPSIS:** The Executive Officer's Proposed Goals and Priority Objectives, and Proposed Budget for FY 2019-20 have been developed and are recommended for adoption. The Proposed Budget is balanced and includes implementation of the last year of phased fee increase adopted by the Board on June 2, 2017 to continue cost recovery efforts. There are also proposed amendments to the South Coast Air Quality Management District Salary Resolution relating to Executive Management staff. In addition, staff is proposing amendments to Regulation III – Fees, and Rule 209 – Transfer and Voiding of Permits. The amendments include: 1) pursuant to Rule 320, an increase of most fees by 3.5 percent consistent with the Consumer Price Index; 2) new or increased fees, including toxics fees, which are necessary to meet the requirements of recently adopted rules and state mandates and will provide more specific cost recovery for activities by the agency; 3) certain fee reductions related to agency efficiency; 4) administrative changes that include clarification, deletions, or corrections of existing rule language, which have no fee impact, and 5) clarification on how permit transfers are considered when there is a change of owner/operator. This action is to: 1) Adopt the Executive Officer's Proposed Goals and Priority Objectives, and Proposed Budget for FY 2019-20; 2) Determine that the proposed amendments to Regulation III - Fees and Rule 209 – Transfer and Voiding of Permits are exempt from the California Environmental Quality Act; 3) Amend Regulation III; 4) Amend Rule 209; and 5) Amend Salary Resolution and Class Specification.

**COMMITTEE:** Special Governing Board Meeting/Budget Study Session, April 12, 2019, Reviewed

**RECOMMENDED ACTIONS:**

1. Remove from Reserves and Designations all amounts associated with the FY 2018-19 Budget;
2. Approve appropriations in the Major Objects for FY 2019-20 of:

Salary and Employee Benefits	\$141,667,712
Services and Supplies	27,992,660
Capital Outlays	395,000
Transfers Out	<u>841,353</u>
Total	<u>\$170,896,725</u>

3. Approve revenues for FY 2019-20 of \$170,896,725;
4. Approve the addition of 1 net authorized/funded position as detailed in the FY 2019-20 Budget;
5. Approve the Executive Officer's FY 2019-20 Goals and Priority Objectives;
6. Approve a projected June 30, 2020 Fund Balance of the following:

<b>Classification<sup>1</sup></b>	<b>Reserves/Unreserved Designations</b>	<b>Amount</b>
Committed	Reserve for Encumbrances	\$16,321,000
Nonspendable	Reserve for Inventory of Supplies	80,000
Assigned	Designated for Enhanced Compliance Activities	883,018
Assigned	Designated for Other Post Employment Benefit (OPEB) Obligations	2,952,496
Assigned	Designated for Permit Streamlining	234,159
Assigned	Designated for Self-Insurance	2,000,000
Assigned	Designated for Unemployment Claims	80,000
Total Reserves & Unreserved Designations		\$22,550,673
Unassigned	Undesignated Fund Balance	\$43,597,488

7. Adopt the attached Resolution regarding the Proposed Amended Regulation III – Fees (Attachment F):
  - a. Determining that the proposed amendments to Regulation III – Fees (which includes 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 and Regulation

<sup>1</sup> The fund balance classifications of Committed, Nonspendable, Assigned, and Unassigned are established by the Government Accounting Standards Board 54.

- XXV, 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 – Fees for Architectural Coatings, Proposed Amended Rule 315 – Fees for Training Classes and License Renewal, and Proposed Amended Rule 209 – Transfer and Voiding of Permits) are exempt from the requirements of the California Environmental Quality Act; and
- b. Amending Rules 301 – Permitting and Associated Fees, Rule 303 – Hearing Board Fees, Rule 304 – Equipment, Materials and Ambient Air Analyses, Rule 304.1 – Analyses Fees, Rule 306 – Plan Fees, Rule 307.1 – Alternative Fees for Air Toxics Emissions Inventory, Rule 308 – On-Road Motor Vehicle Mitigation Options Fees, Rule 309 – Fees for Regulation XVI and Regulation XXV, Rule 311 – Air Quality Investment Program (AQIP) Fees, Rule 313 – Authority to Adjust Fees and Due Dates, Rule 314 – Fees for Architectural Coatings, and Rule 315 – Fees for Training Classes and License Renewal, and Rule 209 – Transfer and Voiding of Permits.
8. Amend the Salary Resolution to add and delete Designated Deputy positions, to modify the salary of the Chief Operating Officer position, and to revise a job title to take effect on July 1, 2019 (Attachment L and M):
- a. Deleting the Chief Administrative Officer position, due to the reorganization of the Administrative Office unit;
  - b. Adding Deputy Executive Officer positions for the Finance, Information Management, and Administrative & Human Resources divisions, including Chief Information Officer and Chief Financial Officer, partially offset by deleting the Assistant Deputy Executive Officer positions in each division;
  - c. Increasing the Chief Operating Officer position salary to \$194,037; and
  - d. Revising the Class Specification for the Health Effects Officer position to change the title to Director of Community Air Programs/Health Effects Officer.

Wayne Nastri  
Executive Officer

SJ:DRP:tm

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## **Background**

### *Budget*

The period covered by the FY 2019-20 budget is July 1, 2019 to June 30, 2020. The General Fund budget is the agency's operating budget and is structured by office and account code. The accounts are categorized into three Major Objects: Salaries and Employee Benefits; Services and Supplies; and Capital Outlays. The budget is supplemented with a Work Program which estimates staff resources and expenditures along program and activity lines. A Work Program Output Justification is completed for each Work Program which identifies performance goals, measurable outputs, legal mandates, activity changes and revenue categories.

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

The Executive Officer's Budget and Work Program for FY 2019-20 represents the input over the past several months from Board members, the public, executive management, and staff. This year's process included meetings with the Budget Advisory Committee, a public consultation meeting held on April 9, 2019 and a budget and fee study session for the Board on April 12, 2019.

Regulation III – Fees, establishes the fee rates and schedules to recover South Coast Air Quality Management's (South Coast AQMD) reasonable costs of regulating and providing services to the regulated community, primarily permitted sources. The Permitted Source Program is principally supported by three types of fees – permit processing fees for both facility permits and equipment-based permits, annual permit renewal fees, and emissions-based annual operating fees, all of which are contained in Rule 301. Also included in the Permitted Source Program are Rule 222 - Filing Requirements For Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation II, registration fees and plan fees, since these are similar to permits for the sources to which they apply. Regulation III also establishes fees and rates for other fee programs, including, but not limited to, Transportation Programs fees and Area Source fees (architectural coatings). The above referenced fees comprise approximately 60.8 percent of South Coast AQMD's revenue.

In FY 2017-18, the Board adopted a phased-in fee increase applicable to both Title V and non-Title V facilities. For Title V facilities, the Board approved an increase of 10.67 percent in each of FY 2017-18 and 2018-19, and 10.66 percent in FY 2019-20. With respect to non-Title V facilities, the Board approved an increase of 4 percent in each of FY 2017-18 and 2018-19. These fee increases were necessary because South Coast AQMD was not collecting fees sufficient to cover the reasonable costs of its



regulatory programs. In addition, the increases for the Title V facilities were a necessary response to a U.S. EPA review of South Coast AQMD's Title V Program. That review also found that South Coast AQMD was not recovering sufficient revenues to support the costs of that program. Deficits for the Permitted Source Program, including the Title V Program, had been routinely covered through use of reserves which have been primarily funded with one-time penalty revenue. The non-Title V fee increase has been fully implemented. FY 2019-20 represents the final year of the phased in Title V fee increase.

Staff continues to implement cost recovery initiatives and cost reduction efforts, including limited increases in Services and Supplies expenditures, an increased vacancy rate, the implementation of the California Public Employees' Pension Reform Act (PEPRA) for new employees, and the early payoff of the Diamond Bar headquarters. In the upcoming years, the South Coast AQMD will continue to face a number of fiscal challenges and uncertainties, including potential changes in federal and state grant funding levels, increased retirement costs due to actuarial and investment adjustments that could impact pension liability, the need for major information technology and building infrastructure improvement projects, and annual variations in one-time penalties and settlement revenue.

## **Proposal**

### *Budget*

The proposed budget for FY 2019-20 is a balanced budget with expenditures and revenues of \$170,896,725. The proposed FY 2019-20 budget represents an increase of \$8,265,624 (5.1%) in total expenditures from the budget adopted by the Board in June 2018, primarily due to an increase in retirement costs and grant-funded positions. The proposed budget includes the net addition of 62.6 positions for FY 2019-20 from the FY 2018-19 Adopted Budget and a net increase of one position from the FY 2018-19 Amended Budget. In Services and Supplies, the proposal for FY 2019-20 reflects a decrease of \$681,821 (2.4%) compared to the FY 2018-19 adopted budget while Capital Outlays are decreased by \$693,300 (63.7%).

The proposed FY 2019-20 budget represents an increase of \$8,265,624 (5.1%) in total revenue from the budget adopted by the Board in June 2018. As part of this budget package, specific fees in Regulation III – Fees, will be automatically adjusted by the California Consumer Price Index (CPI) as provided for under South Coast AQMD Rule 320 - Automatic Adjustment Based on Consumer Price Index for Regulation III Fees. The revenue projections do not include potential increased revenue from proposed amendments to Regulation III.

### *Regulation III and Rule 209*

Proposed Amended Regulation III will: 1) pursuant to Rule 320, include an across-the-board 3.5 percent increase in fee rates with exception of fee rates set by state law and

Rule 311(c) Air Quality Investment Program Fees; 2) add new fees which are necessary to meet the requirements of recently adopted rules and state mandates; 3) add new or increased fees which are necessary to provide more specific cost recovery for other regulatory actions taken by the agency, including but not limited to fees for toxic air contaminants; and 4) make administrative changes that include clarification, deletions, or corrections of existing rule language, which have no fee impact. Proposed Amended Rule 209 will add a clarification on how permit transfers are considered when there is a change of owner/operator.

In recent years, staffs' efforts have substantially increased on monitoring, rulemaking, and enforcement of rules for toxic air contaminants. As a result of these efforts, the amount of time spent on monitoring, inspecting, and auditing facilities' TAC emission inventories as well as planning and rule development related to permitted sources of TACs has substantially increased. Because of this recent increased workload and its expected continuation into the future, staff estimated the amount of work currently done annually associated with toxics emissions and compared it with the amount of fees collected from toxics emissions. Facilities paid a total of about \$19.5 million in emission fees for emissions that occurred in calendar year 2017, of which about \$0.5 million was attributable to emissions of toxic air contaminants. The South Coast AQMD currently conducts about \$20 million of work annually for which toxics emissions fees could be applied, about half of which is from AB 617 work and the half from other ongoing work on stationary source toxics. There is additional work conducted on toxic air contaminants that is not reflected in this analysis (e.g., AB 2588 Toxic Hot Spots, mobile source toxics, etc.). The difference between the amount collected and the amount of staff resources expended is paid from a variety of sources, including emissions fees from criteria pollutants (because toxics emissions fees are a component of all emissions fees), one-time penalties, and most recently from portions of one-time allocations from the state legislature of about \$31 million for the implementation of the first two years of AB 617. There is no guarantee that these one-time revenues will continue into the future.

With respect to costs incurred by the South Coast AQMD, there are two key drivers when considering how resources are spent to conduct work related to the permitting, investigation, audit, enforcement and development of limits on toxics emissions. First, facilities with high toxicity-weighted emissions require greater effort because permitting, rule development, and enforcement related activities in large part are driven by the potential for public health impacts. Second, staff spends extra time working on facilities with more permitted devices with toxics emissions than facilities with the same emissions but less permitted devices. The current fee schedule in Rule 301 does not result in higher fees for facilities with higher toxicity of emissions or with more emission sources.

In order to address the workload disparity staff is proposing to change both the structure of how facilities pay air toxics fees, and how much they pay. The proposal seeks to more closely connect fees to current workload from higher toxic emitting facilities. Specifically, the following fee levels are proposed.

- A new Base Toxics Fee of \$78.03 to cover the basic annual software needs and minimal staffing needed to ensure that facilities can readily report emissions to South Coast AQMD. This fee would apply to any permitted facility that reports any toxic air contaminant above existing reporting thresholds in Table IV of Rule 301.
- A new Flat Rate Device Fee of \$341.89 per emission source at a permitted facility that emits a toxic air contaminant above reporting thresholds in Rule 301. These fees would be equal to the resources needed to run the entire toxics inventory program, including inventory, auditing, coordination with CARB and U.S. EPA, as well as reporting data to those agencies.
- A new Cancer-Potency Weighted Fee of \$10 per cancer-potency weighted pound of emissions above reporting thresholds in Table IV of Rule 301. As described above, staff conducts about \$19.7 million of work every year for which toxics emissions fees could be used as a funding source. The proposed Base Toxics Fee and the Flat Rate Device Fee are anticipated to only recover about \$1.5 million from facilities that currently report emissions to the South Coast AQMD, leaving a significant shortfall. Much of the remaining work not covered by those fees is focused on facilities in which there is significant public health concern. For example, AB 617 communities are chosen largely due to public health concerns from local toxic emissions, and much of the work in those communities is focused on investigating and enforcing rules on those stationary sources with the highest cancer-potency weighted emissions (e.g., refineries). Similar work is conducted outside of AB 617 communities on other facilities, again focused on facilities with the potential greatest public health impact. Therefore, in order to ensure that toxics emissions fees beyond the Base Toxics Fee and the Flat Rate Device Fee are equitably distributed, the Cancer-Potency Weighted Fee weights each facility's toxics emissions using the state-mandated cancer potency factors used to determine potential health risks in all other South Coast AQMD programs. Facilities with higher potential public health concern due to their emissions will pay higher fees to cover the higher level of effort for investigating and enforcement of those facilities.

The proposal has a delayed start for implementing toxic fees. These fees would be phased in over a two year period starting January 1, 2021. Because of the fluctuating nature of toxics work every year, staff anticipates revisiting this fee and workload in future years and will propose rebalancing this fee up or down as necessary.

These newly proposed fees are expected to have the following effect after final phase in.

<b>Fee</b>	<b>New Revenue</b>
Base Toxics Fee	\$0.1 million
Flat Rate Device Fee	\$1.4 million
Cancer-Potency Weighted Fee	\$3.4 million
Total New Toxics Fees	\$4.9 million
Current Toxics Fees	(\$0.5 million)
<b>Net New Toxics Fees Revenue</b>	<b>\$4.4 million</b>

The new fee schedule would affect all permitted facilities already required to report toxic emissions pursuant to Rule 301, but would not expand the number of facilities required to report emissions or pay associated fees. CARB is currently undergoing rulemaking that may require that more facilities report emissions to the South Coast AQMD outside of any amendments proposed for Regulation III; however, most of those facilities are expected to have relatively low emissions, and associated toxics fees are expected to be minor.

#### *Salary Resolution*

Proposed Amendments to the Salary Resolution reflect recommended changes in the Executive Management structure. The Administrative Office unit is currently comprised of the Finance, Information Management, and Administrative & Human Resources divisions and is headed by a Chief Administrative Officer position. Upon review of organizational functions, it was determined that the complex operations and scope of these divisions do not interrelate closely enough to warrant joint management under a single administrator. Efficiencies and cost-savings will be realized through the re-establishment of these three units as separate departments, each led by a Deputy Executive Officer-level position. The existing Assistant Deputy Executive Officer positions in these departments will be deleted. In addition, the proposed amendments to the Salary Resolution assign a higher salary to the Chief Operating Officer (COO) position to better reflect the duties and responsibilities of the role as a direct report to the Executive Officer, with all departments reporting to the COO. Additional proposed amendments would revise the class specification for the Health Effects Officer position, as well as the Salary Resolution, to change the title to Director of Community Air Programs/Health Effects Officer, to better reflect the scope of program responsibilities for the position.

#### **Public Process**

The proposed FY 2019-20 budget assumes a 3.5 percent fee increase, consistent with Rule 320 which was adopted by the Board on October 29, 2010 to allow for an increase of fees based on the change in the California CPI. In accordance with Rule 320, the Draft Socioeconomic Impact Assessment for the automatic CPI-based fee increase was

made available to the public on March 15, 2019. Public comments and responses related to the Proposed Budget and CPI-based fee increase, along with recommendations from the Budget Advisory Committee, were provided to the Board by the April 12, 2019 deadline. Additionally, the Draft Socioeconomic Impact Assessment of Proposed Amended Regulation III - Fees was made available to the public on April 2, 2019.

Copies of the Proposed Budget and Work Program for FY 2019-20 have been transmitted to the Board and the document is also available via South Coast AQMD's web site at <http://www.aqmd.gov/nav/about/finance#Budgets>.

During the rulemaking process for Proposed Amended Regulation III, two Public Consultation Meetings were held on March 22, 2019 and April 9, 2019. Proposed Amended Regulation III was also discussed at the Budget Advisory Committee on April 5, 2019 and the Board Budget Study Session on April 12, 2019. In addition, South Coast AQMD hosted a webinar on the proposed increase in toxics emission fees on April 19, 2019. Documents related to Proposed Amended Regulation III, including draft rule language, staff report, and presentation materials, have been made available on SCAQMD's website at <http://www.aqmd.gov/home/rules-compliance/rules/proposed-rules#REG%20III>.

### **Key Issues**

Industry representatives commented that staff review and approval of source tests used for emissions reporting should be streamlined, including faster review times and allowing the use of industry pooled source tests. Staff is committed to providing faster turnarounds on source test reviews, and the increased resources provided by this proposed amendment can assist with this effort. Staff is also open to working with industry to develop more accurate emissions estimation methods in the most efficient manner possible while still ensuring accurate emissions reporting. An increased focus on developing new, uniform emissions estimation methods (including through source testing) is one of the required elements of AB 617, and pooled source testing could be one of the key methods used to achieve these goals.

With respect to the proposed implementation schedule for the Toxic Air Contaminants fee modification, industry representatives suggested a longer phase-in than the proposed three-year period in order to minimize cost impacts. Staff's proposal already delays the phase in one year to allow facilities an opportunity to prepare for higher fees. Staff is also committed to coming back to review the impact of the proposed increased fees within twelve months of the final phase in, and making recommendations to adjust the fees higher or lower as necessary based on South Coast AQMD costs and revenues for work on toxics from stationary sources.

Discussions with stakeholders in the rule development process for the Regulation III amendments have identified a desire for staff to conduct more outreach to the affected industries, particularly those affected by the proposed TAC fee modifications in Rule 301. Based on these comments, staff has increased its outreach for this rule compared to previous years, including through targeted emails to all facilities expected to have a fee increase greater than \$5,000 per year, preparation of detailed fee estimates for all facilities, and a webinar to specifically discuss the proposed increase in toxics emissions fees. If the proposed amended rule is approved, staff will continue to conduct additional outreach to let facilities know how to prepare for the upcoming fee phase in.

Industry representatives for facilities impacted by the proposed TAC fee modifications commented that many facilities will pay higher fees due to CARB's Criteria and Toxics Reporting (CTR) regulation. CARB has not yet finalized its CTR regulation and it is not clear exactly how many additional facilities may or may not be required to report emissions to South Coast AQMD. The proposed amendments to Regulation III will not require any new facilities to report emissions that are not already reporting. Because existing Rule 301 already captures the highest emitting permitted facilities in our jurisdiction, any new facilities that would be required to report pursuant to CARB's CTR are expected to typically have lower fees than those already required to report pursuant to Rule 301. The structure of the rule has been set to also try to minimize the fiscal impact on these lower emitting facilities, consistent with the expected South Coast AQMD workload.

### **California Environmental Quality Act**

Pursuant to the California Environmental Quality Act (CEQA) and South Coast AQMD Rule 110, the South Coast AQMD, as lead agency for the proposed project, has reviewed the proposed amendments to Regulation III and Rule 209 pursuant to: 1) CEQA Guidelines Section 15002(k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA; and 2) CEQA Guidelines Section 15061 – Review for Exemption, procedures for determining if a project is exempt from CEQA. With respect to the proposed new and increased fees, and the administrative changes in Proposed Amended Regulation III and Proposed Amended Rule 209 that are strictly administrative in nature, it can be seen with certainty that there is no possibility that the proposed project may have a significant adverse effect on the environment. Thus, the project is considered to be exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Activities Covered by General Rule. Additionally, the entirety of Proposed Amended Regulation III is statutorily exempt from CEQA requirements pursuant to CEQA Guidelines Section 15273 – Rates, Tolls, Fares, and Charges, because the proposed new and increased fees, and the proposed amendments to Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315 involve charges by public agencies for the purpose of meeting operating expenses and financial reserve needs and requirements. Also, the proposed amendment to Rule 209 is categorically exempt because it is designed to further protect

or enhance the environment pursuant to CEQA Guidelines Section 15308 – Action by Regulatory Agencies for Protection of the Environment. Further, South Coast AQMD staff has determined that there is no substantial evidence indicating that any of the exceptions to the categorical exemptions apply to the proposed amendments to Rule 209 pursuant to CEQA Guidelines Section 15300.2 – Exceptions. Therefore, the proposed project is exempt from CEQA. A Notice of Exemption will be prepared pursuant to CEQA Guidelines Section 15062 – Notice of Exemption. If the project is approved, the Notice of Exemption will be filed with the county clerks of Los Angeles, Orange, Riverside, and San Bernardino counties.

### **Socioeconomic Impact Assessment**

Two socioeconomic reports are included as attachments to the staff report. The first report (Attachment I) analyzes the impacts of the Rule 320 3.5 percent CPI adjustment to Regulation III fees. The second report (Attachment J) analyzes the impacts of the proposed amendments to PAR III with fee impacts beyond the CPI-based fee increase. Nearly all facilities regulated by South Coast AQMD would be affected by the proposed fee increases. About 42 percent of the CPI-based fee increase is estimated to be incurred by the manufacturing sector, followed by the services sector (19 percent) and the retail trade sector (14 percent). With respect to the proposed amendments with fee impacts beyond the CPI-based fee increase, facilities within the petroleum and coal products manufacturing and utilities sectors are expected to incur 33 and 17 percent of the additional fee increase, respectively, due to the overall increase in fees on TAC emissions and proposed new toxicity-weighted emission fee. While the fee increase resulting from the proposed amendments is estimated to lead to approximately four jobs foregone annually in the manufacturing sector, it would result in job gains in other sectors, such as finance and insurance, health care and social assistance, and the state and local government sector including South Coast AQMD. Overall, an annual average of 21 net job gains are projected between 2019 and 2028.

### **Implementation and Resource Impacts**

The proposed across-the-board CPI-based adjustments by 3.5 percent to Regulation III fees (excluding fee rates set by state law and Rule 311(c) Air Quality Investment Program fees), which is commensurate with the change in the California CPI from December 2017 to December 2018 pursuant to Rule 320, is estimated to result in an increase in South Coast AQMD's revenue by \$3.4 million for FY 2019-20.

Based on the proposed amendments, the fee impact of PAR III is estimated to be -\$0.30 million in FY 2019-20, \$1.76 million in FY 2020-21, and \$4.12 million in FY 2021-22 and thereafter.

**Attachments**

- A. Summary of Proposals
- B. FY 2019-20 Draft Budget and Work Program
- C. Key Issues and Responses
- D. Rule Development Process for Regulation III and Rule 209
- E. Key Contacts List
- F. Resolution
- G. Proposed Amended Regulation III Rule Language
- G1-G13 Proposed Amended Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, 315, and Rule 209
- H. Final Staff Report for Proposed Amended Regulation III - Fees
- I. Final Socioeconomic Impact Assessment for Rule 320 - Automatic Adjustment Based on Consumer Price Index for Regulation III - Fees
- J. Final Socioeconomic Impact Assessment for Proposed Amended Regulation III - Fees
- K. Notice of Exemption
- L. Proposed Amended South Coast AQMD Salary Resolution
- M. Proposed Amended Class Specification
- N. Board Meeting Presentation



## ATTACHMENT A

### SUMMARY OF PROPOSALS

#### **Proposed Amended Regulation III – Fees** Fiscal Year 2019-20

##### **Component 1: Rule 320 Consumer Price Index (CPI)-Based Fee Increase**

Proposed Amended Rules: 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315

- 1) Increase in all fee rates by 3.5%, which is commensurate with the change in the California CPI from December 2017 to December 2018, with the following exceptions:
  - a. Fee rates set by state law
  - b. Rule 311(c) Air Quality Investment Program Fees, which pay for programs to reduce emissions and do not support the SCAQMD budget

##### **Component 2: Targeted Proposals with Fee Impacts for Cost Recovery**

Proposed Amended Rules: 301 and 309

- 1) A fee increase for Toxic Air Contaminants (TAC) listed in Rule 301 Table IV;
- 2) A new fee to include recently adopted Rule 1118.1 in the notification fees outlined in Rule 301(x);
- 3) An increase for CARB Portable Equipment Registration Program (PERP) inspection fees, consistent with recent increases adopted by CARB;
- 4) A new fee for Clean Air Solvent (CAS) and Clean Air Choices Cleaner (CACC) certification renewals;
- 5) A proposal to correct fees in Rule 309 to reflect an increase that was previously authorized but not applied due to administrative error.

##### **Component 3: Proposals with Certain Fee Removal or Reduction**

Proposed Amended Rules: 301 and 308

- 1) Removal of a fee for worksite deletion from a Rule 2202 multi-site or geographic program;
- 2) Removal and reduction of certain fees related to Rule 1403 notifications;
- 3) Creation of a cap for change of owner/operator fees in Rule 301 Table Fee Rate-C and Table VII;
- 4) Removal of Paramount (Delek U.S. Holdings) from the list of facilities in 301(aa)(2), as it is now exempt from Rule 1180 O&M fees;
- 5) Eliminating the surcharge for certain late AER amendments pertaining to emissions developed from source tests; and
- 6) Reducing certain certified copy and permit reissuance fees.

#### **Component 4: Proposals with No Fee Impacts and/or Administrative Changes**

##### **Proposed Amended Rules: 209 and 301**

- 1) Creation of a “Non-RECLAIM/Non-Title V” facility category in Table VII of Rule 301 for facilities exiting RECLAIM that will be required to retain a facility permit;
- 2) Update Rule 2002 reference for permit reissuance fee;
- 3) A clarification for late surcharges in 301;
- 4) Addition of a severability clause to 301; and
- 5) An amendment to Rule 209 with language that clarifies when a change of owner/operator occurs.



# Budget

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**Fiscal Year 2019-2020**

South Coast Air Quality Management District



**SOUTH COAST**  
**AIR QUALITY MANAGEMENT DISTRICT**

# **BUDGET**

## **FISCAL YEAR 2019-2020**

**Prepared by Finance**  
**Sujata Jain, Assistant Deputy Executive Officer - Finance**



**SOUTH COAST**  
**AIR QUALITY MANAGEMENT DISTRICT**



**SOUTH COAST**  
**AIR QUALITY MANAGEMENT DISTRICT**

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**SOUTH COAST**  
**AIR QUALITY MANAGEMENT DISTRICT**

## **SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT**

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**SOUTH COAST**  
**AIR QUALITY MANAGEMENT DISTRICT**



# South Coast Air Quality Management District

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(909) 396-2000 • [www.aqmd.gov](http://www.aqmd.gov)

May 3, 2019

South Coast Air Quality Management District Board and Stakeholders

## Transmittal of the Executive Officer's Fiscal Year 2019-20 Budget and Work Program

This document represents South Coast Air Quality Management District's (South Coast AQMD) proposed General Fund Budget and Work Program for FY 2019-20. The budget was developed based on South Coast AQMD's commitment to clean the air and to protect the health of all residents in the South Coast Air District through practical and innovative strategies. The proposed budget for FY 2019-20 is a balanced budget with expenditures and revenues of \$170.9 million.

The proposed FY 2019-20 level of expenditures, up 5.1% from the FY 2018-19 adopted budget, includes increased costs for retirement, salaries due to labor negotiation agreements approved in FY 2017-18, salaries associated with new positions for the AB 617 Community Air Protection Program, the Volkswagen Settlement Project, the China Partnership for Cleaner Shipping, Rule 1180 implementation, and the Career Development Intern Program. There is a net increase of 62.6 FTEs from the FY 2018-19 adopted budget. This includes the addition of two positions in Legislative and Public Affairs/Media Office, the deletion of the Chief Administrative Officer position, and the deletion of 0.4 FTE that provided five months of critical overlap and service continuity before an Assistant Deputy Executive Officer in Science, Technology and Advancement retired in Fall 2018. The net increase in positions also includes the already approved FY 2018-19 mid-year actions adding 47 positions for AB617, four positions for Rule 1180 - Refinery Fenceline and Community Air Monitoring, five positions for the Volkswagen Settlement Project, two positions for the China Partnership for Cleaner Shipping and four positions for the Career Development Intern Program.

The FY 2019-20 proposed revenue budget of \$170.9 million, up 5.1% from the FY 2018-19 adopted budget, includes a CPI fee adjustment of 3.5% and the third and final year of the June 2017 Board approved additional fee adjustment for Title V facilities to permit processing fees and annual operating permit renewal fees of 10.66% to better align program costs with revenue. At \$100.7 million or 58.9% of the projected revenue

budget, stationary source revenues account for the largest source of revenue. 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 43.9% from \$66.8 million in FY 1991-92 to \$96.1 million (estimated) in FY 2018-19. When adjusted for inflation however, stationary source revenues have decreased by 16% over this same period.

While significant efforts are put forth to develop a detailed budget for the next fiscal year, including a five year projection, uncertain political and economic issues create challenges. These challenges may include changes in federal and state grant revenue funding levels, fluctuations in the financial market which will determine the performance of South Coast AQMD's retirement investments and thus impact pension liability, increased infrastructure costs due to an aging headquarters building, and onetime Penalties and Settlement revenue that varies annually. South Coast AQMD is well positioned to address these uncertainties by monitoring funding sources, our retirement plan, and actual financial results on a continuous basis and is prepared to make timely resource allocation adjustments as warranted. Additionally, the proposed budget includes an assigned/unassigned general fund balance of 29% of revenues to provide a reasonable financial safety net.

The public and the business community have multiple opportunities to participate in the budget development process. These include meetings of the Budget Advisory Committee which is made up of representatives from the business and environmental communities, a public consultation meeting to discuss the proposed budget and work program, and two meetings of the Governing Board. The public consultation meeting and Governing Board meetings are noticed to the public through direct mail to permitted facilities, print media, and through the South Coast AQMD website.

In summary, I am proposing a balanced budget for FY 2019-20 that allows our programs to operate efficiently, transparently, and in a manner sensitive to public agencies, businesses and the public, while providing a continuum of emissions reductions and health benefit improvements. The proposed FY 2019-20 Budget and Work Program serves to ensure the continued strength and stability of the District as we make progress toward attaining the federal and state clean air mandates.

Respectfully,



Wayne Nasti,  
Executive Officer

SJ:DRP



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**South Coast Air Quality Management District  
California**

For the Fiscal Year Beginning

**July 1, 2018**

*Christopher P. Morill*

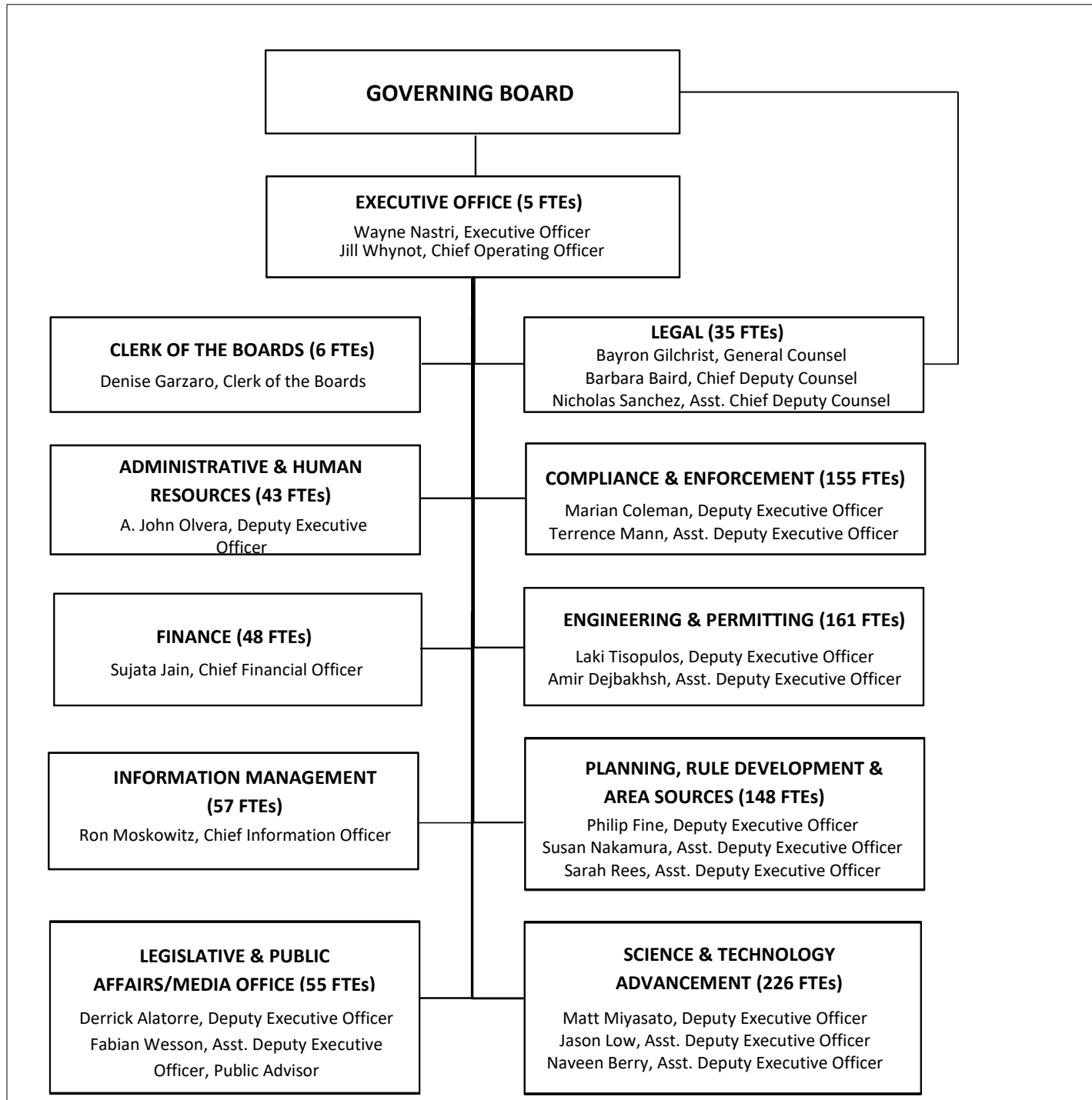
Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation award to South Coast Air Quality Management District, California, for its Annual Budget for the fiscal year beginning July 1, 2018. In order to receive this award, a government unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT**  
**(939 FTEs)**





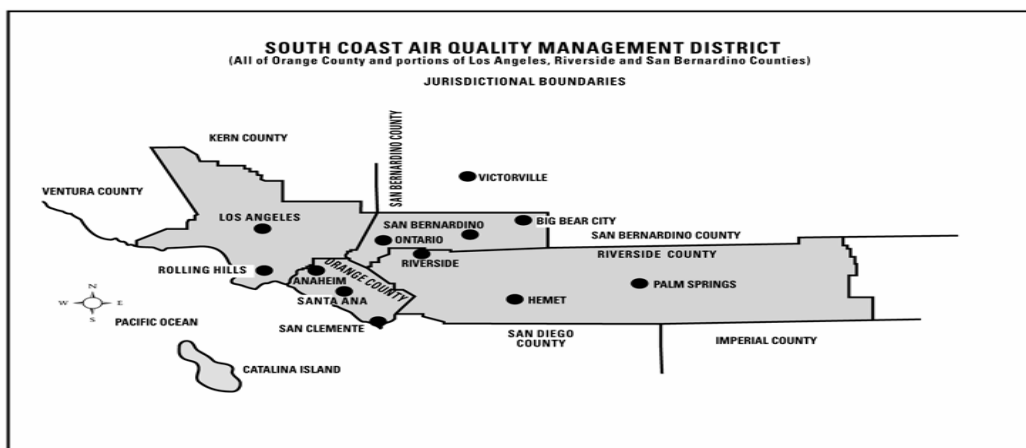
# SUMMARY

## Preface

This document represents the proposed FY 2019-20 Budget and Work Program of the South Coast Air Quality Management District (South Coast AQMD). The proposed budget is available for public review and comment during the month of April. A public consultation meeting is scheduled to discuss the proposed budget and proposed fees changes on April 9, 2019. In addition, a workshop for the Governing Board is scheduled on April 12, 2019. A final Proposed Budget and Work Program and Proposed Amended Regulation (PAR) III - Fees, which may include changes based on input from the public and Board, will be presented for adoption at a public hearing on May 3, 2019.

## Introduction

The South Coast Air Quality Management District (South Coast AQMD) 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 South Coast AQMD 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 South Coast AQMD Governing Board is composed of 13 members, including four members appointed by the Boards of Supervisors of the four counties in South Coast AQMD's jurisdiction, six members appointed by cities in the South Coast AQMD'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.

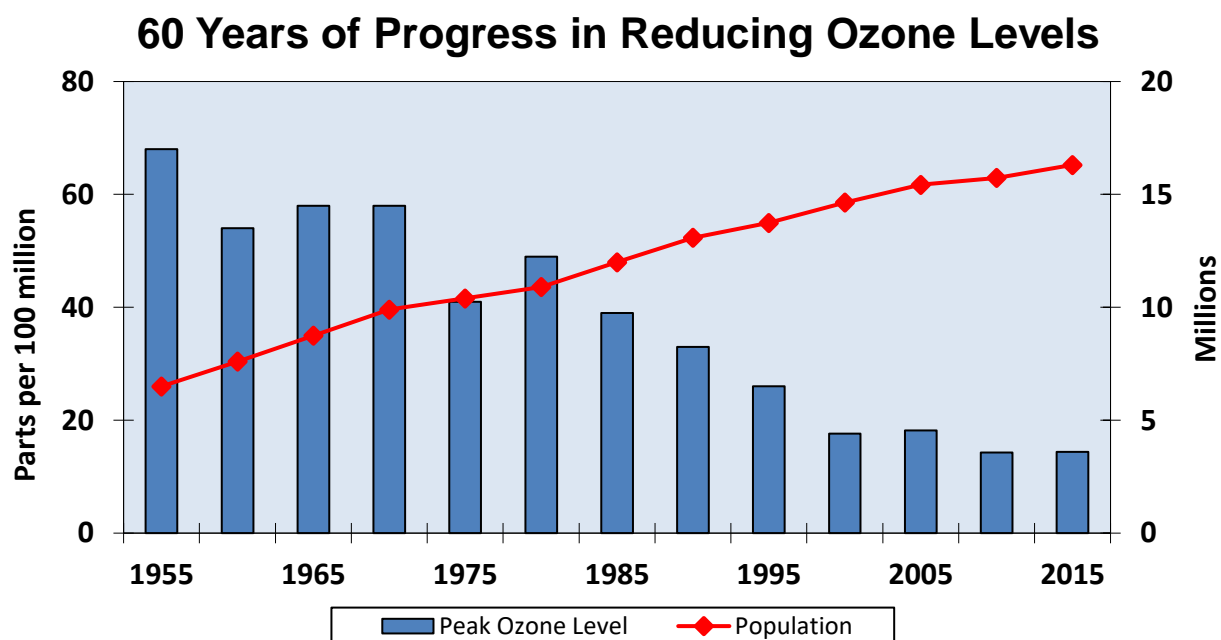


## Air Quality History

The South Coast Air Basin (Basin) has suffered unhealthful 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 68-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 to 2017, the region's population has more than tripled from 4.8 million to 17.1 million; the number of motor vehicles has increased almost six-fold from 2.3 million to 13.8 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.



## Mission

South Coast AQMD's mission is to clean the air and protect the health of all residents in the South Coast Air District through practical and innovative strategies. 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 South Coast

AQMD 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 of rulemaking efforts for air that is more healthful to breathe.

To carry out its mission, South Coast AQMD develops a set of Goals and Priority Objectives which are evaluated and revised annually and presented as part of the budget proposal. The following proposed goals have been identified as being critical to meeting South Coast AQMD's Mission for FY 2019-20:

- I. Achieve Clean Air Standards.
- II. Enhance Public Education and Equitable Treatment for All Communities.
- III. Operate Efficiently and Transparently.

These goals are the foundation for South Coast AQMD's Work Program categories. Each goal is supported by multiple activities, which target specific areas of program performance.

## **Air Quality**

### Overview

The four-county Southern California region, designated for air quality purposes as the South Coast Air Basin (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 federal health standards, called National Ambient Air Quality Standards (NAAQS). Known as "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 U.S. Environmental Protection Agency's (U.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 Basin than in any other region in California. The Basin's large number of motor vehicles and small sources, including small businesses and households using ozone-forming consumer products and paints, compound the problem.

### Air Quality Trends

While our air quality continues to improve, the Basin remains one of the most unhealthful areas in the nation in terms of air quality. Ozone levels have fallen by more than three-quarters since peaks in the mid-1950s. U.S. EPA revised and strengthened the 8-hour ozone NAAQS, effective December 28, 2015, from concentrations exceeding 75 parts-per-billion (ppb) to concentrations exceeding 70 ppb. In 2018, the new 2015 8-hour ozone NAAQS was exceeded in the Basin on 141 days and the former 2008 ozone NAAQS was exceeded on 109 days. The 2015 ozone NAAQS

was exceeded in the Basin on 145 days in 2017 and 132 days in 2016. The number of exceedance days decreased slightly as compared to 2017. However, there were significantly fewer days with air quality index values that reached the “unhealthy” or “very unhealthy” categories in 2018 compared to the previous two years. Though the trend in ozone exceedance days has been decreasing over the past few decades, year-to-year variability can mask the underlying trends when focusing on short time periods. Year-to-year variability can be caused by enhanced photochemical ozone formation due to persistent weather patterns that limit vertical mixing and warm the lower atmosphere, which likely contributed to elevated concentrations in the 2016 and 2017 ozone season. Changes in the relative emissions of VOC or NO<sub>x</sub> can also affect the chemistry of ozone formation and lead to marginal short-term increases in ozone concentrations as NO<sub>x</sub> is reduced. While the ozone control strategy continued to reduce precursor emissions from man-made sources in the Basin, ozone-forming emissions transported from several long-term, large wildfires throughout California in the summer and year-to-year changes in the VOC emissions from vegetation resulting from dry and wet rainy-seasons may have also played a role in the increase of exceedance days. The maximum observed ozone levels also show some year-to-year variability, but have generally been decreasing over the years. The highest 8-hour ozone level in the 2018 data was 125 ppb, compared to 136 ppb in 2017 and 121 ppb in 2016.

PM<sub>2.5</sub> levels have decreased dramatically in the Basin since 1999; however, design value concentrations are still above the current annual 24-hour NAAQS. Effective March 18, 2013, U.S. EPA strengthened the annual average PM<sub>2.5</sub> standard from 15 µg/m<sup>3</sup> to 12 µg/m<sup>3</sup>, while retaining the 24-hour PM<sub>2.5</sub> NAAQS of 35 µg/m<sup>3</sup>. In 2018, the 24-hour PM<sub>2.5</sub> NAAQS was exceeded on 9 days at the highest station (Long Beach near road site), based on preliminary filter data. The PM<sub>2.5</sub> NAAQS was exceeded on 19 days in 2018. Because the highest PM<sub>2.5</sub> concentrations typically occur during the rainy-season, design values are heavily dependent on the frequency of wintertime storm systems, which increase ventilation and remove PM when rainfall is present. PM<sub>2.5</sub> concentrations are also significantly influenced by wildfire smoke, which can be transported across wide distances. Smoke from historically-large wildfires throughout California in December 2017 and November 2018 contributed to several exceedances of the 24-hour standard all throughout the South Coast Air Basin. Preliminary analysis indicates that removal of wildfire-caused exceedances in 2018 through the U.S. EPA exceptional events demonstration process may lead to 98<sup>th</sup> percentile concentrations that do not exceed 35 µg/m<sup>3</sup>. The Basin’s peak annual average PM<sub>2.5</sub> level in 2018, 14.5 µg/m<sup>3</sup> (preliminary data) at the Ontario near road site was lower than the 2017 value, 14.6 µg/m<sup>3</sup>, which occurred at the same site.

In 2006, U.S. EPA rescinded the annual federal standard for PM<sub>10</sub> but retained the 24-hour standard. U.S. EPA re-designated the Basin as attainment of the health based standard for PM<sub>10</sub>, effective July 26, 2013. With the exception of three high wind events in 2015 and 2016, ambient levels of PM<sub>10</sub> in the Basin have continued to meet the federal 24-hour PM<sub>10</sub> NAAQS through 2018.

In November 2008, U.S. EPA revised the lead NAAQS from a 1.5 µg/m<sup>3</sup> quarterly average to a rolling 3-month average of 0.15 µg/m<sup>3</sup> and added new near-source monitoring requirements.

The Los Angeles County portion of the Basin has been designated non-attainment for lead due to monitored concentrations near one facility. However, starting with the 3-year 2012-2014 design value, the Basin has met the lead standard. A re-designation request to U.S. EPA is pending.

Nitrogen dioxide, sulfur dioxide, and carbon monoxide levels have improved in the Basin and are in full attainment of the NAAQS. In 2007, U.S. EPA formally re-designated the Basin to attainment of the carbon monoxide NAAQS. Maximum levels of carbon monoxide in the Basin have been consistently less than one-third of the federal standards since 2004. In 2010, U.S. EPA revised the NO<sub>2</sub> 1-hour standard to a level of 100 ppb and the SO<sub>2</sub> 1-hour standard to a level of 75 ppb. In 2017, all sites in the Basin remained in attainment of these NAAQS.

### Mandates

South Coast AQMD is governed and directed by a comprehensive federal law (Federal Clean Air Act) and several state laws that provide the regulatory framework for air quality management in the Basin. These laws require South Coast AQMD to take prescribed steps to improve air quality.

Generally speaking, South Coast AQMD is responsible for stationary sources such as factories and businesses. CARB and U.S. EPA are primarily responsible for motor vehicles. South Coast AQMD and CARB share responsibilities with respect to area sources. South Coast AQMD and the Southern California Association of Governments (SCAG) share some responsibilities with CARB regarding certain aspects of mobile source emissions related to transportation and land use. Control of emissions from sources such as airports, harbors, and trains is shared by U.S. EPA, CARB and South Coast AQMD. Without adequate efforts by CARB and U.S. EPA to control emission sources under their sole authority, it is impossible for the region to reach federal clean air standards.

The following is a more specific summary of the laws governing South Coast AQMD.

#### Federal Law:

Federal Clean Air Act (CAA): The CAA requires attainment of National Ambient Air Quality Standards (NAAQS) for criteria air pollutants, i.e. pollutants causing human health impacts due to their release from numerous sources. The following criteria pollutants have been identified: ozone, particulate matter (PM<sub>10</sub>), carbon monoxide, lead, nitrogen dioxide, and sulfur dioxide. Current deadlines vary by pollutant and severity of pollution in the region.

State Implementation Plans: The CAA requires each state to develop a State Implementation Plan (SIP) to attain the NAAQS by the applicable attainment deadlines. SIPs must be approved by U.S. EPA as containing sufficient measures to timely attain NAAQS and meet other requirements described below. SIPs must contain air pollution measures in adopted, "regulatory" form within one year after approval by U.S. EPA. Upon approval by U.S. EPA, SIP requirements can be enforced against regulated sources by U.S. EPA and by any citizen. South Coast AQMD must develop and submit to CARB for review, followed by submittal to U.S. EPA, an element of the SIP referred to as the South Coast AQMD Air Quality Management Plan (AQMP) demonstrating how the Basin will achieve the NAAQS.

Among the numerous other CAA requirements are: a mandate that the region achieve a three percent annual reduction in emissions of ozone precursors (VOC and NO<sub>x</sub>); a requirement that new sources over 10 tons per year of VOC or NO<sub>x</sub>, and modifications to such sources, achieve lowest achievable emission rate and offset their emission increases by equal reductions elsewhere in the region and transportation control measures to reduce vehicle trips.

To date, the South Coast AQMD's Governing Board has adopted AQMPs in 1989, 1991, 1994, 1997, 1999 (amendments to the plan adopted in 1997), 2003, 2007, 2012 and 2017. The 2016 AQMP was approved in March 2017.

**Sanctions, Federal Implementation Plans, and Conformity Findings:** The CAA mandates that sanctions be imposed on an area if a suitable SIP is not adopted and approved by U.S. EPA. These sanctions can include loss of key federal funds and more stringent requirements on new or expanding industries. Specific requirements for South Coast AQMD'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. In addition, air toxics regulations adopted by U.S. EPA pursuant to Title III must be implemented by South Coast AQMD.

**Motor Vehicle Emission Controls:** The CAA initially required U.S. EPA to adopt emission limitations for motor vehicles. The 1990 Amendments require U.S. EPA to adopt regulations to achieve further reductions in emissions from motor vehicles, as well as from other mobile sources such as locomotives. States are preempted from adopting emission limitations for motor vehicles and certain other mobile sources. Exception: California can adopt motor vehicle standards, and standards for some --but not all-- other mobile sources, and other states can adopt the California standards.

**Hazardous Air Pollutants:** In addition to criteria pollutants, the CAA regulates "hazardous air pollutants," i.e., those which can cause cancer or other severe localized health effects due to emissions from a single facility. U.S. EPA is required to adopt regulations mandating that new and existing sources emitting 10 tons per year or more of such pollutants employ Maximum Achievable Control Technology (MACT) according to specified schedules. U.S. EPA is to consider further reductions in the future to eliminate any remaining unacceptable residual risk.

#### California Law:

**The California Clean Air Act (CCAA):** The CCAA establishes numerous requirements for Air District air quality plans to attain state ambient air quality standards for criteria air contaminants. For example, a plan must contain measures adequate to achieve five percent per year emission reductions or must contain all feasible measures and an expeditious adoption schedule. For Air Districts with serious air pollution, its attainment plan should include the following: no net increase in emissions from new and modified stationary sources; and best available retrofit technology for existing sources.

Toxic Air Contaminants: The Air Toxic Hot Spots Act (Health & Safety Code §§ 44300, et seq.) requires facilities emitting specified quantities of pollutants to conduct risk assessments describing the health impacts to neighboring communities created by their emissions of numerous specified hazardous compounds. If an Air District determines the health impact to be significant, neighbors must be notified. In addition, state law requires the facility to develop and implement a plan to reduce the health impacts to below significance, generally within five years. Additional control requirements for hazardous emissions from specific industries are established by the state and enforced by Air Districts.

State law also includes the following measures:

- Tanner Air Toxics Process (AB 1807) which 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 or more stringent regulations of their own;
- Health & Safety Code §42705.5 which requires Air Districts to deploy a community air monitoring system in selected locations and Section 42706.5 which requires Air Districts to design, develop, install, operate and maintain refinery-related community air monitoring systems;
- Authority for South Coast AQMD to adopt a command-and-control regulatory structure requiring Best Available Retrofit Control Technology (BARCT);
- A requirement for South Coast AQMD to establish an expedited schedule for implementing BARCT at pre-determined greenhouse gas and trade facilities;
- A requirement for South Coast AQMD to establish a program to encourage voluntary participation in projects to increase the use of clean-burning fuels; and
- A requirement for South Coast AQMD to adopt and enforce rules to ensure no net emission increases from stationary sources.

#### 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 in air quality control is to determine the smog problem by measuring air pollution levels. South Coast AQMD currently operates 43 monitoring stations in the South Coast Air Basin and a portion of the Salton Sea Air Basin in Coachella Valley. These range from fully equipped stations that measure levels of all criteria pollutants, as well as some air toxic pollutant levels, to those which measure a specific pollutant in critical areas. These measurements provide the basis of our knowledge about the nature of the air pollution problem and the data for planning and compliance efforts to address the problem.

Pollution Sources: South Coast AQMD, in cooperation with CARB and SCAG, estimates the sources of emissions causing the air pollution problem. Nature itself causes a portion of the emissions and must be considered. In general, South Coast AQMD 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 consolidated in South Coast AQMD's AQMP for use in developing the necessary control strategies.

**Air Quality Modeling:** Using air quality, meteorological and emissions models, South Coast AQMD 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 South Coast AQMD 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 various needs by South Coast AQMD including rulemaking and California Environmental Quality Act (CEQA) document development.

**Planning:** With emissions data and an air quality model in place, planners can develop possible control strategies and scenarios. South Coast AQMD focuses most of its effort on stationary source controls. As mentioned earlier, strategies to reduce vehicle miles traveled (VMT) are developed primarily by SCAG, while mobile source control standards are developed primarily by CARB.

Once a plan of emission controls to achieve the NAAQS is outlined, South Coast AQMD is required to hold multiple public meetings to present the proposed control strategies and receive public input. South Coast AQMD also conducts a socioeconomic analysis of the strategies. South Coast AQMD 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 AQMPs and SIP submittals, including the 2016 AQMP, called for significant emissions reductions from projected baseline emissions in order to meet the NAAQS by the federal attainment deadlines (2019 for the 2006 24-hour PM<sub>2.5</sub> NAAQS, 2025 for the 2012 annual PM<sub>2.5</sub> NAAQS, 2023 for the 1979 1-hour ozone NAAQS, 2024 for the 1997 8-hour ozone NAAQS, and 2032 for the 2008 8-hour ozone NAAQS). These combined reductions, while meeting most NAAQS, will still not result in attainment of all California State ambient air quality standards or the revised 2015 8-hour ozone NAAQS. The 2012 AQMP addressed the 24-hour PM<sub>2.5</sub> NAAQS. The 2016 AQMP addresses the 2008 8-hour ozone NAAQS and the 2012 annual PM<sub>2.5</sub> NAAQS, and demonstrates compliance with the requirements for being a "serious" non-attainment area for the 24-hour PM<sub>2.5</sub> NAAQS requirements. South Coast AQMD will continue to improve the emissions inventories and modeling techniques in order to address the



2015 8-hour NAAQS for the next AQMP revision which has an anticipated adoption in the 2022 timeframe.

**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 that will regulate their operations. Once the requirements are developed, the proposed rule, along with an Environmental Assessment and a socioeconomic report, is presented to South Coast AQMD'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 U.S. EPA for their approval. It is not uncommon for rulemaking to 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 Committee.

**Enforcement and Education:** South Coast AQMD 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, South Coast AQMD 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 Basin. 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 South Coast AQMD with \$1.20 going to South Coast AQMD for mobile source emissions reductions, \$1.60 subvented directly to cities and counties to support their air quality programs, and \$1.20 to the Mobile Source Air Pollution 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:** South Coast AQMD'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 cleanup

effort. Thus, South Coast AQMD strives to involve and inform the public through the Legislative and Public Affairs/Media Office, public meetings, publications, the press, public service announcements, and social media.

## **Budget Synopsis**

South Coast AQMD's annual budget is adopted for the General Fund for a fiscal year that runs from July 1 through June 30. The period covered by the FY 2019-20 budget is from July 1, 2019 to June 30, 2020. 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 containing nine program categories which estimate staff resources and expenditures along program and activity lines. Each category consists of a number of Work Programs, or activities. A Work Program Output Justification form is completed for each Work Program which identifies performance goals, measureable outputs, legal mandates, activity changes and revenue categories.

The annual expenditure and revenue budget for the General Fund is adopted on a modified accrual basis. All annual expenditure appropriations lapse at fiscal year-end if they have not been expended or encumbered. Throughout the year, budget amendments may be necessary to accommodate additional revenues and expenditure needs. Any amendments due to budget increases or transfers between expenditure accounts in different Major Objects must be approved by South Coast AQMD'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 funding for the expenditure. Budget amendments resulting from transfers between expenditure accounts within the same Major Object are approved at the Office level.

South Coast AQMD 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 on an as-needed basis.

### **Budget Process**

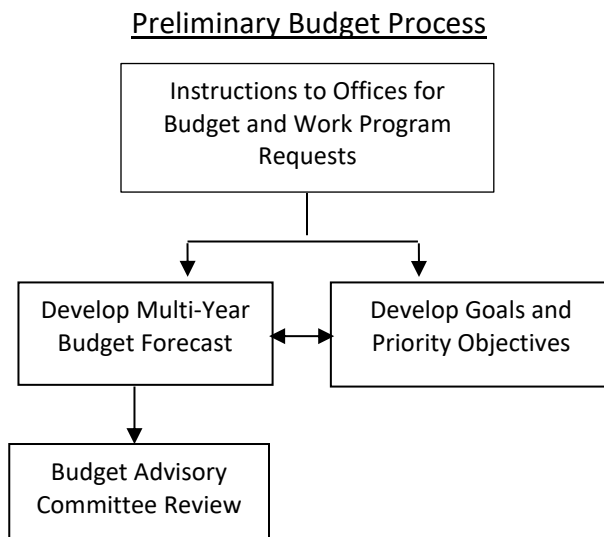
The South Coast AQMD budget process begins with the Assistant Deputy Executive Officer of Finance issuing instructions and guidelines to the Offices. Under the guidance of the Executive Officer, the Chief Operating Officer and the Assistant Deputy Executive Officer of Finance, the Offices also begin 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, Chief Operating Officer 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 incorporate any proposed changes to Regulation III - Fees. This information is integrated into an initial budget request, including a multi-year forecast, and then fine-tuned under the direction of the Chief Operating Officer and 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:

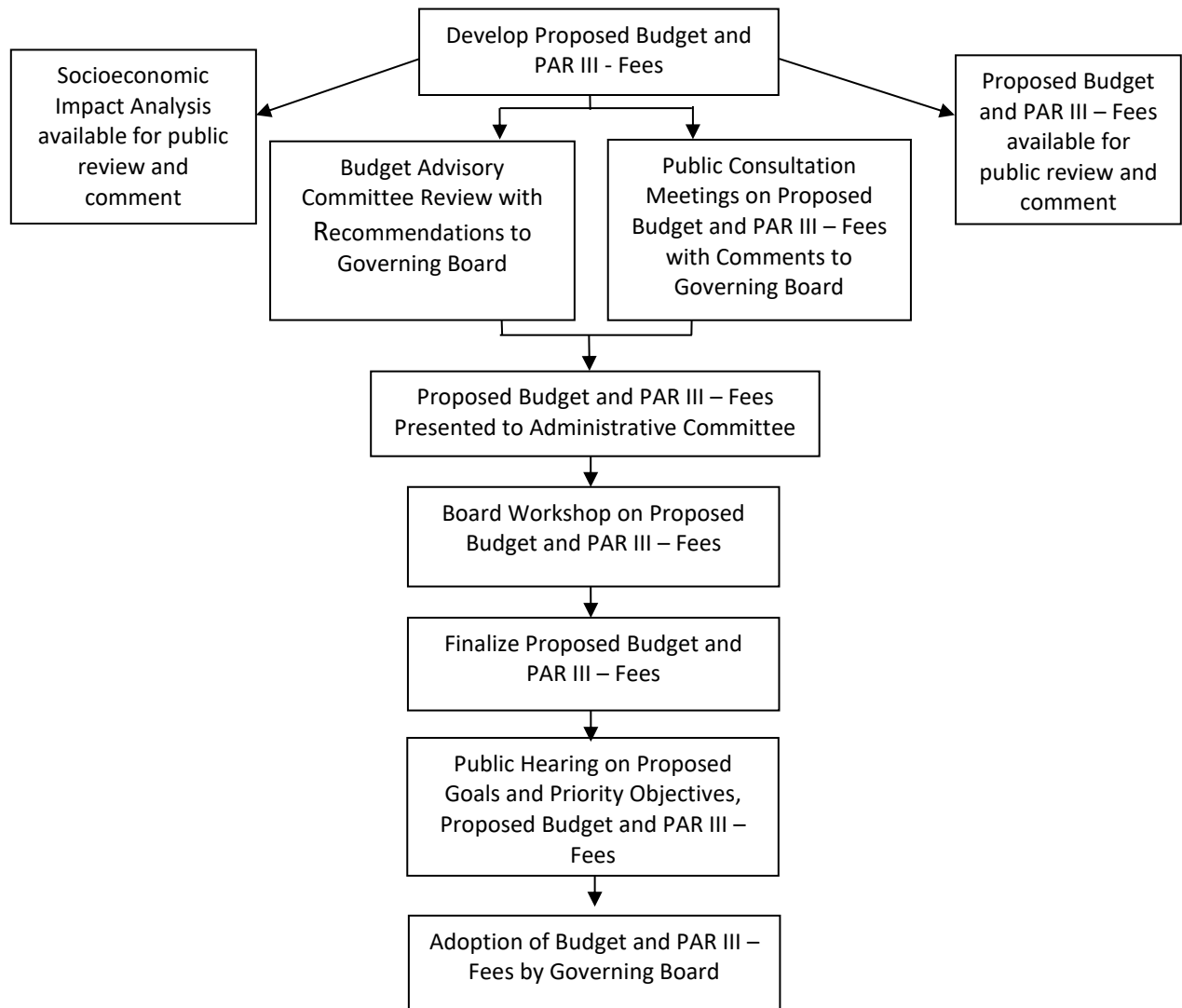
- two meetings of the Budget Advisory Committee whose members include various stakeholder representatives
- one public consultation meeting to discuss the proposed amendments to Regulation III - Fees and a second public consultation meeting to discuss the proposed budget and proposed amendments to Regulation III - Fees
- a public hearing on the Proposed Budget and Work Program and Proposed Amended Regulation (PAR) III – Fees

The proposed budget is presented to South Coast AQMD's Governing Board at a budget workshop and to South Coast AQMD's Administrative Committee. Any public comments and Budget Advisory Committee recommendations are submitted to the Governing Board by April 15 of each year. The proposed budget, including Regulation III - Fees, 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 developing South Coast AQMD's budget:



### Annual Budget Process



Budget Timeline	
Budget submissions received from Offices	Jan 18, 2019
Budget Advisory Committee meeting	Jan 18, 2019
Budget Advisory Committee meeting on proposed budget and PAR III – Fees	April 5, 2019
Proposed budget available for public review	April 9, 2019
Public Consultation Meeting on proposed budget and PAR III - Fees	April 9, 2019
Public comments and Budget Advisory Committee recommendations submitted to Governing Board	April 12, 2019
Proposed budget and PAR III – Fees presented to Administrative Committee	April 12, 2019
Governing Board Budget Study Session	April 12, 2019
Public Hearing & Governing Board adoption of budget and PAR III – Fees	May 3, 2019

## Proposed Budget & Work Program

### Budget Overview

The budget for FY 2019-20 is a balanced budget with revenues/transfers in and expenditures/transfers out of \$170.9 million. To compare against prior years, the following table shows South Coast AQMD's amended budget and actual expenditures for FY 2017-18, adopted and amended budgets for FY 2018-19 and proposed budget for FY 2019-20.

Description	FY 2017-18 Amended	FY 2017-18 Actual	FY 2018-19 Adopted	FY 2018-19 Amended <sup>1</sup>	FY 2019-20 Proposed
Staffing	872	-	876.4	938	939
Revenue/Transfers In	\$158.7	\$161.9	\$162.6	\$167.5	\$170.9
Expenditures/ Transfers Out	\$164.2	\$153.1	\$162.6	\$175.9	\$170.9

<sup>1</sup> Includes Board approved changes through March 2019

The FY 2019-20 proposed budget reflects a decrease of \$5.0 million in expenditures/transfers out from the FY 2018-19 amended budget and an increase of \$8.3 million in expenditures/transfers out from the budget adopted for FY 2018-19. The increase in expenditures/transfers out from the FY 2018-19 adopted budget can be attributed to increases in retirement costs, salaries associated with 62.6 new positions under the AB 617 Community Air Protection Program, the Volkswagen Settlement Project, the China Partnership for Cleaner Shipping, Rule 1180 implementation and the Career Development Intern Program, and a transfer to the Health Effects Research Fund. The FY 2019-20 proposed budget of 939 positions has a net increase of one position over the FY 2018-19 amended budget with the addition of two positions in Legislative and Public Affairs/Media Office and the deletion of the Chief Administrative Officer position.

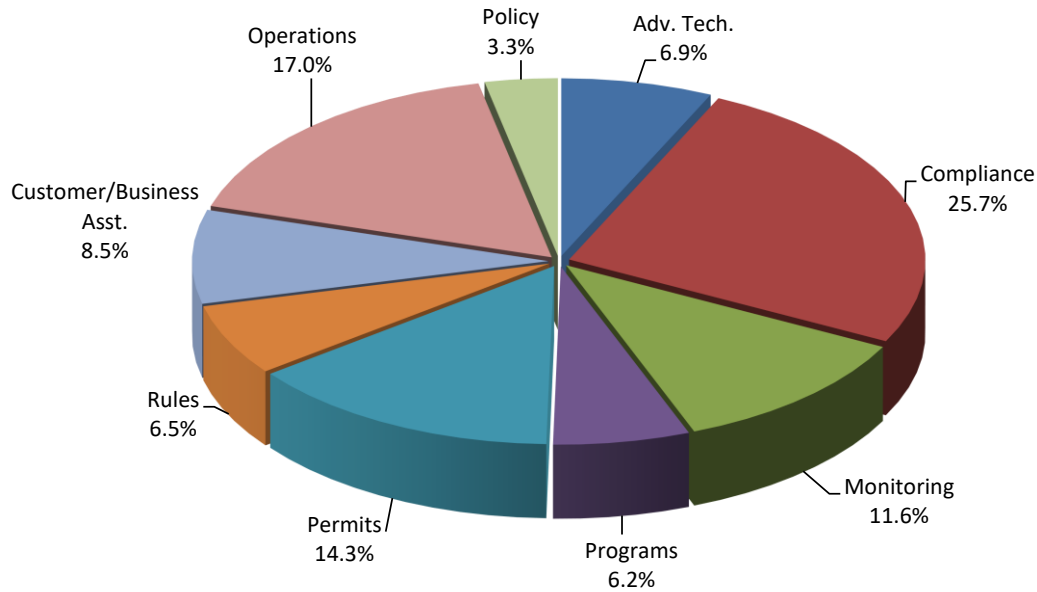
## Expenditures

### Work Program

South Coast AQMD 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 Goals and Priority Objectives and Work Program section. The pie chart that follows represents the budgeted expenditures by Program Category for FY 2019-20.

### Work Program Category Expenditures



The following table compares South Coast AQMD Work Program expenditures by category for the FY 2018-19 adopted budget and FY 2019-20 proposed budget.

Work Program Categories	FY 2018-19 Adopted Budget	FY 2019-20 Proposed Budget
Advance Clean Air Technology	\$ 11,108,263	\$ 11,780,542
Customer Service and Business Assistance	14,496,926	14,558,947
Develop Programs to Achieve Clean Air	9,387,075	10,589,771
Develop Rules to Achieve Clean Air	10,982,868	11,082,515
Ensure Compliance with Clean Air Rules	43,655,133	43,912,182
Monitoring Air Quality	15,150,150	19,764,170
Operational Support	28,105,108	29,113,274
Policy Support	5,066,054	5,648,222
Timely Review of Permits	24,679,524	24,447,102
Total	\$ 162,631,101	\$170,896,725

### Account Categories

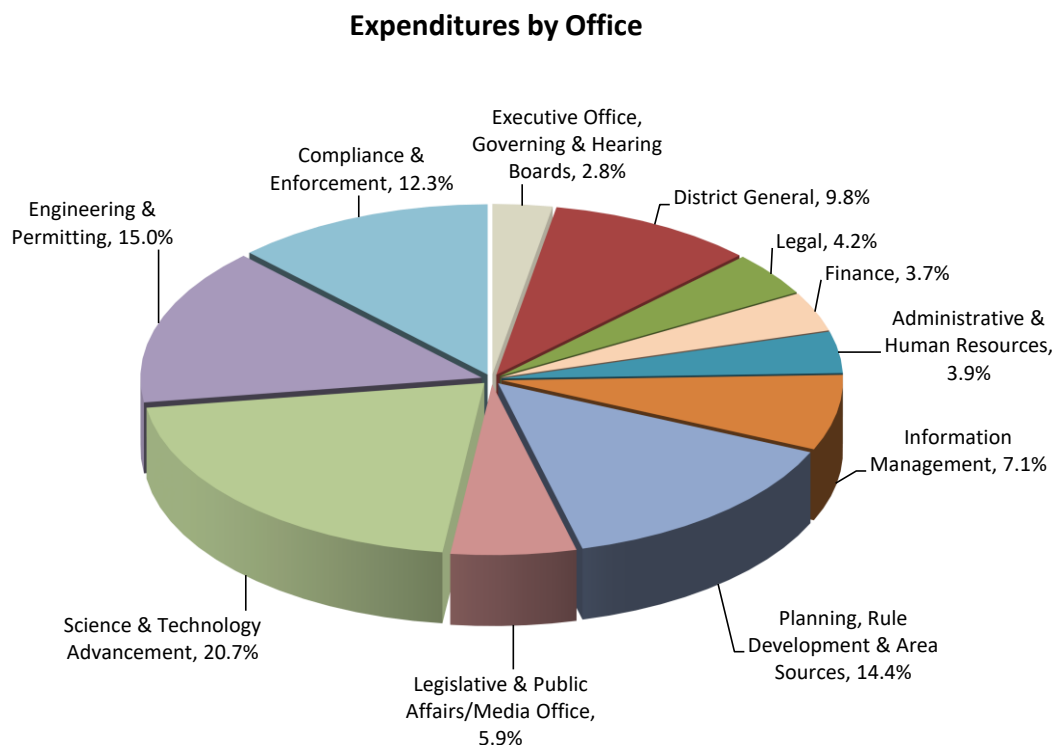
The following table compares the FY 2018-19 adopted budget and the FY 2018-19 amended budget to the proposed budget for FY 2019-20 by account category. The FY 2018-19 amended budget includes the Board-approved mid-year adjustments through March 2019.

<b>Account Description</b>	<b>FY 2018-19 Adopted Budget</b>	<b>FY 2018-19 Amended Budget</b>	<b>FY 2019-20 Proposed Budget</b>
Salaries/Benefits	\$132,868,320	\$134,484,879	\$141,667,712
Insurance	1,317,400	1,382,900	1,317,400
Rents	761,071	814,573	511,823
Supplies	2,510,982	3,445,623	2,880,142
Contracts and Services	10,523,187	14,253,370	10,230,004
Maintenance	2,367,143	2,708,872	1,825,343
Travel/Auto Expense	940,445	1,107,751	931,323
Utilities	1,959,620	2,147,788	1,959,620
Communications	717,800	742,573	707,800
Capital Outlays	1,088,300	5,010,344	395,000
Other	1,386,433	1,577,059	1,438,583
Debt Service	6,190,400	6,190,400	6,190,622
Transfers Out	-	2,063,229	841,353
Total	\$162,631,101	\$175,929,361	\$170,896,725

As mentioned previously, the proposed budget for FY 2019-20 represents an approximately \$5.0 million decrease in expenditures from the FY 2018-19 amended budget. The FY 2018-19 amended budget includes mid-year increases associated with the following: the development of a new South Coast AQMD mobile app; the purchase of integrated filter-based samplers for monitoring and laboratory activities; further development of the online permitting modules and security portal system enhancements; consultant services for an impact assessment of a potential indirect source rule on local warehouses; Office 365 licenses and services; the purchase of services and supplies for the fifth Multiple Air Toxics Exposure Study (MATES V); the purchase of fleet vehicles, services and supplies and capital budget for critical projects and programs; the purchase of educational kits to provide learning opportunities for high school students and teachers on air quality; staff for the China Partnership for Cleaner Shipping Project; staff, capital outlay expenditures and contractual services for the Community Air Protection Program under AB 617 and Rule 1180 implementation; staff for the VW Mitigation Projects; and grant-related expenditures offset by revenue.

### Office Categories

The following pie chart represents budgeted expenditures by Office for FY 2019-20.

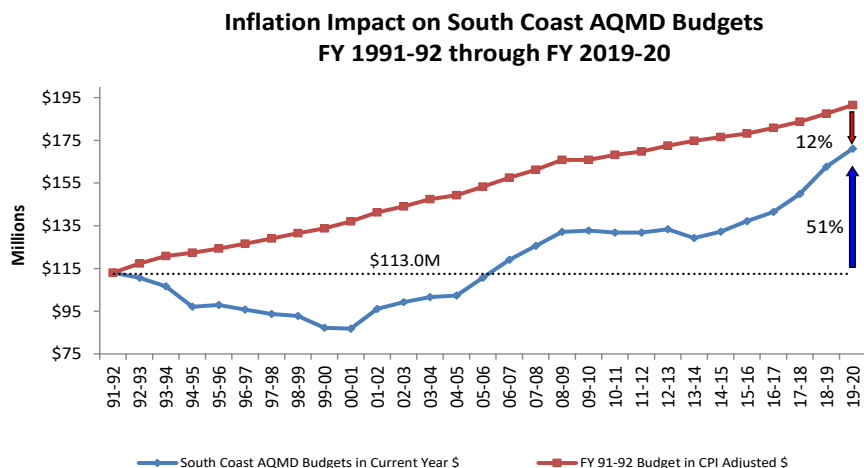
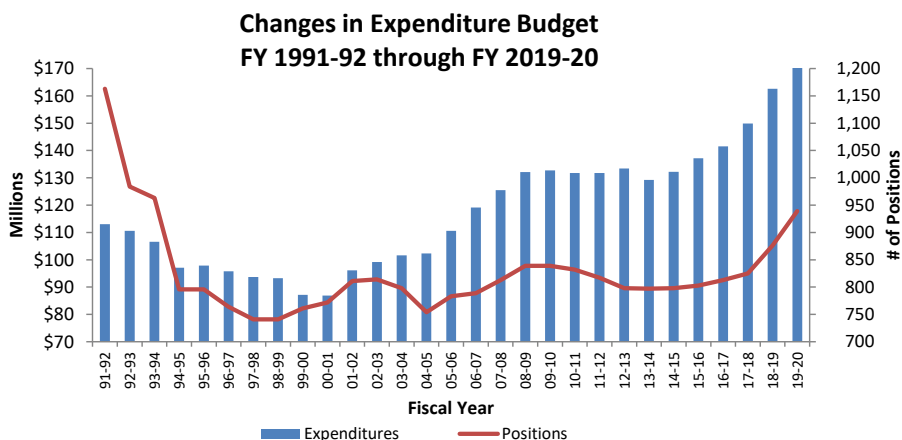


### Budget Strategy

Over the years, South Coast AQMD 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, and continues to be, on reducing or maintaining expenditure levels 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 whenever possible. However, In FY 2017-18, South Coast AQMD's workload increased substantially when the agency began to receive funding from the California Resource Board under AB 617 to reduce exposure in neighborhoods most impacted by air pollution as well as funding under the AB 134 Community Air Protection Fund. An additional 83 new positions funded by AB 617 and 11 positions funded by AB 134 have been added, along with various services, supplies and capital equipment, to support these programs. Nonetheless, South Coast AQMD's focus continues to be on the efficient use of its resources to keep expenditure and staffing levels as low as possible. In addition, the budgeted vacancy rate is reviewed and adjusted, as necessary, as part of the annual budget process. These efforts have resulted in reduced program costs overall and a balanced budget for FY 2019-20. The following charts show South Coast AQMD's staffing and budget levels starting in FY 1991-92 when staffing was at 1,163 FTEs. The proposed budget for FY 2019-20 reflects a staffing level of 939 FTEs. This staffing level is 19% (224 FTEs) below the FY 1991-92 level.



The FY 2019-20 proposed budget is 51% higher when compared to the FY 1991-92 adopted budget of \$113 million. However, after adjusting the FY 1991-92 adopted budget for CPI over the last 28 years, the FY 2019-20 proposal is 12% lower.



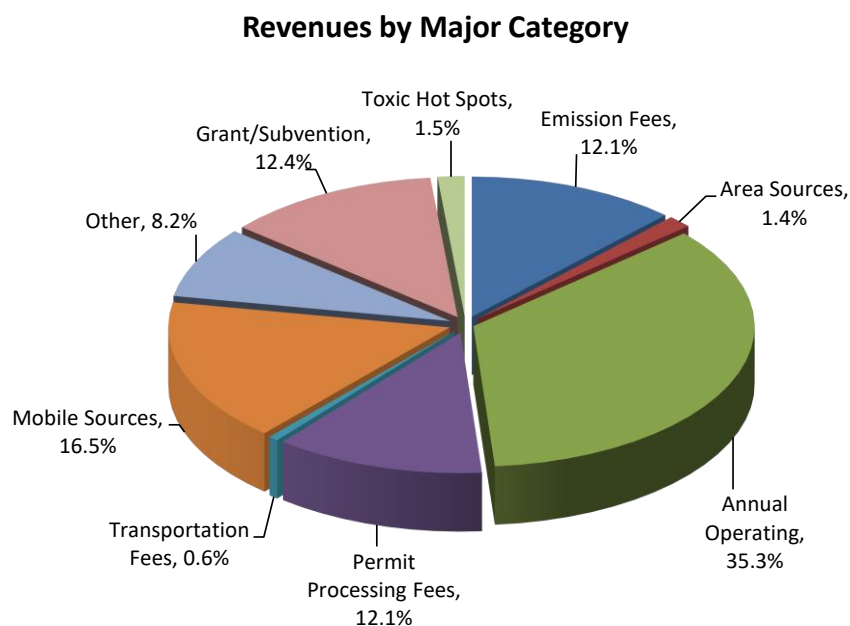
Note: CPI adjustment based on California Consumer Price Index for the preceding Calendar Year

## Revenues

### Revenue Categories

Each year, in order to meet its financial needs, the South Coast AQMD Governing Board adopts a budget supported by a system of annual operating and emission fees, permit processing fees, toxic “hot spots” fees, area sources fees, source test/analysis fees, and transportation plan fees. In FY 2019-20, these fees are projected to generate approximately \$107.3 million or about 63% of South Coast AQMD revenues; of this \$107.3 million, \$100.7 million or 59% of South Coast AQMD’s projected revenues are from stationary sources. Other sources, which include

penalties/settlements, Hearing Board fees, interest, and miscellaneous income, are projected to generate approximately 8% of total revenues in FY 2019-20. The remaining 29% of revenue is projected to be received in the form of federal and state grants, California Air Resource Board (CARB) subvention, and California Clean Air Act motor vehicle fees. Beginning in Fiscal Year 1978-79 Budget, the South Coast AQMD became a fee supported agency no longer receiving financial support from property taxes. The FY 2019-20 proposed revenue budget includes a proposed CPI fee adjustment of 3.5% and the third and final year of the June 2017 Board approved additional fee adjustment for Title V facilities to permit processing fees and annual operating permit renewal fees of 10.66% in order to better align program costs with revenue. The following pie chart represents revenues by Major Category for FY 2019-20.



The following table compares the FY 2018-19 adopted revenue budget and the FY 2018-19 amended revenue budget to the proposed revenue budget for FY 2019-20. The FY 2018-19 amended revenue budget includes Board-approved mid-year changes through March 2019.

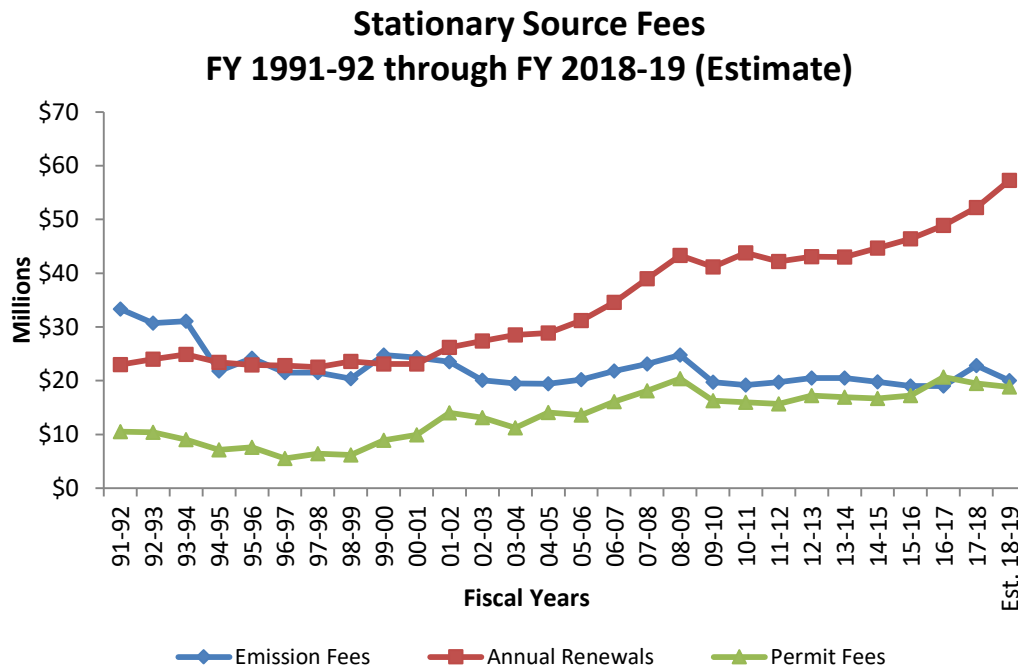
<b>Revenue Description</b>	<b>FY 2018-19 Adopted Budget</b>	<b>FY 2018-19 Amended Budget</b>	<b>FY 2019-20 Proposed Budget</b>
Annual Operating Emission Fees	\$ 19,729,280	\$ 19,729,280	\$ 20,675,800
Annual Operating Permit Renewal Fees	57,270,930	57,270,930	59,351,020
Permit Processing Fees	19,856,640	19,856,640	20,643,870
Portable Equipment Registration Program	1,200,000	1,200,000	1,000,000
Area Sources	2,274,800	2,274,800	2,277,000
Grants/Subvention	16,888,530	19,829,869	21,155,180
Mobile Sources	30,625,320	30,625,754	28,129,833
Transportation Programs	951,280	951,280	963,900
Toxic Hot Spots	2,849,590	2,849,590	2,647,420
Other <sup>1</sup>	9,700,141	8,173,002	9,763,002
Transfers In	1,284,590	4,750,449	4,289,700
<b>Total</b>	<b>\$162,631,101</b>	<b>\$167,511,594</b>	<b>\$170,896,725</b>
<sup>1</sup> Includes revenues from Interest, Lease Income, Source Testing, Hearing Board, Penalties/Settlements, Subscriptions, 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 44% from \$66.8 million in FY 1991-92 to \$96.1 million (estimated) in FY 2018-19. When adjusted for inflation however, stationary source revenues have decreased by 16% over this same period.

Mobile source revenues that are subvended to the South Coast AQMD by the Department of Motor Vehicles (DMV) are projected to increase slightly from the FY 2018-19 budgeted amounts based on vehicle registration information from the DMV and recent revenue received. In addition, this category reflects reimbursements of incentive programs (Clean Fuels, Carl Moyer, Prop 1B, and AB 134) whose contract activities and revenues are recorded in special revenue funds (outside the General Fund). These incentive program costs incurred by the General Fund are reimbursed to the General Fund from the various special revenue funds (subject to any administrative caps) and are reflected 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 increase in FY 2019-20 from FY 2018-19 budgeted levels reflecting the anticipated level of federal funding from one-time and on-going grants in support of air quality efforts. State Subvention funding is expected to remain at the current level for FY 2019-20. In addition, funding from CARB for the AB 617 Community Air Protection Program is expected to increase from the FY 2018-19 budgeted level.

The following graph tracks actual stationary source revenues by type of fee from FY 1991-92 (when CPI limits were placed on South Coast AQMD fee authority) to estimated revenues for FY 2018-19.



## Debt Structure

### Pension Obligation Bonds

These bonds were issued jointly by the County of San Bernardino and the South Coast AQMD in December 1995. In June 2004 the South Coast AQMD went out separately and issued pension obligation bonds to refinance its respective obligation to the San Bernardino County Employee's Retirement Association (SBCERA) 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
2020	\$ 3,686,640	\$ 3,503,982	\$ 7,190,622
2021	3,840,443	3,353,106	7,193,549
2022	4,006,881	3,186,361	7,193,242
2023	3,780,000	348,736	4,128,736
2024	4,010,000	118,897	4,128,897
Total	\$19,323,964	\$10,511,082	\$29,835,046

## Fund Balance

South Coast AQMD is projecting an Unreserved (Unassigned) Fund Balance for June 30, 2020 of \$43,597,488 in addition to the following Reserved and Unreserved Designated Fund Balances for FY 2019-20.

<b>Classification</b>	<b>Reserves/Unreserved Designations</b>	<b>Amount</b>
Committed	Reserve for Encumbrances	\$ 16,321,000
Nonspendable	Reserve for Inventory of Supplies	80,000
	Unreserved Designations:	
Assigned	For Enhanced Compliance Activities	883,018
Assigned	For Other Post Employment Benefit (OPEB) Obligations	2,952,496
Assigned	For Permit Streamlining	234,159
Assigned	For Self-Insurance	2,000,000
Assigned	For Unemployment Claims	80,000
<b>Total Reserved &amp; Unreserved Designations</b>		<b>\$ 22,550,673</b>

Reserves are portions of the fund balance set aside for future use and are therefore not available for appropriation. These funds are made-up of encumbrances which represent the estimated amount of current and prior years' 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.

Unreserved Designations in the fund balance indicate plans for use of financial resources in future years. 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). The Designation for Permit Streamlining was established to fund program enhancements to increase permitting efficiency and customer service. South Coast AQMD is self-insured for general liability, workers' compensation, automobile liability, premises liability, and unemployment.

## Long-Term Projection

South Coast AQMD continues to face a number of challenges in the upcoming years, including continued higher operating costs, the need for major information technology and building infrastructure improvement projects, and growing program commitments while meeting air quality goals and permit processing targets. Recruiting, training and retaining the high level of technical staffing expertise necessitated by the Community Air Protection Program established

in 2017 under AB 617, the VW Mitigation Settlement Projects, the Refinery Fenceline Air Monitoring Plans under Rule 1180, and additional incentive funding under AB 134, as well as for South Coast AQMD's ongoing projects and programs, will continue to be an issue further complicated by the increasing number of retirements among our current staff.

Increasing retirement costs and any future actions SBCERA may take which could significantly impact South Coast AQMD's level of expenditures remains a primary uncertainty. Any legislative action that may impact the level of federal and state funding from grant awards, particularly AB 617 funding, and subvention funds is another unknown that must be considered as South Coast AQMD plans for the future. Cost recovery within the constraints of Proposition 26 is an additional uncertainty as South Coast AQMD strives to balance program operating expenses with revenues collected from fees.

In order to face these challenges, South Coast AQMD 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, better aligns program revenues with costs, and strives to keep the percentage of unreserved fund balance to revenue within the Governing Board policy of 20%.

The following chart, outlining South Coast AQMD'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 South Coast AQMD boundaries and remaining sensitive to business. Starting in FY 2023-24, South Coast AQMD will realize a \$3.1M savings in Pension Obligation Bond payments.

Fiscal 2018-19 Estimate and Five Year Projection (\$ in Millions)						
	FY 18-19 Estimate	FY 19-20 Proposed	FY 20-21 Projected	FY 21-22 Projected	FY 22-23 Projected	FY 23-24 Projected
STAFFING	938	939	939	939	939	939
REVENUES/TRANSFERS IN*	\$165.5	\$170.9	\$175.1	\$175.0	\$176.1	\$178.4
EXPENDITURES/TRANSFERS OUT	\$170.6	\$170.9	\$180.7	\$184.0	\$185.0	\$179.2
Change in Fund Balance	-\$5.1	-	-\$5.6	-\$9.0	-\$8.9	-\$0.8
UNRESERVED FUND BALANCE (at year-end)	\$49.7	\$49.7	\$44.1	\$35.1	\$26.2	\$25.4
% of REVENUE	30%	29%	25%	20%	15%	14%
*Includes proposed CPI fee increase of 3.5% for FY 2019-20 with the third and final year of an additional 10.66% increase for Title V annual operating permit renewal and permit processing fees; a CPI of 3.7% for FY 2020-21; a CPI of 3.2% for FY 2021-22; a CPI of 2.9% for FY 2022-23; and a CPI of 2.8% for FY 2023-24. Starting in FY 2021-22, assumes on-going AB 617 revenue.						

As part of the Five Year Projection, South Coast AQMD has identified projected building maintenance and capital outlay improvement projects for its headquarters building. These projects are outlined in the following chart. In addition, the Infrastructure Improvement Special Revenue Fund was created with unanticipated one-time revenues from the General Fund for some of the capital outlay building-related improvement projects. The primary project proposed to be funded from the Infrastructure Improvement Fund is retrofitting the elevators in the South Coast AQMD headquarters building.

<b>GENERAL FUND POTENTIAL BUILDING MAINTENANCE and CAPITAL OUTLAY PROJECTS FY 2019-20 through 2023-24</b>
Child Care Building Roof Replacement
Elevator Retrofits
Carpet Installation 3 <sup>rd</sup> & 4 <sup>th</sup> Floor
Air Handler Fan Walls Retrofit
Leibert AC Units-Computer Room Replacement
Gaylord Air Scrubbers Replacement
Energy Management System Upgrade
Aging Kitchen Equipment Replacement
Pneumatic Controls to Direct Digital Control Conversion
Restroom and Copy/Coffee Sink and Counter Tops Replacement
Vinyl Wall Covering (Various Areas) Replacement
Saw Tooth Lab Roof Refurbishment
Restroom Panels Refurbishment/Replacement
Roofing Surface - Recoat
Parking Lot Repair and Reseal
Sidewalks and Curbs -Concrete Repair
Fire Life Safety System Upgrade
Lighting Controls Upgrade
Can Lighting Retrofit (LED)
Patio Area - Rebuild/Recompact
Building Interior - Repaint
Landscape Renovation
Parking Lot Lights LED Conversion
Conference Center - Repaint and Wallpaper
VCT Tiles (Various Areas) Replacement
Upper Parking Deck Repair and Re-coating
EVES Charger and Support System Upgrades
Fluorescent Office Lighting to LED Conversion



**SOUTH COAST**  
**AIR QUALITY MANAGEMENT DISTRICT**



SUMMARY OF FISCAL YEAR 2019-20 PROPOSED BUDGET				
	FY 2018-19 Adopted Budget	FY 2018-19 Amended Budget <sup>1</sup>	FY 2018-19 Estimate <sup>2</sup>	FY 2019-20 Proposed
<b>Funding Sources</b>				
Revenue	\$ 161,346,511	\$ 162,761,145	\$ 160,546,575	\$ 166,607,025
Transfers-In	1,284,590	4,750,449	4,907,253	4,289,700
Total Funding Sources	\$ 162,631,101	\$ 167,511,594	\$ 165,453,828	\$ 170,896,725
<b>Funding Uses</b>				
Salaries & Employee Benefits	\$ 132,868,320	\$ 134,484,879	\$ 129,105,617	\$ 141,667,712
Services & Supplies	28,674,481	34,370,909	34,370,909	27,992,660
Capital Outlays	1,088,300	5,010,344	5,010,344	395,000
Transfers-Out	-	2,063,229	2,063,229	841,353
Total Funding Uses	\$ 162,631,101	\$ 175,929,361	\$ 170,550,099	\$ 170,896,725

Fund Balances - Reserves & Unreserved Designations	Classification	Projected June 30, 2019	Projected June 30, 2020
Reserve for Encumbrances	Committed	\$ 14,941,000	\$ 16,321,000
Reserve for Inventory of Supplies	Nonspendable	80,000	80,000
Designated for Enhanced Compliance Activities	Assigned	883,018	883,018
Designated for Other Post Employment Benefit (OPEB) Obligations	Assigned	2,952,496	2,952,496
Designated for Permit Streamlining	Assigned	234,159	234,159
Designated for Self-Insurance	Assigned	2,000,000	2,000,000
Designated for Unemployment Claims	Assigned	80,000	80,000
Total Reserves & Unreserved Designations		\$ 21,170,673	\$ 22,550,673
Unassigned Fund Balance	Unassigned	\$ 43,502,488	\$ 43,597,488
Total Fund Balances		\$ 64,673,161	\$ 66,148,161

<sup>1</sup> The FY 18-19 Amended Budget includes mid-year changes through March 2019.

<sup>2</sup> Includes estimated encumbrances of \$10,800,000 which will be applicable to the fiscal year ending June 30, 2019.

ANALYSIS OF PROJECTED JUNE 30, 2019 FUND BALANCE			
Fund Balances as of June 30, 2018			
Reserves	\$	11,294,214	
Designated		7,228,892	
Unassigned		47,532,700	
Total Fund Balances, June 30, 2018	\$		66,055,806
Add Excess Fiscal Year 2018-19 Revenues over Expenditures			
Revenues	\$	165,453,828	
Expenditures <sup>1</sup>		157,682,244	
Sub-Total	\$		7,771,584
Deduct Decrease in Encumbrances Open on June 30, 2019			(7,091,000)
Deduct Projected FY 2018-19 Transfers Out to Other Funds			(2,063,229)
Total Projected Fund Balances, June 30, 2019	\$		64,673,161
Fund Balances (Projected) at June 30, 2019			
Reserve for Encumbrances	\$		14,941,000
Reserve for Inventory of Supplies			80,000
Designated for Enhanced Compliance Activities			883,018
Designated for Other Post Employment Benefit (OPEB) Obligations			2,952,496
Designated for Permit Streamlining			234,159
Designated for Self-Insurance			2,000,000
Designated for Unemployment Claims			80,000
Unassigned			43,502,488
Total Projected Fund Balances, June 30, 2019	\$		64,673,161
Note: This analysis summarizes the estimated amount of funds that will be carried into FY 2019-20.			
<sup>1</sup> Expenditures do not include estimated \$10,800,000 encumbrances for the Fiscal Year ended June 30, 2019.			

SCHEDULE OF AVAILABLE FINANCING AND PROPOSED FISCAL YEAR 2019-20 RESERVES AND DESIGNATIONS		
Fund Balances	\$ 64,673,161	
Emission Fees	20,675,800	
Annual Renewal Fees	59,351,020	
Permit Processing Fees	20,643,870	
Portable Equipment Registration Program	1,000,000	
State Subvention	3,924,550	
State Grant	11,090,280	
Federal Grant	6,140,350	
Interest Revenue	1,718,490	
Lease Revenue	176,960	
Source Test/Analysis Fees	755,550	
Hearing Board Fees	217,350	
Penalties and Settlements	5,000,000	
Area Sources	2,277,000	
Transportation Programs	963,900	
Mobile Sources/Clean Fuels	28,129,833	
Air Toxics "Hot Spots"	2,647,420	
Other Revenues/Transfers In	6,184,352	
Total Funds		\$ 235,569,886
Less Proposed Fiscal Year 2019-20 Reserves and Designations		
Reserve for Encumbrances	\$ 16,321,000	
Reserve for Inventory of Supplies	80,000	
Designated for Enhanced Compliance Activities	883,018	
Designated for Other Post Employment Benefit (OPEB) Obligations	2,952,496	
Designated for Permit Streamlining	234,159	
Designated for Self-Insurance	2,000,000	
Designated for Unemployment Claims	80,000	
Total Proposed Reserves and Designations		\$ 22,550,673
Available Financing		\$ 213,019,213

ANALYSIS OF PROJECTED JUNE 30, 2020 FUND BALANCE		
Fund Balances as of June 30, 2019		
Reserves	\$	15,021,000
Designated		6,149,673
Unassigned		43,502,488
Total Fund Balances, June 30, 2019	\$	64,673,161
Add Excess Fiscal Year 2019-20 Revenues over Expenditures		
Revenues	\$	170,896,725
Expenditures <sup>1</sup>		160,076,725
Sub-Total	\$	10,820,000
Deduct Decrease in Encumbrances Open on July 1, 2019		(9,345,000)
Total Projected Fund Balances, June 30, 2020	\$	66,148,161
Fund Balances (Projected) Fiscal Year 2019-20		
Reserve for Encumbrances	\$	16,321,000
Reserve for Inventory of Supplies		80,000
Designated for Enhanced Compliance Activities		883,018
Designated for Other Post Employment Benefit (OPEB) Obligations		2,952,496
Designated for Permit Streamlining		234,159
Designated for Self-Insurance		2,000,000
Designated for Unemployment Claims		80,000
Unassigned		43,597,488
Total Projected Fund Balances, June 30, 2020	\$	66,148,161
<sup>1</sup> Expenditures do not include estimated \$10,820,000 encumbrances for the Fiscal Year ended June 30, 2020.		

Revenue Comparison				
Revenue Account	FY 2017-18 Actual	FY 2018-19 Adopted Budget	FY 2018-19 Estimated	FY 2019-20 Proposed
Emission Fees	\$ 22,786,660	\$ 19,729,280	\$ 19,989,573	\$ 20,675,800
Annual renewal Fees	51,006,780	57,270,930	56,105,118	59,351,020
Permit Processing Fees	19,538,295	19,856,640	18,828,740	20,643,870
Portable Equipment Registration Program	1,175,989	1,200,000	1,225,815	1,000,000
State Subvention	3,939,075	3,939,080	3,924,547	3,924,550
State Grant	5,319,196	8,075,000	11,006,597	11,090,280
Federal Grant	7,949,213	4,874,450	7,833,919	6,140,350
Interest Revenue	1,041,333	1,116,070	1,412,411	1,718,490
Lease Revenue	147,660	166,980	166,682	176,960
Source Test/Analysis Fees	663,011	781,700	698,635	755,550
Hearing Board Fees	351,979	258,500	139,946	217,350
Penalties and Settlements	14,316,145	5,000,000	6,554,100	5,000,000
Area Sources	2,293,947	2,274,800	2,274,800	2,277,000
Transportation Programs	845,718	951,280	1,020,317	963,900
Mobile Sources/Clean Fuels	22,015,710	30,625,320	26,006,515	28,129,833
Air Toxics "Hot Spots"	2,538,247	2,849,590	2,557,890	2,647,420
Other Revenues/Transfers In	5,992,113	3,661,481	5,708,228	6,184,352
Total Revenue	\$ 161,921,070	\$ 162,631,101	\$ 165,453,828	\$ 170,896,725

## EXPLANATION OF REVENUE SOURCES

### **Annual Operating Emissions Fees**

The Lewis-Presley Air Quality Management Act (Health & Safety Code Section 40400-40540) authorizes the South Coast AQMD to collect fees for permitted sources to recover the costs of District programs related to these sources. (Health & Safety Code 40410(b)). South Coast AQMD initiated an annual operating emissions fees program in January 1978. As the program currently exists, all permitted facilities pay a flat fee for up to four tons of emissions. In addition to the flat fee, facilities that emit four tons or greater (from both permitted and unpermitted equipment) of any organic gases, specific organics, nitrogen oxides, sulfur oxides, or particulate matter, or 100 tons per year or greater of carbon monoxide, also pay fees based on the facility's total emissions. These facilities pay for emissions from permitted equipment as well as emissions from unpermitted equipment and processes which are regulated, but for which permits are not required, such as solvent use. In addition, a fee-per-pound is assessed on the following toxic air contaminants and ozone depleters: ammonia; asbestos; benzene; cadmium; carbon tetrachloride; chlorinated dioxins and dibenzofurans; ethylene dibromide; ethylene dichloride; ethylene oxide; formaldehyde; hexavalent chromium; methylene chloride; nickel; perchloroethylene; 1,3-butadiene; inorganic arsenic; beryllium; polynuclear aromatic hydrocarbons (PAHs); vinyl chloride; lead; 1,4-dioxane; trichloroethylene; chlorofluorocarbons (CFCs); and 1,1,1-trichloroethane. The rates are set forth in South Coast AQMD Rule 301.

*FY 2019-20 Proposed Budget:* The non-RECLAIM emissions are based on Annual Emission Report (AER) data for Calendar Year 2017. The RECLAIM NO<sub>x</sub> and SO<sub>x</sub> emission projection is based on holdings according to the RECLAIM Trading Credit (RTC) listing. The flat emission fees are projected based on the number of active facilities with at least one permit. A 3.5% CPI increase is included.

### **Annual Operating Permit Renewal**

State law authorizes South Coast AQMD to have an annual permit renewal program and authorizes fees to recover the costs of the program (Health & Safety Code Section 42300; 40510(b)). The annual operating permit renewal program, initiated by the South Coast AQMD in February 1977, requires that all active permits be renewed on an annual basis upon payment of annual renewal fees. The annual renewal rates are established in South Coast AQMD Rule 301 and are based on the type of equipment, which is related to the complexity of related compliance activity. 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 South Coast AQMD's compliance program, planning, rule making, monitoring, testing, source education, public outreach, civil enforcement, including the South Coast AQMD's Hearing Board, and stationary and area source research projects.

*FY 2019-20 Proposed Budget:* The projection is based on an estimated number of permits at the various equipment fee schedules. A 3.5% CPI increase is included. Also included is the third and final year of a phased-in increase approved by the Governing Board in June 2017 (a 10.66% increase for Title V annual operating permit renewal fees).

## EXPLANATION OF REVENUE SOURCES

### **Permit Processing Fees**

Under the Health & Safety Code 42300, South Coast AQMD may adopt and implement a program requiring that a permit be obtained from South Coast AQMD to construct or operate any equipment which emits or controls air pollution in South Coast AQMD's jurisdictional boundaries before the construction or operation of the equipment. South Coast AQMD has adopted rules requiring such permits, to ensure that equipment in South Coast AQMD's jurisdictional boundaries is in compliance with South Coast AQMD Rules and Regulations but exempts certain equipment which is deemed to have de minimis emissions (Rule 219). Permit fees are authorized by state law to recover the reasonable costs of the permit program involving permitting, planning, enforcement, and monitoring related activities. 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, RECLAIM 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.'

Included in this year's budget is a new permit fee to recover the cost associated with revising and reissuing permits to facilities exiting the RECLAIM program in accordance with the South Coast AQMD's Governing Board resolution. Currently, RECLAIM facilities, including both Title V and non-Title V facilities, are subject to a South Coast AQMD-issued facility permit. The facility permit identifies conditions associated with compliance with the RECLAIM program. The process of exiting the RECLAIM program requires a re-evaluation of existing facility permits, with case-by-case analysis of each device (piece of equipment) for incorporation of Non-RECLAIM regulatory limits, monitoring, recordkeeping and reporting requirements, emission factors, emission limits, and removing permit conditions and requirements related to RECLAIM that are no longer applicable. This is a one-time fee for the proposed transition process associated with exiting the RECLAIM program.

*FY 2019-20 Proposed Budget:* The projection is based on the anticipated number and type of applications that will be processed. A 3.5% CPI increase is included. Also included is the third and final year of a phased-in increase approved by the Governing Board in June 2017 (a 10.66% increase for Title V permit processing fees).

### **Portable Equipment Registration Program (PERP)**

The California Air Resources Board (CARB) provides revenues to local air districts to offset the costs of inspecting equipment registered under CARB's Portable Equipment Registration Program (PERP). Fees for inspection of PERP-registered engines by South Coast AQMD field staff are collected by CARB at the time of registration and passed through to South Coast AQMD on an annual basis. Fees for

## EXPLANATION OF REVENUE SOURCES

inspection of all other PERP-registered equipment are billed at an hourly rate set forth in South Coast AQMD Rule 301, as determined by CARB and collected by South Coast AQMD at the time the inspection is conducted.

*FY 2019-20 Proposed Budget:* The revenue projection is based on the anticipated number of inspections.

### **Area Sources**

Emissions fees and quantity-based fees from architectural coatings revenue covers architectural coatings fair share of emissions supported programs. South Coast AQMD Rule 314 covers emission-based fees and quantity-based fees. Fees on area sources are authorized by Health & Safety Code §40522.5. Architectural coatings are assessed annually based on quantity (gallons) distributed or sold for use in South Coast AQMD's jurisdiction. This revenue allows South Coast AQMD to recover the costs of staff working on compliance, laboratory support, architectural coatings emissions data, rule development, and architectural coatings revenue collection.

*FY 2019-20 Proposed Budget:* Fees are based on the annual quantity and emissions of architectural coatings distributed or sold into or within and for use in the South Coast AQMD for the previous calendar year. Emissions are decreasing while sales volume is increasing. A 3.5% CPI increase is included.

### **California Air Resources Board Subvention**

Under Health and Safety Code Section 39800-39811, the State appropriates monies each year to CARB to subvene to the air quality districts engaged in the reduction of air contaminants pursuant to the basin wide air pollution control plan and related implementation programs. South Coast AQMD has received subvention funds since its inception beginning in 1977.

*FY 2019-20 Proposed Budget:* The current amount of \$3.9 million is included in the FY 2019-20 proposed budget.

### **State Grant**

Under AB 617, recently adopted by the state legislature, CARB funding is distributed to air districts to implement the Community Air Protection Program which includes monitoring and developing emissions reductions plans in disadvantaged communities with high cumulative exposure to air toxics.

*FY 2019-20 Proposed Budget:* The proposed budget includes the anticipated reimbursement from CARB funding for staff time, services and supplies, and equipment needed to implement the program.

### **Federal Grants/Other Federal Revenue**

South Coast AQMD receives funding from EPA Section 103 and 105 grants to help support the South Coast AQMD in its administration of active air quality control and monitoring programs where the South Coast AQMD is required to perform specific agreed-upon activities. Other EPA and Department of Energy (DOE) grants provide funding for various air pollution reduction projects. A Department of Homeland Security (DHS) grant funds a special particulate monitoring program. When stipulated in the grant agreement, the General Fund is reimbursed for administrative costs associated with grant-funded projects. Most federal grants are limited to specific purposes but EPA Section 105 grants are available for the general support of air quality-related programs.

*FY 2019-20 Proposed Budget:* The revenue projection is based on funding levels from current federal grants.



## EXPLANATION OF REVENUE SOURCES

### **Interest**

Revenue from this source is the result of investing South Coast AQMD's General Fund cash balances.

*FY 2019-20 Proposed Budget:* The revenue projection is based on average cash balances and anticipated interest rates.

### **Leases**

Revenue in this category is a result of leasing available space at South Coast AQMD's Headquarters facility.

*FY 2019-20 Proposed Budget:* The projection is based on the existing lease agreements

### **Source Test/Sample 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 tests, technical evaluations, and laboratory analyses.

*FY 2019-20 Proposed Budget:* The revenue projection is based on the anticipated number of tests and analyses. A 3.5% CPI increase is included.

### **Hearing Board**

Hearing Board revenue is from the filing of petitions for variances and appeals, excess emissions fees, and daily appearance fees. The revenue recovers a portion of the costs associated with these activities. Petitions for Orders for Abatement, which go before the Hearing Board, are filed by South Coast AQMD; therefore, there are no Hearing Board fees/revenue related to these proceedings.

*FY 2019-20 Proposed Budget:* The estimate is based on the projected number of hearings to be held and cases to be heard. A 3.5% CPI increase is included.

### **Penalties/Settlements**

The revenue from this source is derived from cash settlements for violations of permit conditions, South Coast AQMD Rules, or state law. This revenue source is available for the general support of the South Coast AQMD's programs.

*FY 2019-20 Proposed Budget:* It is anticipated that revenue in this category will be approximately \$5.0 million.

### **Mobile Sources**

Mobile Sources revenue is composed of five components: AB2766 revenue and administrative/program cost reimbursements from four programs: Carl Moyer, AB 134, Proposition 1B, and MSRC.

AB2766:

Section 9250.17 of the Vehicle Code gives the Department of Motor Vehicles (DMV) the authority and responsibility to collect and forward to South Coast AQMD four dollars for every vehicle registered in South Coast AQMD's jurisdictional boundaries. Thirty percent of the money (\$1.20 per vehicle) collected is recognized in South Coast AQMD's General Fund as mobile sources revenue and is used

## EXPLANATION OF REVENUE SOURCES

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 South Coast AQMD Air Quality Management Plan. A proportionate share of programs that are not associated with any individual type of source (e.g., air quality monitoring) is supported by these revenues. The remaining monies are used to pay for projects to reduce air pollution from mobile vehicles: 40% (\$1.60 per vehicle) to the Air Quality Improvement Special Revenue Fund to be passed through to local governments and 30% (\$1.20 per vehicle) to the Mobile Source Air Pollution Reduction Fund (MSRC) to pay for projects recommended by the MSRC and approved by the South Coast AQMD 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.

### AB 134:

AB 134 increases funding for the Carl Moyer program. The General Fund will receive reimbursements from the AB 134 Special Revenue Fund (up to 6.25 percent) for administrative costs incurred to implement the program.

### Proposition 1B:

The Proposition 1B Program is a \$1 billion bond program approved by California voters in November 2006. This incentive program is designed to reduce diesel emissions and public health risks from goods movement activities along California's trade corridors. The General Fund receives reimbursements from the Proposition 1B Funds for staff time and other program implementation/administration costs up to specified limits.

### MSRC:

MSRC revenue reflects the reimbursement from the Mobile Source Air Pollution Reduction Special Revenue Fund for the cost of staff support provided to the MSRC in administering a mobile source program. These administrative costs are limited by State law and the MSRC adopts a budget for staff support each year.

*FY 2019-20 Proposed Budget:* Revenue projections are based on vehicle registration data from the DMV, other state revenue received, and anticipated reimbursable implementation/administration costs for the Carl Moyer, AB 134, Prop 1B, and MSRC programs.

## Clean Fuels

The General Fund receives reimbursements from the Clean Fuels Program Special Revenue Fund for staff time and other program implementation/administration costs necessary to implement the Clean Fuels Program.

Section 9250.11 of the Vehicle Code gives the DMV authority to collect and forward to South Coast AQMD money for clean fuels technology advancement programs and transportation control measures related to motor vehicles, according to the plan approved pursuant to Health & Safety Code §40448.5. One dollar is collected by the DMV for every vehicle registered in South Coast AQMD's jurisdictional boundaries, forwarded to South Coast AQMD, and deposited in the Clean Fuels Program Special Revenue Fund.

Clean fuels fees from stationary sources are recorded in a separate revenue account within the Clean Fuels Program Special Revenue Fund. Fees authorized by Health & Safety Code §40512 are collected from sources that emit 250 tons or more per year of Nitrogen Oxides (NOx), Sulfur Oxides (SOx),

## EXPLANATION OF REVENUE SOURCES

Reactive Organic Compounds (ROC), or Particulate Matter (PM). The fees collected are used to develop and implement 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.

*FY 2019-20 Proposed Budget:* Revenue projections are based on anticipated reimbursable staff and other program costs to implement the Clean Fuels Program.

### **Transportation Programs**

In accordance with federal and state Clean Air Act requirements, South Coast AQMD's Rule 2202 – On-Road Vehicle Mitigation Options provides employers with various options to either reduce mobile source emissions generated from employee commutes or implement mobile source emission reduction programs. Employers with 250 or more employees at a worksite are subject to Rule 2202 and are required to submit an annual registration to implement an emission reduction program that will obtain emission reductions equivalent to a worksite specific emission reduction target. The revenue from this category is used to recover a portion of the costs associated with filing, processing, reviewing, and auditing the registrations and the ridesharing programs. Fees for indirect sources, which are sources that attract mobile sources, such as the large employers covered by Rule 2202, are authorized by Health & Safety Code §40522.5.

*FY 2019-20 Proposed Budget:* The projection is based on the anticipated number of registrations. A 3.5% CPI increase is included.

### **Toxic "Hot Spots"**

Health and Safety Code Section 44380 requires South Coast AQMD to assess and collect fees from facilities that emit toxic compounds. Fees collected are used to recover state and South Coast AQMD costs to collect and analyze data regarding air toxics and their effect on the public. Costs recovered include a portion of the administrative, outreach, plan processing, and enforcement costs to implement this program. Staff has also noticed a large number of Air Toxics Inventory Reports (ATIR) and Health Risk Assessments (HRA) which require substantial modifications or revisions that the facility is unable to perform without errors or delays. Therefore, the amendments to Rule 307.1 also include cost recovery for these efforts.

*FY 2019-20 Proposed Budget:* The revenue projection is based on estimated General Fund reimbursements from the Air Toxics Fund for staff time and other program and administrative expenditures.

### **Other**

Miscellaneous revenue includes revenue attributable to professional services South Coast AQMD renders to other agencies, reimbursements from special revenue funds (non-mobile source), vanpool revenue, fees from fitness center memberships, and Public Records Act requests. This revenue category also includes Rule 1180 payments from petroleum refineries for refinery-related community air monitoring and grant payments under the VW Mitigation Settlement.

*FY 2019-20 Proposed Budget:* The revenue projections are based on historical trend information and anticipated receipts.



**SOUTH COAST**  
**AIR QUALITY MANAGEMENT DISTRICT**

South Coast AQMD Line Item Expenditure						
Major Object / Account # / Account Description		FY 2017-18 Actuals	FY 2018-19 Adopted Budget	FY 2018-19 Amended Budget	FY 2018-19 Estimate *	FY 2019-20 Adopted Budget
<b>Salary &amp; Employee Benefits</b>						
51000-52000	Salaries	\$ 76,378,242	\$ 84,908,295	\$ 86,501,594	\$ 83,011,215	\$ 89,957,250
53000-55000	Employee Benefits	39,046,777	47,960,025	47,983,285	46,094,402	51,710,462
Sub-total Salary & Employee Benefits		\$ 115,425,019	\$ 132,868,320	\$ 134,484,879	\$ 129,105,617	\$ 141,667,712
<b>Services &amp; Supplies</b>						
67250	Insurance	\$ 1,518,801	\$ 1,317,400	\$ 1,382,900	\$ 1,382,900	\$ 1,317,400
67300	Rents & Leases Equipment	245,890	214,280	254,139	254,139	212,280
67350	Rents & Leases Structure	298,687	546,791	560,434	560,434	299,543
67400	Household	654,730	763,800	763,800	763,800	817,322
67450	Professional & Special Services	9,109,521	8,256,242	11,599,026	11,599,026	8,066,737
67460	Temporary Agency Services	1,129,280	862,049	1,246,448	1,246,448	744,049
67500	Public Notice & Advertising	437,050	479,666	465,666	465,666	439,966
67550	Demurrage	102,728	161,430	178,430	178,430	161,930
67600	Maintenance of Equipment	1,058,595	864,664	1,174,278	1,174,278	822,864
67650	Building Maintenance	1,070,974	1,502,479	1,534,594	1,534,594	1,002,479
67700	Auto Mileage	144,273	130,627	250,562	250,562	95,627
67750	Auto Service	573,447	471,000	471,000	471,000	471,000
67800	Travel	389,673	338,818	386,189	386,189	364,696
67850	Utilities	1,398,700	1,959,620	2,147,788	2,147,788	1,959,620
67900	Communications	630,003	717,800	742,573	742,573	707,800
67950	Interest Expense	3,756,716	3,637,290	3,637,290	3,637,290	3,503,982
68000	Clothing	39,829	51,623	59,761	59,761	53,805
68050	Laboratory Supplies	532,896	332,000	544,877	544,877	307,000
68060	Postage	365,745	448,826	333,512	333,512	465,803
68100	Office Expense	1,762,951	1,068,950	1,576,407	1,576,407	1,459,260
68200	Office Furniture	244,470	4,000	16,127	16,127	14,000
68250	Subscriptions & Books	254,791	178,517	184,836	184,836	178,517
68300	Small Tools, Instruments, Equipment	205,370	135,045	438,082	438,082	109,736
68400	Gas and Oil	188,215	292,021	292,021	292,021	292,021
69500	Training/Conference/Tuition/ Board Exp.	884,139	975,257	1,140,714	1,140,714	976,357
69550	Memberships	162,986	68,428	72,288	72,288	68,678
69600	Taxes	33,379	59,000	64,685	64,685	59,000
69650	Awards	11,649	79,023	79,023	79,023	79,023
69700	Miscellaneous Expenses	142,893	204,725	220,349	220,349	255,525
69750	Prior Year Expense	(50,616)	-	-	-	-
69800	Uncollectable Accounts Receivable	410,438	-	-	-	-
89100	Principal Repayment	2,432,798	2,553,110	2,553,110	2,553,110	2,686,640
Sub-total Services & Supplies		\$ 30,141,002	\$ 28,674,481	\$ 34,370,909	\$ 34,370,909	\$ 27,992,660
77000	<b>Capital Outlays</b>	\$ 7,301,003	\$ 1,088,300	\$ 5,010,344	\$ 5,010,344	\$ 395,000
79050	<b>Building Remodeling</b>	\$ -	\$ -	\$ -	\$ -	\$ -
99950	<b>Transfers Out</b>	\$ 250,000	\$ -	\$ 2,063,229	\$ 2,063,229	\$ 841,353
Total Expenditures		\$ 153,117,023	\$ 162,631,101	\$ 175,929,361	\$ 170,550,099	\$ 170,896,725
* Estimates based on July 2018 through February 2019 actual expenditures and March 2019 budget amendments.						

## SALARIES & EMPLOYEE BENEFITS

Acct. #	Account Description	FY 2018-19 Adopted Budget	FY 2018-19 Amended Budget	FY 2018-19 Estimate	FY 2019-20 Proposed Budget	Increase/ (Decrease) <sup>(a)</sup>
<b>51000-52000</b>	<b>SALARIES</b>	<b>\$ 84,908,295</b>	<b>\$ 86,501,594</b>	<b>\$ 84,026,356</b>	<b>\$ 89,957,250</b>	<b>\$5,048,955</b>
<p>These accounts include salaries and special pays such as: Call-Back, Hazard, Night Shift, Rideshare, Skill-Based, Stand-By and Overtime. Also, the FY 2019-20 Proposed Budget reflects a 10% vacancy rate (actual vacant positions are currently at 15%). The FY 2019-20 Proposed Budget does not include overtime amounts for federal grant work that is not expected to be awarded until mid-year and will not be appropriated until the grants are awarded. The main reason for the increase from the FY 2018-19 Adopted Budget is the addition of 62 positions mid-year in FY 2018-19 for the following programs: AB 617 (47 FTEs); VW Environmental Mitigation (5 FTEs), Career Interns (4 FTEs), China Partnership for Cleaner Shipping (2 FTEs) and Rule 1180 (4 FTEs). In addition, the increase from the FY 2018-19 Adopted Budget can be attributed to the costs associated with second year of a three year labor agreement that went into effect in the third quarter of FY 2017-18.</p>						
<b>53000</b>	<b>EMPLOYEE BENEFITS</b>	<b>\$ 3,620,875</b>	<b>\$ 3,620,875</b>	<b>\$ 3,611,072</b>	<b>\$ 3,774,162</b>	<b>\$ 153,287</b>
<p>This account includes the costs associated with State Disability Insurance, employer share of unemployment insurance, Social Security and Medicare. In addition, this account includes individual memberships and/or management physicals.</p>						
<b>54000</b>	<b>RETIREMENT</b>	<b>\$ 34,350,829</b>	<b>\$ 34,350,829</b>	<b>\$ 32,497,662</b>	<b>\$ 36,805,778</b>	<b>\$ 2,454,949</b>
<p>This account includes the employer's share of the employee retirement system contributions. The increase from the FY 2018-19 Adopted Budget is based on the contribution rates provided from the San Bernardino County Retirement Association (SBCERA) and adding 62 positions mid-year in Fiscal Year 2018-19.</p>						
<b>55000</b>	<b>INSURANCE</b>	<b>\$ 9,988,321</b>	<b>\$ 10,011,581</b>	<b>\$ 9,985,668</b>	<b>\$ 11,130,521</b>	<b>\$1,142,200</b>
<p>This account includes employer's share of health, life, dental, vision care and accident insurance.</p>						

<sup>(a)</sup> FY 2019-20 Proposed Budget vs. FY 2018-19 Adopted Budget.

South Coast AQMD Personnel Summary – Authorized/Funded Positions						
Positions as of	Mid-Year Adjustments		Positions as of	FY 2019-20 Request		Positions as of
June 30, 2018	Add	Delete	June 30, 2019	Add	Delete	July 1, 2018
876.4	72	(10.4)	938	8	(7)	939

## SALARIES & EMPLOYEE BENEFITS

Fiscal Year 2018-19 Mid-Year Changes in Authorized/Funded Positions				
Office	Position	Add	Delete	Total
Administrative and Human Resources	Career Development Intern	4	-	4
Administrative and Human Resources	Office Assistant	-	(1)	(1)
Administrative and Human Resources	Senior Office Assistant	2	-	2
Compliance and Enforcement	Air Quality Inspector II	2	-	2
Compliance and Enforcement	Air Quality Inspector III	1	-	1
Finance	Financial Analyst	1	-	1
Information Management	Assistant Deputy Executive Officer/Information Management	-	(1)	(1)
Information Management	Assistant Deputy Executive Officer/Chief Information Officer	1	-	1
Information Management	Information Technology Specialist II	-	(1)	(1)
Information Management	Senior Information Technology Specialist	1	-	1
Information Management	Systems Analyst	1	-	1
Information Management	Systems & Programming Supervisor	2	-	2
Information Management	Technology Implementation Manager	-	(2)	(2)
Information Management	Information Technology Manager	2	-	2
Legal	Senior Deputy District Counsel	1	-	1
Legislative & Public Affairs/Media Office	Community Relations Manager	-	(1)	(1)
Legislative & Public Affairs/Media Office	Public Affairs Manager	1	-	1
Legislative & Public Affairs/Media Office	Senior Public Information Specialist	3	-	3
Planning, Rule Development, & Area Sources	Air Quality Engineer II	1	-	1
Planning, Rule Development, & Area Sources	Air Quality Specialist	7	-	7
Planning, Rule Development, & Area Sources	Planning & Rules Manager	1	-	1
Planning, Rule Development, & Area Sources	Program Supervisor	4	-	4
Planning, Rule Development, & Area Sources	Senior Air Quality Engineer	1	-	1
Science & Technology Advancement	Air Quality Chemist	2	-	2
Science & Technology Advancement	Air Quality Instrument Specialist I	4	-	4
Science & Technology Advancement	Air Quality Instrument Specialist II	8	-	8
Science & Technology Advancement	Air Quality Specialist	6	-	6
Science & Technology Advancement	Assistant Deputy Executive Officer/Science & Technology Advancement	-	(0.4)	(0.4)
Science & Technology Advancement	Contracts Assistant	2	-	2
Science & Technology Advancement	Laboratory Technician	1	-	1
Science & Technology Advancement	Monitoring Operations Manager	1	-	1
Science & Technology Advancement	Office Assistant	-	(3)	(3)
Science & Technology Advancement	Principal Air Quality Chemist	1	-	1
Science & Technology Advancement	Principal Air Quality Instrument Specialist	-	(1)	(1)

## SALARIES & EMPLOYEE BENEFITS

Fiscal Year 2018-19 Mid-Year Changes in Authorized/Funded Positions (cont.)				
Office	Position	Add	Delete	Total
Science & Technology Advancement	Program Supervisor	2	-	2
Science & Technology Advancement	Senior Air Quality Chemist	1	-	1
Science & Technology Advancement	Senior Air Quality Engineer	2	-	2
Science & Technology Advancement	Senior Air Quality Instrument Specialist	3	-	3
Science & Technology Advancement	Senior Office Assistant	2	-	2
Science & Technology Advancement	Senior Staff Specialist	1	-	1
<b>Total Mid-Year Changes</b>		<b>72</b>	<b>(10.4)</b>	<b>61.6</b>

Fiscal Year 2019-20 Proposed Personnel Actions				
Office	Position	Add	Delete	Total
Administrative and Human Resources	Assistant Deputy Executive Officer/Administrative and Human Resources	-	(1)	(1)
Administrative and Human Resources	Deputy Executive Officer/Administrative and Human Resources	1	-	1
Engineering & Permitting	Principal Office Assistant	-	(1)	(1)
Engineering & Permitting	Supervising Office Assistant	1	-	1
Finance	Assistant Deputy Executive Officer/Finance	-	(1)	(1)
Finance	Chief Administrative Officer	-	(1)	(1)
Finance	Deputy Executive Officer/Chief Financial Officer	1	-	1
Information Management	Assistant Deputy Executive Officer/Chief Information Officer	-	(1)	(1)
Information Management	Deputy Executive Officer/Chief Information Officer	1	-	1
Information Management	Principal Office Assistant	-	(1)	(1)
Information Management	Supervising Office Assistant	1	-	1
Legislative & Public Affairs/Media Office	Administrative Secretary	1	-	1
Legislative & Public Affairs/Media Office	Program Supervisor	1	-	1
Planning, Rule Development & Area Sources	Health Effects Officer *	-	(1)	-
Planning, Rule Development & Area Sources	Director of Community Air Programs/Health Effects Officer*	1	-	1
<b>Total Fiscal Year 2019-20 Proposed Personnel Actions</b>		<b>8</b>	<b>(7)</b>	<b>1</b>

\* Title change only



## SERVICES & SUPPLIES

Acct. #	Account Description	FY 2018-19 Adopted Budget	FY 2018-19 Amended Budget	FY 2018-19 Estimate	FY 2019-20 Proposed Budget	Increase/ (Decrease) <sup>(a)</sup>
<b>67250</b>	<b>INSURANCE</b>	<b>\$1,317,400</b>	<b>\$1,382,900</b>	<b>\$1,382,900</b>	<b>\$1,317,400</b>	<b>\$ 0</b>
<p>This account is for insurance coverage for the following: commercial property (real and personal) with earthquake and flood coverage, boiler and machinery, public official liability, excess workers' compensation, and excess general liability. South Coast AQMD is self-insured for workers' compensation, general liability, and automobile liability. The amount requested reflects anticipated workers' compensation claims, insurance policy premiums, property losses above South Coast AQMD's insurance deductibles, and liability claim payments.</p>						
<b>67300</b>	<b>RENTS &amp; LEASES EQUIPMENT</b>	<b>\$214,280</b>	<b>\$254,139</b>	<b>\$254,139</b>	<b>\$212,280</b>	<b>(\$2,000)</b>
<p>This account is for lease agreements and/or rental of office equipment such as communication devices for emergency response inspectors, laboratory and atmospheric measurement equipment for special projects, audio visual equipment for outside meetings, printing equipment, and photocopiers. The decrease from the FY 2018-19 Adopted Budget reflects a decrease in equipment rentals for outside meetings.</p>						
<b>67350</b>	<b>RENTS &amp; LEASES STRUCTURE</b>	<b>\$546,791</b>	<b>\$560,434</b>	<b>\$560,434</b>	<b>\$299,543</b>	<b>(\$247,248)</b>
<p>This account is for expenditures associated with structures and lot leases, and off-site storage rentals:  Long Beach field office - \$111,543;  Conference and meeting rooms - \$9,000;  Air monitoring sites/Wind Stations - \$171,000; and  Public Meetings - \$8,000</p> <p>Free and low-cost public facilities are used whenever possible for public workshops and informational meetings. The decrease in FY 2019-20 reflects the decision to appropriate budget mid-year for the implementation of the Rule 1180 air monitoring program. The FY 2019-20 Proposed Budget does not include amounts for federally funded grant programs. An expenditure appropriation will occur mid-year when the grants are awarded.</p>						
<b>67400</b>	<b>HOUSEHOLD</b>	<b>\$763,800</b>	<b>\$763,800</b>	<b>\$763,800</b>	<b>\$817,322</b>	<b>\$ 53,522</b>
<p>This account is used for trash disposal, landscape maintenance, parking lot maintenance, janitorial supplies, and janitorial contracts. The increase from the FY 2018-19 Adopted Budget is due to an increase in the janitorial contract.</p>						
<b>67450</b>	<b>PROFESSIONAL &amp; SPECIAL SERVICES</b>	<b>\$8,256,242</b>	<b>\$11,599,026</b>	<b>\$11,599,026</b>	<b>\$8,066,737</b>	<b>(\$189,505)</b>
<p>This account is for services rendered to South Coast AQMD by outside contractors. The FY 2019-20 Professional &amp; Special Services supporting detail is located at the end of this section. The decrease from the FY 2018-19 Adopted Budget is a result of expenditures related to the Rule 1180 air monitoring program being included in the FY 2018-19 Adopted Budget but not in the FY 2019-20 Proposed Budget. Mid-year FY 2019-20 appropriations will be posted for Rule 1180 expenditures. The FY 2019-20 Proposed Budget also does not include amounts for federally funded grant programs. An expenditure appropriation will occur mid-year when the grants are awarded.</p>						

<sup>(a)</sup>FY 2019-20 Proposed Budget vs. FY 2018-19 Adopted Budget.

## SERVICES & SUPPLIES

Acct. #	Account Description	FY 2018-19 Adopted Budget	FY 2018-19 Amended Budget	FY 2018-19 Estimate	FY 2019-20 Proposed Budget	Increase/ (Decrease) <sup>(a)</sup>
<b>67460</b>	<b>TEMPORARY AGENCY SERVICES</b>	<b>\$862,049</b>	<b>\$1,246,448</b>	<b>\$1,246,448</b>	<b>\$744,049</b>	<b>(\$118,000)</b>
Funds budgeted in this account are used for specialized temporary services that supplement staff in support of South Coast AQMD programs. Amounts are budgeted as a contingency for long-term absences and retirements/resignations. Also budgeted in this account is the student internship program that provides college students with the opportunity to gain experience in the workplace. The decrease from the FY 2018-19 Adopted Budget reflects an anticipated reduction in the use of temporary services. The FY 2019-20 Proposed Budget does not include amounts for federally funded grant programs. An expenditure appropriation will occur mid-year when the grants are awarded.						
<b>67500</b>	<b>PUBLIC NOTICE &amp; ADVERTISING</b>	<b>\$479,666</b>	<b>\$465,666</b>	<b>\$465,666</b>	<b>\$439,966</b>	<b>(\$39,700)</b>
This account is used for legally required publications such as Requests for Proposals, Requests for Quotations, personnel recruitment, public outreach, advertisement of South Coast AQMD Governing Board and Hearing Board meetings, and public notification of South Coast AQMD rulemaking activities. The decrease from the FY 2018-19 Adopted Budget is due to an anticipated decrease in legally required publications.						
<b>67550</b>	<b>DEMURRAGE</b>	<b>\$161,430</b>	<b>\$178,430</b>	<b>\$178,430</b>	<b>\$161,930</b>	<b>\$500</b>
This account is for various freight and cylinder charges as well as workspace reconfigurations and personnel moves. The increase from the FY 2018-19 Adopted Budget is based on anticipated needs due to increased staff. The FY 2019-20 Proposed Budget does not include amounts for federally funded grant programs. An expenditure appropriation will occur mid-year when the grants are awarded.						
<b>67600</b>	<b>MAINTENANCE OF EQUIPMENT</b>	<b>\$864,664</b>	<b>\$1,174,278</b>	<b>\$1,174,278</b>	<b>\$822,864</b>	<b>(\$41,800)</b>
This account is for maintenance costs of South Coast AQMD equipment such as the following: mainframe computer hardware, phone switch, air monitoring equipment, print shop equipment, copiers, and audio visual equipment. The decrease from the FY 2018-19 Adopted Budget is a result of expenditures related to the Rule 1180 air monitoring program being included in the FY 2018-19 Adopted Budget but not in the FY 2019-20 Proposed Budget. Mid-year FY 2019-20 appropriations will be posted for Rule 1180 expenditures. The FY 2019-20 Proposed Budget also does not include amounts for federally funded grant programs. An expenditure appropriation will occur mid-year when the grants are awarded.						
<b>67650</b>	<b>BUILDING MAINTENANCE</b>	<b>\$1,502,479</b>	<b>\$1,534,594</b>	<b>\$1,534,594</b>	<b>\$1,002,479</b>	<b>(\$500,000)</b>
This account reflects expenditures for maintaining South Coast AQMD offices and air monitoring stations. Also included are: a contingency amount for unplanned repairs; Gateway Association dues; elevator maintenance; energy management; and compressor services. The decrease from the FY 2018-19 Adopted Budget is due to a one-time project budgeted in FY 2018-19. The FY 2019-20 Proposed Budget does not include amounts for federally funded grant programs. An expenditure appropriation will occur mid-year when the grants are awarded.						

<sup>(a)</sup>FY 2019-20 Proposed Budget vs. FY 2018-19 Adopted Budget.

## SERVICES & SUPPLIES

Acct. #	Account Description	FY 2018-19 Adopted Budget	FY 2018-19 Amended Budget	FY 2018-19 Estimate	FY 2019-20 Proposed Budget	Increase/ (Decrease) <sup>(a)</sup>
<b>67700</b>	<b>AUTO MILEAGE</b>	<b>\$130,627</b>	<b>\$250,562</b>	<b>\$250,562</b>	<b>\$95,627</b>	<b>(\$35,000)</b>
This account is used to reimburse employees for the cost of using personal vehicles while on South Coast AQMD business. The requests include the mileage incurred for staff who are required to work on their scheduled days off and for employees who use their personal vehicles on South Coast AQMD-related business, conferences, and seminars and to attend various community, business and intergovernmental events. The decrease from the FY 2018-19 Adopted Budget is a result of expenditures related to the Rule 1180 air monitoring program being included in the FY 2018-19 Adopted Budget but not in the FY 2019-20 Proposed Budget. Mid-year FY 2019-20 appropriations will be posted for Rule 1180 expenditures. The FY 2019-20 Proposed Budget also does not include amounts for federally funded grant programs. An expenditure appropriation will occur mid-year when the grants are awarded.						
<b>67750</b>	<b>AUTO SERVICE</b>	<b>\$471,000</b>	<b>\$471,000</b>	<b>\$471,000</b>	<b>\$471,000</b>	<b>\$0</b>
This account is used for the maintenance, towing, repair, and expired CNG tank replacement of South Coast AQMD fleet vehicles.						
<b>67800</b>	<b>TRAVEL</b>	<b>\$338,818</b>	<b>\$386,189</b>	<b>\$386,189</b>	<b>\$364,696</b>	<b>\$ 25,878</b>
This account is for business travel, including lodging and meals paid pursuant to the Administrative Code, for participation in legislative hearings and meetings involving state, federal, and inter-agency issues that affect air quality in the South Coast Air Basin. The increase from the FY 2018-19 Adopted Budget is for expenditures under the China Partnership for Cleaner Shipping project. The FY 2019-20 Proposed Budget does not include amounts for federally funded grant programs. An expenditure appropriation will occur mid-year when the grants are awarded.						
<b>67850</b>	<b>UTILITIES</b>	<b>\$1,959,620</b>	<b>\$2,147,788</b>	<b>\$2,147,788</b>	<b>\$1,959,620</b>	<b>\$0</b>
This account is used to pay gas, water, and electricity costs at the South Coast AQMD's headquarters building, the Long Beach field office, and air monitoring stations.						
<b>67900</b>	<b>COMMUNICATIONS</b>	<b>\$717,800</b>	<b>\$742,573</b>	<b>\$742,573</b>	<b>\$707,800</b>	<b>(\$10,000)</b>
This account includes telephone and fax service, leased computer lines, video conferencing, wireless internet access for inspectors in the field, radio, and microwave services. The decrease from the FY 2018-19 Adopted Budget is a result of expenditures related to the Rule 1180 air monitoring program being included in the FY 2018-19 Adopted Budget but not in the FY 2019-20 Proposed Budget. Mid-year FY 2019-20 appropriations will be posted for Rule 1180 expenditures. The FY 2019-20 Proposed Budget also does not include amounts for federally funded grant programs. An expenditure appropriation will occur mid-year when the grants are awarded.						
<b>67950</b>	<b>INTEREST EXPENSE</b>	<b>\$3,637,290</b>	<b>\$3,637,290</b>	<b>\$3,637,290</b>	<b>\$3,503,982</b>	<b>(\$113,308)</b>
This account is for the interest due on the 1995 and 2004 Pension Obligation Bonds. The decrease from the FY 2018-19 Adopted Budget reflects scheduled payments for FY 2019-20.						

<sup>(a)</sup> FY 2019-20 Proposed Budget vs. FY 2018-19 Adopted Budget.

## SERVICES & SUPPLIES

Acct. #	Account Description	FY 2018-19 Adopted Budget	FY 2018-19 Amended Budget	FY 2018-19 Estimate	FY 2019-20 Proposed Budget	Increase/ (Decrease) <sup>(a)</sup>
<b>68000</b>	<b>CLOTHING</b>	<b>\$51,632</b>	<b>\$59,761</b>	<b>\$59,761</b>	<b>\$53,805</b>	<b>\$2,173</b>
This account is for the purchase of safety equipment and protective clothing used by source testing, laboratory, compliance, and stockroom personnel. The increase from the FY 2018-19 Adopted Budget reflects the anticipated level of expenditures for FY 2019-20.						
<b>68050</b>	<b>LABORATORY SUPPLIES</b>	<b>\$332,000</b>	<b>\$544,877</b>	<b>\$544,877</b>	<b>\$307,000</b>	<b>(\$25,000)</b>
This account is used to purchase various supplies such as chemicals, calibration gases and glassware for laboratory services. The FY 2019-20 Proposed Budget reflects the anticipated reduction in needs and does not include amounts for federally funded grant programs. Expenditure appropriations will occur mid-year for those programs.						
<b>68060</b>	<b>POSTAGE</b>	<b>\$448,826</b>	<b>\$333,512</b>	<b>\$333,512</b>	<b>\$465,803</b>	<b>\$ 16,977</b>
This account covers the cost of mailing out annual billings, permits, notifications to the Governing Board and Advisory groups, monthly newsletters, warrants, outreach materials to local governments, and Rule 2202 notifications. The FY 2019-20 Proposed Budget reflects the recent postal rate increases.						
<b>68100</b>	<b>OFFICE EXPENSE</b>	<b>\$1,068,950</b>	<b>\$1,576,407</b>	<b>\$1,576,407</b>	<b>\$1,459,260</b>	<b>\$390,310</b>
This account is used for the purchase of office supplies, computer hardware and software under \$5,000, photocopier supplies, print shop and artist supplies, and stationery and forms. The increase from the FY 2018-19 Adopted Budget reflects the cost of Office 365 licenses and services and Regional Modeling supplies. The FY 2019-20 Proposed Budget does not include amounts for federally funded grant programs. An expenditure appropriation will occur mid-year when the grants are awarded.						
<b>68200</b>	<b>OFFICE FURNITURE</b>	<b>\$4,000</b>	<b>\$16,127</b>	<b>\$16,127</b>	<b>\$14,000</b>	<b>\$10,000</b>
This account is for office furniture under \$5,000. The increase in the FY 2019-20 Proposed Budget reflects an anticipated increases in needs due to staffing changes.						
<b>68250</b>	<b>SUBSCRIPTIONS &amp; BOOKS</b>	<b>\$178,517</b>	<b>\$184,836</b>	<b>\$184,836</b>	<b>\$178,517</b>	<b>\$0</b>
This account is used to purchase reference materials, magazine subscriptions, books, and on-line database legal research services. The FY 2019-20 Proposed Budget reflects no anticipated change in costs.						
<b>68300</b>	<b>SMALL TOOLS, INSTRUMENTS, EQUIPMENT</b>	<b>\$135,045</b>	<b>\$438,082</b>	<b>\$438,082</b>	<b>\$109,736</b>	<b>(\$25,309)</b>
This account covers the purchase of small tools and equipment for air monitoring stations, laboratory, and headquarters building maintenance. The decrease from the FY 2018-19 Adopted Budget is a result of expenditures related to the Rule 1180 air monitoring program being included in the FY 2018-19 Adopted Budget but not in the FY 2019-20 Proposed Budget. The FY 2019-20 Proposed Budget also does not include amounts for federally funded grant programs. Expenditure appropriations will occur mid-year for these programs.						

<sup>(a)</sup>FY 2019-20 Proposed Budget vs. FY 2018-19 Adopted Budget.

## SERVICES & SUPPLIES

Acct. #	Account Description	FY 2018-19 Adopted Budget	FY 2018-19 Amended Budget	FY 2018-19 Estimate	FY 2019-20 Proposed Budget	Increase/ (Decrease) <sup>(a)</sup>
<b>68400</b>	<b>GAS &amp; OIL</b>	<b>\$292,021</b>	<b>\$292,021</b>	<b>\$292,021</b>	<b>\$292,021</b>	<b>\$0</b>
This account is for the purchase of gasoline, oil, and alternative fuels for the South Coast AQMD fleet. The FY 2019-20 Proposed Budget reflects no change in anticipated needs.						
<b>69500</b>	<b>TRAINING/CONF/ TUITION/BOARD EXP</b>	<b>\$975,257</b>	<b>\$1,140,714</b>	<b>\$1,140,714</b>	<b>\$976,357</b>	<b>\$1,100</b>
This account is used for tuition reimbursement, conference and training registrations, certain costs associated with South Coast AQMD's Governing and Hearing Boards and advisory groups, and training-related travel expenditures. The FY 2019-20 Proposed Budget reflects a slight increase for tuition reimbursement.						
<b>69550</b>	<b>MEMBERSHIPS</b>	<b>\$68,428</b>	<b>\$72,288</b>	<b>\$72,288</b>	<b>\$68,678</b>	<b>\$250</b>
This account provides for South Coast AQMD membership in in scientific, clean fuels, advanced technology, and related environmental business/policy organizations. Membership costs are anticipated to increase marginally from the FY 2018-19 Adopted Budget.						
<b>69600</b>	<b>TAXES</b>	<b>\$59,000</b>	<b>\$64,685</b>	<b>\$64,685</b>	<b>\$59,000</b>	<b>\$0</b>
This account is for unsecured property and use taxes, fuel taxes, and sales taxes. The FY 2019-20 Proposed Budget reflects no change in expenditures from the FY 2018-19 Adopted Budget.						
<b>69650</b>	<b>AWARDS</b>	<b>\$79,023</b>	<b>\$79,023</b>	<b>\$79,023</b>	<b>\$79,023</b>	<b>\$0</b>
This account covers employee service awards for continuous service, employee recognition programs, plaques/awards the South Coast AQMD may present to individuals/businesses/community groups for outstanding contributions towards air quality goals, and promotional items for community events. No change in the level of expenditures from the FY 2018-19 Adopted Budget is anticipated for FY 2019-20.						
<b>69700</b>	<b>MISCELLANEOUS EXPENSES</b>	<b>\$204,725</b>	<b>\$220,349</b>	<b>\$220,349</b>	<b>\$255,525</b>	<b>\$50,800</b>
This account is to record expenditures that do not fall in any other account such as South Coast AQMD advisory group per diems, meeting and event expenses, and sponsorships. The increase from the FY 2018-19 Adopted Budget reflects the addition of document conversion expenditures for FY 2019-20.						
<b>69750</b>	<b>PRIOR YEAR EXPENSE</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
This account is used to record actual expenditures attributable to prior year budgets. No amount is budgeted for this account due to the nature of the account.						

<sup>(a)</sup>FY 2019-20 Proposed Budget vs. FY 2018-19 Adopted Budget.

# SERVICES & SUPPLIES

	Account Description	FY 2018-19 Adopted Budget	FY 2018-19 Amended Budget	FY 2018-19 Estimate	FY 2019-20 Proposed Budget	Increase/ (Decrease) <sup>(a)</sup>
<b>69800</b>	<b>UNCOLLECTIBLE ACCOUNTS RECEIVABLE</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
No amount is budgeted for this account due to the nature of the account.						
<b>89100</b>	<b>PRINCIPAL REPAYMENT</b>	<b>\$2,553,110</b>	<b>\$2,553,110</b>	<b>\$2,553,110</b>	<b>\$2,686,640</b>	<b>\$133,530</b>
This account reflects the principal due on pension obligation bonds. The increase from the FY 2018-19 Adopted Budget reflects scheduled payments for FY 2019-20.						

<sup>(a)</sup>FY 2019-20 Proposed Budget vs. FY 2018-19 Adopted Budget.

## SERVICES & SUPPLIES

Proposed Fiscal Year 2019-20 Professional & Special Services Detail by Office			
Office	Program	Contract Description	Amount
<b>District General</b>	Dist. General Overhead	Administrative Fees for 1995 & 2004 Pension Obligation Bonds (POBs)	\$1,500
	Dist. General Overhead	Arbitration/Hearing Officer	9,400
	Dist. General Overhead	Benefits Administrator	13,000
	Dist. General Overhead	COBRA Administration Services	6,000
	Dist. General Overhead	Custodial Fees for 1995 & 2004 POBs	800
	Dist. General Overhead	Employee Assistance Program	13,995
	Dist. General Overhead	Employee Relations Litigation	200,000
	Dist. General Overhead	Health Reimbursement Arrangement Plan Administration	5,000
	Dist. General Overhead	Insurance Brokerage	50,000
	Dist. General Overhead	LACERA OPEB Actuary Services	20,000
	Dist. General Overhead	Modular Furniture Maintenance, Setup, and Moving Services	15,000
	Dist. General Overhead	Oracle Software Support	30,400
	Dist. General Overhead	PeopleSoft Maintenance	208,400
	Dist. General Overhead	Plans and Design Consulting Services	95,000
	Dist. General Overhead	Security Alarm Monitoring	1,980
	Dist. General Overhead	Security Guard Services	546,877
	Dist. General Overhead	Wellness Program	37,500
	<b>Sub-total District General</b>		<b>\$1,254,852</b>
<b>Governing Board</b>	Operational Support	Board Member Assistant/Consultants	\$807,784
	<b>Sub-total Governing Board</b>		<b>\$807,784</b>
<b>Executive Office</b>	Develop Programs	Professional & Special Services	\$75,000
	<b>Sub-total Executive Office</b>		<b>\$75,000</b>
<b>Finance</b>	Operational Support	Bank Service Charges/Los Angeles County Treasurer Office	\$60,000
	Ensure Compliance	Bank Services Fund 15, Hot Spots Lockbox	15,000
	Operational Support	Financial Audit	55,528
	Operational Support	Financial Consultant for Treasury Management	23,000
	Operational Support	LA County Treasurer Office - PGP Maintenance	1,650
	<b>Sub-total Finance</b>		<b>\$155,178</b>
<b>Legal</b>	Ensure Compliance	Experts/Court Reporters/Attorney Services	\$30,000
	Ensure Compliance	Litigation Counsel	131,001
	Ensure Compliance	Software Maintenance & Licensing	35,000
	Operational Support	Specialized Legal Services	50,000
	<b>Sub-total Legal</b>		<b>\$246,001</b>

## SERVICES & SUPPLIES

Proposed Fiscal Year 2019-20 Professional & Special Services Detail by Office (cont.)			
Office	Program	Contract Description	Amount
<b>Administrative &amp; Human Resources</b>	Operational Support	In-house Training Classes	\$4,000
	Operational Support	Medical Services Provider	30,000
	Operational Support	NEOGOV Multiple Contracts	51,750
	Operational Support	Occupational Health Services	25,000
	Customer Service & Business Assistance	Outside Binding Services	6,000
	Operational Support	Test Development	15,000
	Operational Support	Third-Party Claims Administrator for Workers Compensation	20,000
	<b>Sub-total Administrative &amp; Human Resources</b>		<b>\$151,750</b>
<b>Clerk of the Boards</b>	Ensure Compliance	Court Reporting, Audio-visual, and/or Security Services	\$63,800
	Ensure Compliance	Outside Legal Contract	15,000
	Ensure Compliance	Professional Interpreter Services	6,400
	<b>Sub-total Clerk of the Boards</b>		<b>\$85,200</b>
<b>Information Management</b>	Operational Support	Action Works Metro System Software Support	\$20,000
	Operational Support	Adobe Creative Cloud Software Support	2,500
	Operational Support	AER & R1113/314 Upgrade & Maintenance	15,000
	Operational Support	AIS (Address Information System) Five Digit Subscription	1,200
	Operational Support	Anti-Spam (MailShield) Maintenance/Support	15,000
	Operational Support	ArcGIS Online Annual Subscription	1,000
	Operational Support	Backup Software	50,000
	Operational Support	Backup Utility Maintenance	11,500
	Operational Support	CLASS System Maintenance	88,000
	Operational Support	Component One Software Support	1,200
	Operational Support	Computer-Based Training Software Support	1,800
	Operational Support	CourtView/DPO Maintenance	10,000



**SERVICES & SUPPLIES**

<b>Proposed Fiscal Year 2019-20 Professional &amp; Special Services Detail by Office (cont.)</b>			
<b>Office</b>	<b>Program</b>	<b>Contract Description</b>	<b>Amount</b>
<b>Information Management (cont.)</b>	Operational Support	Crystal Reports Software Support	\$22,000
	Operational Support	Disaster Recovery Software	60,000
	Operational Support	Dundas Chart Software Support	700
	Operational Support	Dynamic Web Twain License Renewal	5,700
	Operational Support	Email Recovery Software (PowerControls) Maint/Support	2,750
	Operational Support	Email Reporting	4,000
	Operational Support	ERwin ERX & BPwin SW Support	26,000
	Operational Support	Faxcom FaxServer Support	15,000
	Operational Support	Imaging Software Support	145,000
	Operational Support	Infragistics Pro Software Support	1,000
	Operational Support	Ingres/OpenIngres Additional Licensing	72,000
	Operational Support	Ingres/OpenIngres Advanced Success Pack	140,000
	Operational Support	Installshield Software Support	3,800
	Operational Support	Internet Filtering (SmartFilter) Maintenance/Support	70,000
	Operational Support	Kronos Time Keeper	2,000
	Operational Support	Microsoft Developer Network - Application Development	15,196
	Operational Support	Microsoft Developer Network Premium Renewal	4,000
	Operational Support	Microsoft Technical Software Support (Server Applications)	15,000
	Operational Support	Microsoft Virtual Earth Maintenance/Support	15,000
	Operational Support	Network Analyzer (Sniffer) Maintenance/Support	4,500
	Operational Support	Network Backbone Support	15,000
	Operational Support	NT Software Support - Proactive	62,000
	Operational Support	Off-site Document Destruction Services	24,000
	Operational Support	Off-site Storage Nightly Computer Backup	22,000
	Operational Support	Online Filing Infrastructure	25,000
	Operational Support	PowerBuilder Software Support	24,000
	Operational Support	PreEmptive Analytics Software Support	7,000
	Operational Support	Proxy Reporting Support	3,250
	Operational Support	PVCS Software Support	4,900
	Operational Support	ScaleOut StateServer Maintenance	8,500

**SERVICES & SUPPLIES**

<b>Proposed Fiscal Year 2019-20 Professional &amp; Special Services Detail by Office (cont.)</b>			
<b>Office</b>	<b>Program</b>	<b>Contract Description</b>	<b>Amount</b>
<b>Information Management (cont.)</b>	Operational Support	South Coast AQMD Web Application Modifications	\$20,000
	Operational Support	Secure Service Digital ID Services	2,000
	Operational Support	Secure Service Digital ID DEC Internet Server	850
	Operational Support	Sitefinity CMS Software Support	9,500
	Operational Support	Software Support for EOS.Web Enterprise	6,300
	Operational Support	Software Support for On-Line Catalog	2,050
	Operational Support	Swiftview Software Support	950
	Operational Support	Telephone Switchview Software Support	9,500
	Operational Support	Terminal Emulation (Reflection) Maintenance/Support	1,175
	Operational Support	Videoteleconferencing Maintenance & Support	20,000
	Operational Support	Virus Scan Support	15,000
	Operational Support	Visual Expert Software Support	6,000
	Operational Support	Web Consulting Support	64,300
	Operational Support	Web Core Technology Upgrade (.NET Upgrade)	10,000
	Operational Support	Website Evaluation & Improvement	200,000
	<b>Sub-total Information Management</b>		<b>\$1,404,121</b>
<b>Planning, Rule Development, &amp; Area Sources</b>	Ensure Compliance	AER Printing and Mailing	\$5,000
	Monitoring Air Quality	Air Quality Forecast and Alert Notification Support	50,000
	Develop Programs	California Emissions Estimator Model (CalEEMod) Upgrades/Support	25,000
	Develop Programs	CEQA for AQMD Projects	125,000
	Develop Programs	CEQA Special Studies	50,000
	Timely Review of Permits	Dispersion Modeling Support	25,000
	Monitoring Air Quality	Maintain Wind Stations and Analyze Data	60,000
	Monitoring Air Quality	MATES V	10,000
	Monitoring Air Quality	Meteorological Data Services	7,500
	Develop Rules	Mobile Source Related Data Licenses and Subscriptions	75,000
	Develop Rules	PM and Ozone Model Consulting	50,000
	Develop Programs	Rule 2202 Computer System Maintenance	15,000
	Develop Programs	Rule 2202 EMovers System Maintenance	20,000
	Customer Service & Business Assistance	Rule 2202 ETC On-Line Training	10,000

SERVICES & SUPPLIES

Proposed Fiscal Year 2019-20 Professional & Special Services Detail by Office (cont.)			
Office	Program	Contract Description	Amount
<b>Planning, Rule Development, &amp; Area Sources (cont.)</b>	Ensure Compliance	Rules 1118 and 1118.1 Notifications	\$61,000
	Develop Programs	SIP, AQMP and Rule Printing	8,000
	Develop Programs	Software, Data Products, and Technical Support for Economic Modeling	150,000
	Develop Rules	Technical Assessment in of Regional Modeling	20,000
	Ensure Compliance	Technology Assessment Studies	20,000
	Monitoring Air Quality	Weather Data Services Communications	7,500
	Ensure Compliance	Web-based Annual Emissions Reporting (AER) Program	100,000
	<b>Sub-total Planning, Rule Development &amp; Area Sources</b>		<b>\$894,000</b>
<b>Legislative &amp; Public Affairs/Media Office</b>	Policy Support	After-hours Call Center Service	\$3,500
	Customer Service & Business Assistance	Clean Air Awards	12,600
	Customer Service & Business Assistance	Community Outreach	277,005
	Policy Support	Graphics & Printing	33,616
	Policy Support	Graphics, Printing & Outreach Materials	4,000
	Policy Support	Legislative Advocacy - Sacramento	365,000
	Policy Support	Legislative Advocacy - Washington DC	665,130
	Policy Support	Legislative Computer Services	10,000
	Customer Service & Business Assistance	Multi-Lingual Translation - Public Participation	20,000
	Policy Support	News Release Services	9,000
	Policy Support	Photographic and Video Services - MO	55,000
	Customer Service & Business Assistance	Promotion Marketing of Smart Phone Tools	50,000
	Policy Support	Radio/Television Monitoring	11,000
	<b>Sub-total Legislative &amp; Public Affairs/Media Office</b>		<b>\$1,515,851</b>
<b>Science &amp; Technology Advancement</b>	Ensure Compliance	Laboratory Analytical Services	\$15,000
	Ensure Compliance	Source Testing Services	30,000
	Advanced Clean Air Technology	Technical Assistance, Expert Consultation, Outreach/Education – Clean Fuels	1,000,000
	Advanced Clean Air Technology	Technical Assistance, Expert Consultation, Outreach/Education – CMP, AB923	300,000

## SERVICES & SUPPLIES

Proposed Fiscal Year 2019-20 Professional & Special Services Detail by Office (cont.)			
Office	Program	Contract Description	Amount
Science & Technology Advancement (cont.)	Develop Programs	Technical Assistance, Expert Consultation, Outreach/Education – Prop 1B	\$75,000
	Ensure Compliance	Technical Support for Air Monitoring and Community Complaint Resolution	35,000
	Sub-total Science & Technology Advancement		\$1,455,000
Engineering & Permitting	Operational Support	Workspace Reconfiguration	\$2,500
	Sub-total Engineering & Permitting		\$2,500
Compliance & Enforcement	Ensure Compliance	Compliance Notice Printing	\$3,000
	Ensure Compliance	Lab Analysis Services for R1176 and other air samples	12,000
	Operational Support	Workspace Reconfiguration	4,500
	Sub-total Compliance & Enforcement		\$19,500
Total Professional & Special Services			\$8,066,737

## CAPITAL OUTLAYS & BUILDING REMODELING

Acct. #	Account Description	FY 2018-19 Adopted Budget	FY 2018-19 Amended Budget	FY 2018-19 Estimate	FY 2019-20 Proposed Budget	Increase/ (Decrease) <sup>(a)</sup>
<b>77000</b>	<b>CAPITAL OUTLAYS</b>	<b>\$1,088,300</b>	<b>\$5,010,344</b>	<b>\$5,010,344</b>	<b>\$395,000</b>	<b>(\$693,300)</b>

This account is for tangible asset expenditures with a value of at least \$5,000 and a useful life of at least three years and intangible asset expenditures with a value of at least \$5,000 and a useful life of at least one year. The FY 2019-20 Proposed Budget reflects projects that are either offset by revenue or critical for operational support. Depending on funding availability, budget will be requested mid-year for additional projects. The FY 2019-20 Proposed Budget does not include amounts for federally funded grant programs. An expenditure appropriation will occur mid-year when the grants are awarded.

A listing by office of the proposed Capital Outlays for FY 2019-20 is provided at the end of this section.

<sup>(a)</sup>FY 2019-20 Proposed Budget vs. FY 2018-19 Adopted Budget.

Acct. #	Account Description	FY 2018-19 Adopted Budget	FY 2018-19 Amended Budget	FY 2018-19 Estimate	FY 2019-20 Proposed Budget	Increase/ (Decrease) <sup>(a)</sup>
<b>79050</b>	<b>BUILDING REMODELING</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

This account is used for minor remodeling projects which become necessary as a result of reorganizations or for safety reasons. No projects are anticipated in Fiscal Year 2019-20.

<sup>(a)</sup>FY 2019-20 Proposed Budget vs. FY 2018-19 Adopted Budget.

Acct. #	Account Description	FY 2018-19 Adopted Budget	FY 2018-19 Amended Budget	FY 2018-19 Estimate	FY 2019-20 Proposed Budget	Increase/ (Decrease) <sup>(a)</sup>
<b>99950</b>	<b>TRANSFERS OUT</b>	<b>\$0</b>	<b>\$2,063,229</b>	<b>\$2,063,229</b>	<b>\$841,353</b>	<b>\$841,353</b>

The FY 2019-20 Proposed Budget includes a transfer to the Health Effects Research Fund, pursuant to Governing Board policy.

<sup>(a)</sup>FY 2019-20 Proposed Budget vs. FY 2018-19 Adopted Budget.

## CAPITAL OUTLAYS & BUILDING REMODELING

Fiscal Year 2019-20 Capital Outlays Detail				
Office	Program	Category	Description	Amount
District General	Operational Support	N/A	Unbudgeted Capital Outlay - This amount is set aside for unanticipated needs or emergency situations to avoid interruption of operations.	\$75,000
	Sub-total District General			\$75,000
Information Management	Operational Support	New	Miscellaneous Telecommunication Upgrade/Enhancement – To enable Telecommunications to meet unforeseen network needs/changes required to support South Coast AQMD staff.	\$35,000
	Sub-total Information Management			\$35,000
Science & Technology Advancement	Advance Clean Air Technology	New	Clean Fuels – For advanced technology vehicles and infrastructure.	\$285,000
	Sub-total Science & Technology Advancement			\$285,000
Total Capital Outlays				\$395,000

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT DRAFT  
GOALS AND PRIORITY OBJECTIVES FOR FY 2019-2020**

**MISSION STATEMENT**

“To clean the air and protect the health of all residents in the South Coast Air District through practical and innovative strategies.”

**GOALS AND PRIORITY OBJECTIVES**

The following Goals and Priority Objectives have been identified as being critical to meeting South Coast AQMD’s Mission in Fiscal Year 2019-20.

**GOAL I.    Achieve Clean Air Standards.**

Priority Objective		Performance Indicator	Performance Measurement
1	Implementation of the 2016 AQMP	Adherence to adoption and implementation schedules for rules, working groups, assessments and programs as adopted in the 2016 AQMP.	Complete 6 rule adoptions and/or actions that result in achievements towards AQMP emissions reductions.
2	Secure Incentive Funding for Emissions Reduction	Dollar amount of new funding sources for pollution reduction projects.	Secure \$300 Million of new funding sources.
3	AB 617 Implementation in Communities	Conduct air monitoring and implement Community Emission Reduction Plans for each of the three Year 1 communities, and conduct outreach to develop recommendations for Year 2 communities	Complete the development and begin implementation of the Community Emission Reduction Plans for each of the three Year 1 communities. Complete the first year of air monitoring for each of the three Year 1 communities.
4	Ensure Efficient Air Monitoring and Laboratory Operations	Achieve acceptable completion of valid data points out of the scheduled measurements in the South Coast AQMD air monitoring network for NAAQS pollutant before U.S. EPA deadline.	Achieve acceptable valid data completion submitted to U.S. EPA before deadline.
5	Ensure Timely Inspections of Facilities	Total number of Title V Inspections completed annually.	Complete 100% Title V Inspections.
6	Maintain progress in reducing the permit applications inventory	Number of pending permit applications.	Maintain pending permit applications inventory excluding Permits to Construct issued and RECLAIM transition applications at or near 3,000.
7	Support Development of Cleaner Advanced Technology	Amount of Clean Fuels Program projects funded.	Fund \$10 Million of Clean Fuels program projects with a 1:4 leveraging ratio.

**GOAL I.    Achieve Clean Air Standards (cont.).**

Priority Objective		Performance Indicator	Performance Measurement
8	Incentive Programs	% of grant money executed in contracts.	50% of grant money contracted within six months after receipt of funds.
9	Complete field study and begin data analysis for the fifth Multiple Air Toxics Exposure Study	Conduct monitoring and updates to emissions inventory for the evaluation of air toxics health impacts.	Finalize data for fixed-site monitoring at 10 sites, continue updating the emissions inventory, and complete deployment of 5 different advanced monitoring methods.

**GOAL II.    Enhance Public Education and Equitable Treatment for All Communities.**

Priority Objective		Performance Indicator	Performance Measurement
1	Evaluation of Low Cost Air Quality Sensors	Evaluation and posting of results of low cost air quality sensors that have reached the market.	Evaluate and post results of 75% of sensors that have reached the market.
2	Outreach	Number of large community outreach events conducted in each County and effective information distribution for major incidents.	Conduct 4 large community outreach events, including 1 in each County. Develop and implement SOPs to provide information to the public as quickly and accurately as possible.
3	Timely Investigation of Community Complaints	Initiate complaint investigation within 2 hours of complaint receipt.	During normal South Coast AQMD business hours, contact 90% of complainants within 2 hours of complaint receipt.
4	Social Media Efforts	Percentage increase in number of social media followers.	30% increase in social media followers.
5	High School Educational Outreach	Number of high schools participating in the air quality education program in environmental justice communities.	Outreach and conduct air quality education program in 100 high schools throughout the 4 Counties in environmental justice communities.

Revised 4/25/2019



**GOAL III. Operate Efficiently and Transparently.**

Priority Objective		Performance Indicator	Performance Measurement
1	Ensure Transparent Governance	Percentage of Committee and Board meeting agendas with materials made available to the public one week prior to the meeting.	100% of Committee and Board meeting agendas with materials made available to the public one week prior to the meeting.
2	Ensure Transparent Governance	Percentage of Stakeholder and Working Group meeting agendas with materials made available prior to the meeting.	100% of Stakeholder and Working Group meeting agendas with materials made available to the public three days prior to the meeting.
3	Maintain a Well Informed Staff	Number of all staff information sessions offered and conducted.	Offer and conduct 10 information sessions/training for all staff.
4	Partner with Public Agencies, Stakeholder Groups, & Business	Number of meetings with Permit Streamlining Task Force subcommittee and stakeholders.	Conduct 2 meetings of the Permit Streamlining Task Force subcommittee and stakeholders.
5	Timely Financial Monitoring	Timely budgetary financial reporting.	Submit quarterly budgetary financial reports to the Governing Board within 6 working days of the end of the quarter.
6	Implement Cloud Office Suite	Percentage of staff migrated to a particular cloud office service.	Migrate 100% of staff to cloud office email service.

## **PROGRAM CATEGORIES**

### **ADVANCE CLEAN AIR TECHNOLOGY**

Identify technologies from anywhere in the world that may have application in reducing emissions from mobile and stationary sources in South Coast AQMD's jurisdiction. Suggest strategies to overcome any barriers and, when appropriate, implement those strategies.

- (A) Identify short-term and long-term technical barriers to the use of low-emission clean fuels and transportation technologies.
- (B) Promote development and assess the use of clean fuels and low-emitting technologies.
- (C) Work with industry to promote research and development in promising low-emission technologies and clean fuels.
- (D) Provide technical and program support to the Mobile Source Air Pollution Reduction Review Committee (MSRC).
- (E) Conduct source tests and analysis of samples to assess effectiveness of low-emissions technology.
- (F) Implement and administer state-funded programs such as the Carl Moyer program for retrofitting, re-powering, or replacing diesel engines with newer and cleaner engines and the Proposition 1B program that provides funding for projects to reduce air pollution associated with freight movement along California's trade corridors.

### **ENSURE COMPLIANCE WITH CLEAN AIR RULES**

Ensure compliance with South Coast AQMD rules for existing major and small stationary sources.

- (A) Verify compliance with South Coast AQMD rules through inspections, sample collections, Visible Emissions Evaluations, certification of Continuous Emission Monitoring Systems (CEMS), and emissions audits.
- (B) Issue Notices of Violation for major violations when discovered or a Notice to Comply for minor violations or to request records.
- (C) Respond to and resolve public complaints concerning air pollution.
- (D) Participate in Hearing Board cases, investigate breakdowns and notifications of demolitions or renovations of structures which may contain asbestos, conduct periodic monitoring, and observe source tests.
- (E) Respond to industrial and chemical emergencies when requested by other agencies.
- (F) Provide training classes for compliance with various South Coast AQMD rules such as Gasoline Transfer and Dispensing (Rule 461), Asbestos Demolition and Renovation (Rule 1403), Chrome Plating Operations (Rule 1469), Fugitive Dust Plans (Rule 403 & 403.1), Sump and Wastewater Separators (Rule 1176) and Combustion Gas Portable Analyzer Training & Certification (Rules 1146, 1146.1 & 1110.2).

## **PROGRAM CATEGORIES**

### **CUSTOMER SERVICE AND BUSINESS ASSISTANCE**

Support local government, businesses, and the general public.

- (A) Provide local government, business and the public with access and input into the regulatory and policy processes of South Coast AQMD.
- (B) Assist cities and others with AB 2766 projects.
- (C) Interact with local, state and federal agencies as well as others to share air quality information, resolve jurisdictional questions, and implement joint programs.
- (D) Support air pollution reduction through implementation of comprehensive public information and legislative and customer service programs.
- (E) Provide small business assistance services and support economic development and business retention activities.
- (F) Make presentations to and meet with regulated organizations, individuals, public agencies and the media.
- (G) Notify all interested parties of upcoming changes to air quality rules and regulations through public meetings, workshops, and printed and electronic information.
- (H) Resolve permit- and fee-related problems and provide technical assistance to industry.
- (I) Respond to Public Records Act requests.
- (J) Produce brochures, newsletters, television, radio and print media information and materials, and digital information.
- (K) Respond to letters and Internet inquiries from the public and to media inquiries and requests.

### **DEVELOP PROGRAMS TO ACHIEVE CLEAN AIR**

Develop a regional Air Quality Management Plan (AQMP) to achieve federal and state ambient air quality standards and to meet all other requirements of the federal and California Clean Air Acts.

- (A) Analyze air quality data and provide an estimation of pollutant emissions by source category.
- (B) Develop pollutant control strategies and project future air quality using computer models and statistical analysis of alternative control scenarios.
- (C) Analyze issues pertaining to air toxics, acid deposition, and potential socioeconomic and environmental impacts (CEQA) of South Coast AQMD plans and regulations.
- (D) Conduct outreach activities to solicit public input on proposed control measures.
- (E) Implement Rule 2202 On-Road Motor Vehicle Mitigation Options and process employee commute reduction program submittals and registrations. Provide one-on-one assistance to employers to ensure compliance with the rule.

## **PROGRAM CATEGORIES**

### **DEVELOP PROGRAMS TO ACHIEVE CLEAN AIR (Cont.)**

- (F) Develop and update emissions inventories; conduct in-house auditing of annual emission reports; conduct field audits.

### **DEVELOP RULES TO ACHIEVE CLEAN AIR**

Develop emission reduction regulations for sulfur dioxide, nitrogen dioxide, organic gases, particulate matter, toxics, and other pollutants to implement the regional AQMP, Tanner Air Toxics Process (AB 1807), National Emission Standards for Hazardous Air Pollutants (NESHAPS), and Prevention of Significant Deterioration (PSD) requirements.

- (A) Provide an assessment of control technologies, evaluation of control cost, source testing and analysis of samples to determine emissions.
- (B) Test and analyze products and processes to demonstrate pollution reduction potential.
- (C) Solicit public input through meetings and workshops.
- (D) Prepare rules to provide flexibility to industry, ensure an effective permit program and increase rule effectiveness.
- (E) Evaluate effectiveness of area source rules, evaluate area source emission inventories, and propose new rules or amendments to improve implementation of area source programs, including the certification/registration of equipment, and as necessary pursuant to statewide regulatory requirements.
- (F) Implement the AQMP. Develop feasibility studies and control measures.
- (G) Conduct research and analyze health effects of air pollutants and assess the health implications of pollutant reduction strategies.

### **MONITORING AIR QUALITY**

Operate and maintain within South Coast AQMD's jurisdiction a network of air quality monitoring sites for ozone, nitrogen oxides, sulfur oxides, particulate matter, carbon monoxide and other pollutants to obtain data regarding public exposure to air contaminants.

- (A) Analyze, summarize, and report air quality information generated from the monitoring sites.
- (B) Provide continuous records for assessment of progress toward meeting federal and state air quality standards.
- (C) Develop and prepare meteorological forecasts and models.
- (D) Respond to emergency requests by providing technical assistance to first-response public safety agencies.

## **PROGRAM CATEGORIES**

### **MONITORING AIR QUALITY (Cont.)**

- (E) Notify the public, media, schools, regulated industries and others whenever predicted or observed levels exceed the episode levels established under state law.
- (F) Conduct special studies such as MATES V, National Air Toxics Trends (NATTS), Near Road NO<sub>2</sub> Monitoring, and Photochemical Assessment Monitoring Stations (PAMS).
- (G) Conduct measurement activities to identify and monitor potential sources of all toxics including high-risk facilities under the Community Air Toxics Initiative (CATI).
- (H) Evaluate and deploy low-cost sensors to monitor air pollution within communities of the South Coast Air Basin.
- (I) Assess the ability of optical remote sensing technology to characterize and quantify emissions from refineries and other sources, and to serve as a useful tool for enhancing existing leak detection and repair programs.

### **OPERATIONAL SUPPORT**

Provide operational support to facilitate overall air quality improvement programs.

- (A) Provide services that enable South Coast AQMD offices to function properly. Services include facility administration, human resources and financial services.
- (B) Provide information management services in support of all South Coast AQMD operations, including automation of permitting and compliance records, systems analysis and design, computer programming and operations, records management, and library services.
- (C) Provide legal support and representation on all policy and regulatory issues and all associated legal actions.

### **TIMELY REVIEW OF PERMITS**

Ensure timely processing of permits for new sources based on compliance with New Source Review and other applicable local, state and federal air quality rules and regulations.

- (A) Process applications for Permits to Construct and/or to Operate for new construction, modification and change of conditions for major and non-major sources.
- (B) Process Title V permits (Initial, Renewal, and Revisions) and facility permits for RECLAIM sources.
- (C) Process applications for Administrative Changes, Change of Operator, Plans, Emission Reductions Credits (ERCs) and RECLAIM Trading Credits (RTCs).

## **PROGRAM CATEGORIES**

### **TIMELY REVIEW OF PERMITS (Cont.)**

- (D) Continue efforts to streamline and expedite permit issuance through:
  - (1) Equipment certification/registration programs
  - (2) Streamlined standard permits
  - (3) Enhancement of permitting systems (including electronic permitting)
  - (4) Expedited Permit Processing Program
  - (5) Maintaining adequate staff resources
  - (6) Improved training
  - (7) Revisiting policies and rules

### **POLICY SUPPORT**

Monitor, analyze and attempt to influence the outcome of state/federal legislation.

- (A) Track changes to the state/federal budgets that may affect South Coast AQMD.
- (B) Respond to Congressional and Senatorial inquiries regarding South Coast AQMD programs, policies or initiatives.
- (C) Assist South Coast AQMD consultants in identifying potential funding sources and securing funding for South Coast AQMD programs.
- (D) Provide support staff to the Governing Board, Board committees, and various advisory and other groups including but not limited to: the Air Quality Management Plan Advisory Group, the Environmental Justice Advisory Group, the Home Rule Advisory Group, the Local Government and Small Business Assistance Advisory Group, the Mobile Source Air Pollution Reduction Review Committee (MSRC) and MSRC Technical Advisory Committee, the Scientific, Technical and Modeling Peer Review Advisory Group, the Technology Advancement Advisory Group, as well as ad hoc committees established from time to time and various Rule working groups.

## REVENUE CATEGORIES

### I. **Allocatable**

A portion of South Coast AQMD revenue offsets operational support costs of the South Coast AQMD.

1a Allocatable South Coast AQMD: District-wide administrative and support services (e.g., Human Resources, Payroll, Information Management).

1b Allocatable Office: Administrative activities specific to a division/office.

### II. **Annual Operating Emissions Fees**

### III. **Permit Processing Fees**

### IV. **Annual Operating Permit Renewal Fees**

### V. **Federal Grants/Other Federal Revenue**

### VI. **Source Test/Sample Analysis Fees**

### VII. **Hearing Board Fees**

### VIII. **Clean Fuels Fees**

### IX. **Mobile Sources**

### X. **Air Toxics AB 2588**

### XI. **Transportation Programs**

XII - XIV. These revenue categories are no longer used.

### XV. **California Air Resources Board Subvention/State Grants**

XVI. This revenue category is no longer used.

### XVII. **Other Revenue**

### XVIII. **Area Sources**

### XIX. **Portable Equipment Registration Program (PERP)**

### XX. **State Grant**

For a description of the revenue categories listed above, please refer to the corresponding revenue account in the FUND BALANCE & REVENUES section, "Explanation of Revenue Sources" within this document.

## WORK PROGRAM OVERVIEW

The Work Program is a management tool that allocates resources by Office, Program Category, and project. It is developed from Program Output Justification forms prepared during the budget process by each Office. Work Programs for each Office can be found in the OFFICE BUDGETS section of this document. Work Programs by Program Category are within the following pages. A glossary of terms and acronyms used in the Work Programs are at the end of this section.

Professional & Special Services, Temporary Agency Services, and Capital Outlays expenditures are assigned to specific Work Program Codes associated with the project the expenditures support. All other expenditures (Salaries and Benefits and most Services and Supplies line items) are distributed within an Office by Full-Time Equivalent (FTE). A prorated share of the District General Budget has been allocated to each line in the work program based on the number of FTEs reflected on the line.

The following is a brief description of each column in the Work Program:

The **#** column identifies each line in the Work Program in numerical order.

The **Program Code** is a five-digit code assigned to each program. The first two digits represent the Office. The last three digits are the Program.

The **Goal** column identifies which of the three Program Goals (defined in the Draft Goals and Priority Objectives) applies to that output. The Goals are:

**GOAL I**      **Achieve Clean Air Standards.**

**GOAL II**      **Enhance Public Education and Equitable Treatment for All Communities.**

**GOAL III**      **Operate Efficiently and Transparently.**

The **Office** column, which appears on the Work Program by Category document, identifies the Office responsible for performing the work.

The **Program Category** column, which appears on the Work Program by Office document, identifies one of the nine Program Categories associated with an activity.

The **Program** column identifies the Program associated with the work.

The **Activities** column provides a brief description of the work.

The **FTEs** column identifies the number of Full Time Equivalent staff positions in the current-year adopted budget, mid-year and proposed changes (+/-), and the proposed budget for the next fiscal year. An FTE position represents one person-year.

The **Expenditures** column, found in the Work Program by Category document, identifies the expenditures in the current-year adopted budget, proposed changes (+/-) and the proposed budget for the next fiscal year.

The **Revenue Category** column identifies the revenue that supports the work. Revenue Category titles can be found within this section and revenue descriptions are in the FUND BALANCE & REVENUES section, "Explanation of Revenue Sources" within this document.



Advance Clean Air Technology Work Program by Category												
	Program Code	Goal	Office	Program	Activities	FTEs FY 2018-19	+/-	FTEs FY 2019-20	Expenditures FY 2018-19	+/-	Expenditures FY 2019-20	Revenue Categories
1	08 001	I	LEG	AB2766/Mob Src/Legal Advice	AB2766 Leg Adv: Trans/Mob Source	0.05	0.00	0.05	\$ 10,620	\$ 112	\$ 10,732	IX
2	04 003	III	FIN	AB2766/MSRC	MSRC Program Administration	0.35	0.00	0.35	52,379	(3)	52,376	IX
3	08 003	I	LEG	AB2766/MSRC	Legal Advice: MSRC Prog Admin	0.10	0.00	0.10	21,239	224	21,464	IX
4	44 003	I	STA	Advisory Group/Small Business	Mob Src Review Comm Prog Admin	0.50	0.00	0.50	86,636	(3,532)	83,103	IX
5	44 004	I	STA	AB2766/MSRC/Contract Admin	AB2766 Admin Discretionary Prog	3.00	0.00	3.00	519,814	(21,194)	498,620	IX
6	44 012	I	STA	AQMP/Control Tech Assessment	Tech Supp: Quantify Cost Effec	1.00	0.00	1.00	173,271	(7,065)	166,207	VIII
7	04 030	I	FIN	AB 134	AB 134	2.00	0.00	2.00	299,306	(17)	299,289	IX
8	08 030	I	LEG	AB 134	AB 134	2.00	-0.50	1.50	424,788	(102,830)	321,958	IX
9	44 030	I	STA	AB 134	AB 134	6.00	-1.00	5.00	1,039,628	(208,595)	831,033	IX
10	44 039	I	STA	Admin/Office Mgt/Tech Adv	Admin Support/Coordination	0.77	0.00	0.77	133,419	(5,440)	127,979	VIII
11	44 048	I	STA	Admin/Prog Mgmt/Tech Advance	Overall TA Program Mgmt/Coord	1.55	0.00	1.55	268,570	(10,950)	257,620	VIII
12	44 095	I	STA	CA Natural Gas Veh Partnership	CA Natural Gas Veh Partnership	0.10	0.00	0.10	17,327	(706)	16,621	VIII
13	44 121	I	STA	China Cin Shipping	China Partnership Cleaner Shpng	0.00	0.90	0.90	-	149,586	149,586	IX
14	04 130	III	FIN	Clean Fuels/Contract Admin	Clean Fuels Contract Admin/Monitor	0.15	0.00	0.15	22,448	(1)	22,447	VIII
15	44 130	I	STA	Clean Fuels/Contract Admin	Admin/Project Supp for TA Cont	4.40	-0.50	3.90	762,394	(114,188)	648,206	VIII
16	08 131	I	LEG	Clean Fuels/Legal Advice	Legal Advice: Clean Fuels	0.15	0.00	0.15	31,859	337	32,196	VIII
17	44 132	I	STA	Clean Fuels/Mobile Sources	Dev/Impl Mobile Src Proj/Demo	1.50	-0.50	1.00	1,544,907	(93,700)	1,451,207	VIII
18	44 134	I	STA	Clean Fuels/Stationary Combust	Dev/Demo Clean Combustion Tech	0.30	0.00	0.30	51,981	(2,119)	49,862	VIII
19	44 135	I	STA	Clean Fuels/Stationary Energy	Dev/Demo Alt Clean Energy	0.55	0.00	0.55	95,299	(3,886)	91,414	VIII
20	44 136	I	STA	Clean Fuels/Tech Transfer	Disseminate Low Emiss CF Tech	2.31	-0.51	1.80	400,257	(101,085)	299,172	VIII
21	44 187	I	STA	DERA Sch Bus Repl	DERA Sch Bus Repl Admin/Impl	0.03	0.07	0.10	5,198	11,423	16,621	V
22	44 188	I	STA	DERA FY 13 Veh Repl	DERA Vehicle Repl Admin/Impl	0.10	0.00	0.10	17,327	(706)	16,621	XVII
23	44 190	I	STA	Diesel Projects EPA	Diesel Projects EPA/Admin/Impl	0.11	0.09	0.20	19,060	14,181	33,241	V
24	44 203	I	STA	EFMP Program Support	EFMP Program Support	5.00	0.00	5.00	866,356	(35,323)	831,033	XVII
25	44 258	I	STA	FARMER Grant	Fund Ag Replacement Measures	0.00	2.50	2.50	-	415,517	415,517	XVII
26	44 356	I	STA	GGRF ZEDT Demo	GGRF ZEDT Demo Admin	1.00	0.10	1.10	173,271	9,556	182,827	XVII
27	44 453	I	STA	Mob Src: Emiss Inven Method	Rvw CARB/JUS EPA emissions inven methodology	1.50	0.00	1.50	259,907	(10,597)	249,310	VIII,IX
28	04 457	III	FIN	Mobile Source/Moyer Adm	Carl Moyer: Contract/Fin Admin	1.02	0.00	1.02	152,646	(9)	152,637	IX
29	08 457	I	LEG	Mob Src/C Moyer/Leg Advice	Moyer/Implem/Program Dev	0.10	0.00	0.10	21,239	224	21,464	IX
30	16 457	I	AHR	MS/Carl Moyer Admin	C Moyer/Contractor Compliance	0.10	0.00	0.10	18,454	(1,460)	16,994	IX
31	44 457	I	STA	Mob Src/C Moyer Adm/Outreach	Carl Moyer: Impl/Admin Grant	12.15	0.95	13.10	2,180,246	297,061	2,477,307	IX
32	44 459	I	STA	Mob Src/C Moyer/Impl/Prg Dev	Moyer/Implem/Program Dev	3.00	0.00	3.00	519,814	(21,194)	498,620	IX
33	44 460	I	STA	VIP Admin	VIP Admin/Outreach/Impl	0.50	0.00	0.50	86,636	(3,532)	83,103	IX
34	44 533	I	STA	POLB AMECS Demo	POLB AMECS Demo-Admin/Impl	0.47	-0.37	0.10	81,437	(64,817)	16,621	XVII
35	04 542	I	FIN	Prop 1B:Goods Movement	Contracts/Finance Admin	0.50	0.00	0.50	74,827	(4)	74,822	IX
36	16 542	I	AHR	Prop 1B:Goods Movement	Prop 1B: Goods Movement	0.10	0.00	0.10	18,454	(1,460)	16,994	IX
37	04 544	I	FIN	Prop 1B:Low Emiss Sch Bus	Grants/Finance Admin	0.05	0.00	0.05	7,483	(0)	7,482	IX
38	44 677	I	STA	School Bus/Lower Emission Prog	School Bus Program Oversight	1.50	0.50	2.00	259,907	72,506	332,413	IX
39	44 738	I	STA	Target Air Shed EPA	Targeted Air Shed Admin/Impl	0.50	0.00	0.50	86,636	(3,532)	83,103	V,XVII
40	44 740	I	STA	Tech Adv/Commercialization	Assess CFs/Adv Tech Potential	0.25	0.00	0.25	43,318	(1,766)	41,552	VIII
41	44 741	I	STA	Tech Adv/Non-Combustion	Dev/Demo Non-Combustion Tech	1.00	-0.40	0.60	173,271	(73,547)	99,724	VIII
42	44 816	I	STA	Transportation Research	Transport Research/Adv Systems	0.50	-0.40	0.10	86,636	(70,015)	16,621	VIII
43	44 827	I	STA	VW-Program Development	VW-Program Development	0.00	4.00	4.00	-	664,826	664,826	XVII

<b>Total Advance Clean Air Technology</b>	56.26	4.93	61.19	\$ 11,108,263	\$ 672,279	\$ 11,780,542
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**Customer Service and Business Assistance  
Work Program by Category**

#	Program Code	Goal	Office	Program	Activities	FTEs FY 2018-19	+/-	FTEs FY 2019-20	Expenditures FY 2018-19	+/-	Expenditures FY 2019-20	Revenue Categories
1	104 002	III	FIN	AB2766/Mobile Source	Prog Admin: Monitor/Dist/Audit	0.10	0.00	0.10	\$ 24,965	\$ (10,001)	\$ 14,964	IX
2	26 007	I	PRA	AB2766/MSRC	AB2766 Prov Tech Asst to Cities	1.20	-1.20	0.00	212,601	(212,601)	-	IX
3	35 037	I	LPA	AB 617-Outreach	AB 617-Outreach	2.00	3.00	5.00	352,644	538,476	891,120	XX
4	50 038	I	EP	Admin/Office Management	Dev/Coord Goals/Policies/Overs	3.00	0.00	3.00	528,349	2,548	530,896	lb
5	60 038	III	CE	Admin/Office Budget	Dev/Coord Goals/Policies/Overs	7.00	-1.00	6.00	1,081,925	(183,127)	898,798	lb
6	35 046	III	LPA	Admin/Prog Mgmt	Admin Office/Units/SuppCoord Staff	4.02	1.00	5.02	708,815	178,645	887,461	lb
7	50 047	I	EP	Admin/Operations Support	Budget/Contracts/Reports/Projects	3.00	0.00	3.00	530,849	2,548	533,396	lb
8	60 047	I	CE	Admin/Operations Support	Budget/Contracts/Reports/Projects	4.90	0.00	4.90	760,447	(8,489)	751,959	lb
9	35 126	II	LPA	Clean Air Connections	Coord of region-wide community group	1.00	0.00	1.00	176,322	1,902	178,224	II,IX
10	04 170	I	FIN	Billing Services	Answer/Resp/Resolv Prob & Inq	8.00	0.00	8.00	1,212,725	(69)	1,212,656	II,III,IV
11	50 200	I	EP	Economic Dev/Bus Retention	Perm Proc/Public Participation	0.10	0.00	0.10	17,612	85	17,697	III
12	35 205	II	LPA	Environmental Education	Curriculum Dev/Project Coord	0.25	0.00	0.25	44,081	475	44,556	II,IX,XV
13	35 240	I	LPA	Environmental Justice	Impl Board's EJ Pgrms/Policies	2.00	0.00	2.00	352,644	3,804	356,448	II,IV
14	04 260	III	FIN	Fee Review	Cnte Mtg/Fee-Related Complaint	0.10	0.00	0.10	14,965	(1)	14,964	II,III,IV,XV
15	35 260	III	LPA	Fee Review	Cnte Mtg/Fee-Related Complaint	0.50	0.00	0.50	88,161	951	89,112	II,III,IV,XV
16	50 260	III	EP	Fee Review	Fee Review Committee	0.45	0.00	0.45	79,252	382	79,634	II,III,IV
17	04 355	III	FIN	Grants Management	Grant Anlyz/Eval/Negot/Acc/Rpt	1.00	0.00	1.00	149,653	(9)	149,644	IV,V,XV
18	35 381	III	LPA	Interagency Liaison	Interact Gov Agns/Promote SCAQMD	0.15	0.00	0.15	26,448	285	26,734	la,XV
19	35 390	I	LPA	Intergov/Geographic Deployment	Dev/Impl Local Govt Outreach	10.50	0.00	10.50	1,889,383	19,970	1,909,353	II,IX
20	08 404	I	LEG	Legal Rep/Legislation	Draft Legis/SCAQMD Position/Mtgs	0.25	-0.25	0.00	53,098	(53,098)	-	II,IX
21	50 425	I	EP	Lobby Permit Services	Supp Perm Proc/Customer Svc	1.00	0.00	1.00	176,116	849	176,965	III
22	27 481	III	IM	New System Development	Dev sys in supp of Dist-wide	1.75	0.00	1.75	371,644	573	372,217	la,III
23	03 490	II	EO	Outreach	Publ Awareness Clean Air Prog	0.97	0.00	0.97	301,935	1,950	303,886	la
24	35 491	II	LPA	Outreach/Business	Chambers/Business Meetings	1.00	0.00	1.00	176,322	1,902	178,224	II,IV
25	35 492	II	LPA	Public Education/Public Events	Pub Events/Conf/Rideshare Fair	1.00	1.00	2.00	453,327	1,902	455,229	II,V,IX,XV
26	60 492	II	CE	Outreach/Business	Pub Events/Conf/Rideshare Fair	0.20	0.00	0.20	30,855	(346)	30,509	IX
27	35 496	II	LPA	Outreach/Visiting Dignitary	Tours/Briefings-Dignitary	0.25	0.00	0.25	44,081	475	44,556	la
28	35 514	I	LPA	Permit: Expired Permit Program	Assist w Permit Reinstatement	0.30	0.00	0.30	52,897	571	53,467	IV
29	50 520	I	EP	Perm Proc/Pre-Appl Mtg Outreac	Pre-App Mtgs/Genl Prescreening	1.00	0.00	1.00	176,116	849	176,965	III
30	16 540	III	AHR	Print Shop	Printing/Collating/Binding	4.00	0.00	4.00	775,897	(90,152)	685,745	la
31	35 555	II	LPA	Public Information Center	Inform public of unhealthy air	1.00	0.00	1.00	266,322	1,902	268,224	II,V,IX
32	03 565	III	EO	Public Records Act	Comply w/ Public Req for Info	0.01	0.00	0.01	3,113	20	3,133	la
33	04 565	I	FIN	Public Records Act	Comply w/ Public Rec Requests	0.02	0.00	0.02	2,993	(0)	2,993	la
34	08 565	III	LEG	Public Records Act	Comply w/ Public Rec Requests	1.50	0.00	1.50	318,591	3,367	321,958	la
35	16 565	III	AHR	Public Records Act	Comply w/ Public Rec Requests	0.05	0.00	0.05	9,227	(730)	8,497	la
36	17 565	III	CB	Public Records Act	Comply w/ Public Rec Requests	0.02	0.00	0.02	4,796	11	4,807	la
37	26 565	III	PRA	Public Records Act	Comply w/ Public Rec Requests	0.82	-0.03	0.79	145,277	(4,742)	140,535	la
38	27 565	III	IM	Public Records Act	Comply w/ Public Req for Info	4.75	0.00	4.75	925,147	26,513	951,660	la
39	35 565	III	LPA	Public Records Act	Comply w/ Public Req for Info	0.10	0.00	0.10	17,632	190	17,822	la

Customer Service and Business Assistance (Cont.) Work Program by Category												
#	Program Code	Goal	Office	Program	Activities	FTEs FY 2018-19	+/-	FTEs FY 2019-20	Expenditures FY 2018-19	+/-	Expenditures FY 2019-20	Revenue Categories
40	44	565	III	STA	Public Records Act	0.17	0.00	0.17	\$ 29,456	\$ (1,201)	\$ 28,255	Ia
41	50	565	III	EP	Public Records Act	0.25	0.00	0.25	44,029	212	44,241	Ia
42	60	565	III	CE	Public Records Act	3.00	0.00	3.00	462,825	(5,197)	457,628	Ia
43	04	631	III	FIN	Cash Mgmt/Refunds	0.30	0.00	0.30	44,896	(3)	44,893	III,IV,XI
44	35	679	III	LPA	Small Business Assistance	1.00	0.00	1.00	176,322	1,902	178,224	III
45	08	681	III	LEG	Small Business/Legal Advice	0.05	0.00	0.05	10,620	112	10,732	II,III
46	50	690	I	EP	Source Education	2.80	0.00	2.80	493,125	2,378	495,503	III,IV,V,XV
47	60	690	I	CE	Source Education	0.40	0.00	0.40	61,710	(693)	61,017	III,IV,V,XV
48	44	701	I	STA	Source Testing/Customer Svc	0.05	0.00	0.05	8,664	(353)	8,310	VI
49	44	709	I	STA	VOC Sample Analysis/SBA/Other	0.50	0.00	0.50	86,636	(3,532)	83,103	VI
50	35	710	I	LPA	Speakers Bureau	0.10	0.00	0.10	17,632	190	17,822	Ia
51	16	720	I	AHR	Subscription Services	1.70	-1.00	0.70	313,712	(194,757)	118,955	IV,XVII
52	26	788	I	PRA	AB2588 Mailing/Venue	0.00	0.05	0.05		8,895	8,895	XVII
53	35	791	I	LPA	Toxics/AB2588	0.01	0.00	0.01	1,763	19	1,782	X
54	26	833	II	PRA	Rule 2202 ETC Training	0.95	0.20	1.15	188,309	26,267	214,576	XI
Total Customer Service & Business Assistance						80.54	1.77	82.31	\$ 14,496,926	\$ 62,021	\$ 14,558,947	

**Develop Programs  
Work Program by Category**

#	Program Code	Goal	Office	Program	Activities	FTEs FY 2018-19	+/-	FTEs FY 2019-20	Expenditures FY 2018-19	+/-	Expenditures FY 2019-20	Revenue Categories
1	26 002	I	PRA	AB2766/Mobile Source	AB2766 Mobile Source Outreach	1.05	1.65	2.70	\$ 186,026	\$ 294,283	\$ 480,308	IX
2	04 009	I	FIN	AB 1318 Mitigation	AB 1318 Projects Admn/Impl	0.13	0.00	0.13	19,455	(1)	19,454	XVII
3	44 009	I	STA	AB 1318 Mitigation	AB 1318 Projects Admn/Impl	0.75	-0.50	0.25	129,953	(88,402)	41,552	XVII
4	03 010	I	EO	AQMP	Develop/Implement AQMP	0.05	0.00	0.05	15,564	101	15,664	II,IX
5	08 010	I	LEG	AQMP	AQMP Revision/CEQA Review	0.10	0.00	0.10	21,239	224	21,464	II,IX
6	26 010	I	PRA	AQMP	AQMP Special Studies	0.10	1.50	1.60	25,717	266,910	292,627	IV,V,IX,XV
7	03 028	I	EO	Admin/SCAQMD Policy	Dev/Coord Goals/Policies/Overs	0.44	0.00	0.44	211,960	885	212,845	Ia
8	26 033	I	PRA	AB 617-Em Inventory	AB 617-Em Inventory	0.50	2.50	3.00	88,584	445,092	533,676	XX
9	26 034	I	PRA	AB 617-Em Reduc Plns	AB 617-Em Reduc Plns	0.50	9.65	10.15	88,584	1,717,020	1,805,603	XX
10	26 038	I	PRA	Admin/Office Management	Coordinate Off/Admin Activities	4.55	0.00	4.55	806,111	18,298	824,408	Ib
11	26 068	II	PRA	SCAQMD Projects	Prepare Environmental Assessments	3.35	0.00	3.35	768,510	2,438	770,938	II,IV,IX
12	44 069	I	STA	AQIP Evaluation	AQIP Contract Admin/Evaluation	0.50	0.00	0.50	86,636	(3,532)	83,103	IX
13	26 102	II	PRA	CEQA Document Projects	Review/Prepare CEQA Comments	3.75	0.00	3.75	664,377	2,718	667,095	II,IX
14	26 104	I	PRA	CEQA Policy Development	ID/Develop/Impl CEQA Policy	0.50	0.00	0.50	113,584	362	113,946	IV,IX
15	26 121	I	PRA	China Cln Shipping	China Partnership Cleaner Shpng	0.00	1.00	1.00	-	177,892	177,892	IX
16	26 128	I	PRA	Cln Communities Pln	Cln Communities Plan Admn/Impl	0.25	-0.25	0.00	44,292	(44,292)	-	II,IX
17	26 217	I	PRA	Emissions Inventory Studies	Dev Emiss DB/Dev/Update Emiss	0.50	0.25	0.75	88,584	44,835	133,419	II,V,IX,XV
18	26 218	I	PRA	AQMP/Emissions Inventory	Dev Emiss Inv: Forecasts/RFPs	0.74	0.51	1.25	131,104	91,261	222,365	II,IX
19	26 368	I	PRA	Incentive RFP Emiss Red Projs	Incentive Projects Admin	0.00	1.00	1.00	-	177,892	177,892	XVII
20	44 368	I	STA	Incentive RFP Emiss Red Projs	Incentive Projects Admin	0.00	3.00	3.00	-	498,620	498,620	XVII
21	44 396	I	STA	Lawnmower Exchange	Lawn Mower Admin/Impl/Outreach	0.30	0.00	0.30	51,981	(2,119)	49,862	XVII
22	26 397	II	PRA	Lead Agency Projects	Prep Envrnmt Assmts/Perm Proj	2.50	0.00	2.50	442,918	1,812	444,730	III
23	26 451	I	PRA	Mob Src/CARB/EPA Monitoring	CARB/US EPA Mob Src Fuel Policies	0.50	0.00	0.50	88,584	362	88,946	IX
24	26 452	I	PRA	Mob Src/CEC/US DOE Monitoring	CEC/US DOE Mob Src rulemaking proposals	0.50	-0.30	0.20	88,584	(53,005)	35,578	IX,XVII
25	44 458	I	STA	Mobile Source Strategies	Implement Fleet Rules	1.00	0.00	1.00	173,271	(7,065)	166,207	VIII
26	26 503	I	PRA	PM Strategies	PM10 Plan/Analyze/Strategy Dev	3.40	-2.40	1.00	602,368	(424,476)	177,892	II,V,XV
27	44 542	I	STA	Prop 1B:Goods Movement	Prop 1B:Goods Movement	9.00	-7.00	2.00	1,859,441	(1,452,028)	407,413	IX
28	35 560	I	LPA	Public Notification	Public notif of rules/hearings	0.50	0.00	0.50	108,161	951	109,112	II,IV,IX
29	26 685	I	PRA	Socio-Economic	Apply econ models/Socio-econ	4.50	-0.50	4.00	1,058,552	(196,984)	861,568	II,IV
30	44 702	I	STA	ST Methods Development	Eval ST Methods/Validate	0.95	0.00	0.95	164,608	(6,711)	157,896	II
31	44 705	I	STA	ST Sample Analysis/Air Program	Analyze ST Samples/Air Prgrms	0.25	0.00	0.25	43,318	(1,766)	41,552	II
32	26 745	I	PRA	Rideshare	Dist Rideshare/Telecommute Prog	0.68	-0.13	0.55	120,474	(22,633)	97,841	IX
33	26 816	I	PRA	Transportation Regional Progs	Dev AQMP Meas/Coord w/Reg Agn	0.35	0.05	0.40	137,009	(60,852)	76,157	V,IX
34	26 834	I	PRA	Rule 2202 Implement	Rule 2202 Proc/Sub Plans/Tech Eval	2.67	-0.52	2.15	473,036	(90,569)	382,468	XI
35	26 836	I	PRA	Rule 2202 Support	R2202 Supt/CmpttrMaint/WebSubmt	2.65	-0.60	2.05	484,493	(84,814)	399,679	V,XI

**Total Develop Programs**

47.51	8.91	56.42	\$ 9,387,075	\$ 1,202,696	\$ 10,589,771
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Develop Rules Work Program by Category												
#	Program Code	Goal	Office	Program	Activities	FTEs FY 2018-19	+/-	FTEs FY 2019-20	Expenditures FY 2018-19	+/-	Expenditures FY 2019-20	Revenue Categories
1	26 031	I	PRA	AB 617-BARCT Rules	AB 617-BARCT Rules	11.40	4.80	16.20	\$ 2,019,706	\$ 862,144	\$ 2,881,850	XX
2	26 035	I	PRA	AB 617-General	AB 617-General	1.60	2.55	4.15	283,467	454,784	738,252	XX
3	50 035	I	EP	AB617-General	AB617-General	0.00	1.00	1.00	-	176,965	176,965	XX
4	44 043	I	STA	Admin/Office Mgmt/Rules	Rules: Assign/Manage/Supp	0.15	0.00	0.15	25,991	(1,060)	24,931	lb
5	26 050	I	PRA	Admin/Rule Dev/PRA	Admin: Rule Development	1.10	0.00	1.10	194,884	797	195,681	lb
6	26 071	I	PRA	Arch Ctgs - Admin	Rdev/Aud/DB/TA/SCAQMD/Rpts/AER	1.00	-0.50	0.50	177,167	(88,221)	88,946	XVIII
7	26 077	I	PRA	Area Sources/Rulemaking	Dev/Eval/Impl Area Source Prog	2.00	-1.50	0.50	354,334	(265,388)	88,946	II,IX
8	26 165	I	PRA	Conformity	Monitor Transp. Conformity	0.25	0.00	0.25	44,292	181	44,473	V,IX
9	26 257	I	PRA	Fac Based Mob Src	Facility Based Mobile Src Meas	5.00	1.25	6.25	885,836	300,989	1,186,825	IX
10	26 362	II	PRA	Health Effects	Study Health Effect/Toxicology	2.25	-1.55	0.70	398,626	(274,102)	124,524	II,III,IX
11	26 385	I	PRA	Criteria Pollutants/Mob Srcs	Dev/Impl Intercredit Trading	0.75	0.00	0.75	132,875	544	133,419	IV,IX
12	26 449	I	PRA	Mob Src/SCAQMD Rulemaking	Prepare SCAQMD Mob Src rulemaking proposals	2.30	1.30	3.60	407,484	232,927	640,411	IX
13	44 456	I	STA	MS & AQMP Control Strategies	AQMP Control Strategies	0.30	0.00	0.30	51,981	(2,119)	49,862	VIII
14	26 460	I	PRA	Regional Modeling	Rule Impact/Analyses/Model Dev	4.40	0.60	5.00	1,019,536	(60,076)	959,460	II,V,IX
15	26 646	I	PRA	R1180 Community Mon	R1180 Comm Monitoring Refinery	0.00	0.20	0.20	-	35,578	35,578	XVII
16	50 650	I	EP	Rulemaking	Dev/Amend/Impl Rules	0.25	0.00	0.25	44,029	212	44,241	II,XV
17	08 651	I	LEG	Rules/Legal Advice	Legal Advice: Rules/Draft Regs	1.20	0.00	1.20	254,873	2,694	257,567	II
18	44 653	I	STA	Rulemaking/BACT	Dev/Amend BACT Guidelines	2.00	-0.50	1.50	346,543	(97,233)	249,310	II
19	26 654	I	PRA	Rulemaking/NOX	Rulemaking/NOX	2.50	-1.60	0.90	442,918	(282,815)	160,103	II,IV,XV
20	26 655	I	PRA	NSR/Adm Rulemaking	Amend/Develop NSR & Admin Rules	2.50	-1.60	0.90	442,918	(282,815)	160,103	II,IV,V,XV
21	26 656	I	PRA	Rulemaking/VOC	Dev/Amend VOC Rules	3.25	-0.25	3.00	575,793	(42,117)	533,676	II,IV,XV
22	44 657	I	STA	Rulemaking/Support PRA	Assist PRA w/ Rulemaking	0.05	0.00	0.05	8,664	(353)	8,310	II
23	50 657	I	EP	Rulemaking/Support PRA	Provide Rule Development Supp	0.25	0.00	0.25	44,029	212	44,241	II,XV
24	60 657	I	CE	Rulemaking/Support PRA	Provide Rule Development Supp	1.00	0.00	1.00	154,275	(1,732)	152,543	IV,XV
25	26 659	I	PRA	Rulemaking/Toxics	Develop/Amend Air Toxic Rules	11.00	-2.25	8.75	1,948,839	(392,284)	1,556,555	II,XV
26	08 661	I	LEG	Rulemaking/RECLAIM	RECLAIM Legal Adv/Related Iss	0.50	0.00	0.50	106,197	1,122	107,319	II
27	26 661	I	PRA	Rulemaking/RECLAIM	RECLAIM Amend Rules/Related Is	2.50	-1.00	1.50	442,918	(176,080)	266,838	II
28	44 706	I	STA	ST Sample Analysis/Air Program	Analyze ST Samples/Rules	0.25	0.00	0.25	43,318	(1,766)	41,552	II
29	44 708	I	STA	VOC Sample Analysis/Rules	VOC Analysis & Rptg/Rules	0.25	0.00	0.25	43,318	(1,766)	41,552	II,XV
30	50 752	I	EP	Title III Rulemaking	Title III Dev/Implement Rules	0.25	0.00	0.25	44,029	212	44,241	II,V,XV
31	50 773	I	EP	Title V & NSR Rulemaking-Supp	Title V Rules Dev/Amend/Impl	0.25	0.00	0.25	44,029	212	44,241	II
Total Develop Rules						60.50	0.95	61.45	\$ 10,982,868	\$ 99,647	\$ 11,082,515	

**Ensure Compliance  
Work Program by Category**

#	Program Code	Goal	Office	Program	Activities	FTEs FY 2018-19	+/-	FTEs FY 2019-20	Expenditures FY 2018-19	+/-	Expenditures FY 2019-20	Revenue Categories
1	44 015	I	STA	Acid Rain Program	Acid Rain CEMS Eval/Cert	0.50	0.00	0.50	\$ 86,636	\$ (3,532)	\$ 83,103	II,IV
2	60 032	I	CE	AB617-Compliance	AB617-Compliance	0.00	8.00	8.00	-	1,220,341	1,220,341	XX
3	44 042	I	STA	Admin/Office Mgmt/Compliance	Compliance: Assign/Manage/Supp	0.37	0.00	0.37	64,110	(2,614)	61,496	IIb
4	60 070	I	CE	CARB PERP Program	CARB Audits/Statewide Equip Reg	6.00	0.00	6.00	925,650	(10,394)	915,255	XIX
5	08 072	I	LEG	Arch Ctgs - End User	Case Dispo/Rvw, Track, Prep NOV's	0.05	0.00	0.05	10,620	112	10,732	XVIII
6	26 072	I	PRA	Arch Ctgs - End User	Compliance/Rpts/Rule Implementation	0.80	0.20	1.00	141,734	36,158	177,892	XVIII
7	44 072	I	STA	Arch Ctgs - End User	Sample Analysis/Rpts	2.00	0.00	2.00	346,543	(14,129)	332,413	XVIII
8	08 073	I	LEG	Arch Ctgs - Other	Case Dispo/Rvw, Track, Prep NOV's	0.05	0.00	0.05	10,620	112	10,732	XVIII
9	26 073	I	PRA	Arch Ctgs - Other	Compliance/Rpts/Rule Implementation	0.80	0.20	1.00	141,734	36,158	177,892	XVIII
10	26 076	I	PRA	Area Sources/Compliance	Area Source Compliance	4.50	0.00	4.50	897,252	(76,738)	820,514	III,IV,V,IX,XV
11	16 080	III	AHR	Auto Services	Vehicle/Radio Repair & Maint	3.00	0.00	3.00	553,610	(43,801)	509,809	Ia
12	44 105	I	STA	CEMS Certification	CEMS Review/Approval	6.15	0.00	6.15	1,065,618	(43,448)	1,022,171	II,III,VI
13	35 111	II	LPA	Call Center/CUT SMOG	Smoking Vehicle Complaints	8.00	0.00	8.00	1,410,578	15,215	1,425,793	IX,XV
14	08 115	I	LEG	Case Disposition	Trial/Dispo-Civil Case/Injunct	4.75	0.00	4.75	1,008,871	10,663	1,019,535	II,IV,V,VI,XV
15	60 152	III	CE	Compliance/IM Related Activiti	Assist IM: Design/Review/Test	0.50	0.00	0.50	80,137	(866)	79,271	IV
16	08 154	I	LEG	Compliance/NOV Administration	Review/Track/Prep NOV's/MSAs	0.75	0.00	0.75	159,295	1,684	160,979	IV
17	60 155	I	CE	Compliance Guidelines	Procedures/Memos/Manuals	1.50	0.00	1.50	231,412	(2,599)	228,814	IV
18	50 156	I	EP	Perm Proc/Info to Compliance	Prov Permit Info to Compliance	3.00	0.00	3.00	528,349	2,548	530,896	III,IV,XV
19	60 157	I	CE	Compliance/Special Projects	Prog Audits/Data Req/Brd Supp	3.00	0.00	3.00	462,825	(5,197)	457,628	II
20	60 158	I	CE	Compliance Testing	R461/Combustion Equip Testing	1.00	0.00	1.00	162,275	2,268	164,543	IV
21	44 175	I	STA	DB/Computerization	Develop Systems/Database	0.44	0.00	0.44	76,239	(3,108)	73,131	II,IV,VI
22	08 185	I	LEG	Database Management	Support IM/Dev Tracking System	1.00	0.00	1.00	242,394	7,245	249,639	IV
23	26 215	I	PRA	Annual Emission Reporting	Annl Des/Impl/Emiss Monitor Sys	11.00	0.00	11.00	1,953,839	107,973	2,061,812	II,IV
24	08 235	I	LEG	Enforcement Litigation	Maj Prosecutions/Civil Actions	2.00	0.00	2.00	424,788	4,490	429,278	IV
25	50 240	I	EP	Environmental Justice	R461/Combustion Equip Testing	0.50	0.00	0.50	88,058	425	88,483	II,IV,XV
26	26 358	I	PRA	GHG Rules-Compl	Green House Gas Rules-Compliance	0.70	0.30	1.00	134,017	43,875	177,892	IV
27	17 364	I	CB	Hearing Board/Abatement Orders	Attn/Recrd/Monitr Mtgs	0.10	0.00	0.10	23,979	57	24,036	IV
28	17 365	I	CB	Hearing Board/Variances/Appeal	Attend/Recrd/Monitor HB Mtgs	3.20	0.00	3.20	852,536	1,825	854,361	IV,V,VII
29	50 365	I	EP	Hearing Bd/Variances	Variances/Orders of Abatement	0.75	0.00	0.75	132,087	637	132,724	VII
30	60 365	I	CE	Hearing Bd/Variances	Variances/Orders of Abatement	2.00	0.00	2.00	308,550	(3,465)	305,085	VII
31	08 366	I	LEG	Hearing Board/Legal	Hear/Disp-Variant/Appeal/Rev	3.00	0.00	3.00	637,182	6,735	643,917	IV,V,XV
32	60 375	I	CE	Inspections	Compliance/Inspection/Follow-up	88.00	-3.00	85.00	13,576,198	(610,079)	12,966,118	II,V,XV
33	50 377	I	EP	Inspections/RECLAIM Audits	Audit/Compliance Assurance	6.00	0.00	6.00	1,056,697	5,095	1,061,792	II,IV
34	60 377	I	CE	Inspections/RECLAIM Audits	Audit/Compliance Assurance	14.00	0.00	14.00	2,159,850	(24,254)	2,135,596	II,IV
35	08 380	I	LEG	Interagency Coordination	Coordinate with Other Agencies	0.20	0.00	0.20	42,479	449	42,928	II,V
36	08 403	III	LEG	Legal Rep/Litigation	Prep/Hearing/Disposition	3.50	0.00	3.50	914,580	(2,343)	912,237	Ia,II
37	44 450	I	STA	Microscopic Analysis	Asbestos/PM/Metals Analysis	2.00	0.00	2.00	346,543	(14,129)	332,413	VI
38	08 465	I	LEG	Mutual Settlement	Mutual Settlement Program	1.50	0.00	1.50	318,591	3,367	321,958	IV
39	50 492	I	EP	Customer Service	Compliance/Inspection/Follow-up	0.50	0.00	0.50	88,058	425	88,483	II,V,IX,XV
40	44 500	I	STA	PM2.5 Program	Est/Operate/Maint PM2.5 Network	11.30	-1.00	10.30	1,957,965	(246,037)	1,711,928	II,V,IX
41	60 539	I	CE	Procedure 5 Review	Evaluate Proc 5 Asbestos Plans	0.40	0.00	0.40	61,710	(693)	61,017	XVII

Ensure Compliance (Cont.) Work Program by Category												
#	Program Code	Goal	Office	Program	Activities	FTEs FY 2018-19	+/-	FTEs FY 2019-20	Expenditures FY 2018-19	+/-	Expenditures FY 2019-20	Revenue Categories
42	60	550	II	CE	Public Complaints/Breakdowns	10.00	-1.00	9.00	\$ 1,542,750	\$ (169,867)	\$ 1,372,883	II,IV,V,XV
43	50	605	I	EP	RECLAIM/Admin Support	6.50	0.00	6.50	1,144,755	5,520	1,150,275	II,III,IV,XV
44	60	605	I	CE	RECLAIM/Admin Support	0.50	0.00	0.50	77,137	(866)	76,271	II,III,IV,XV
45	26	620	I	PRA	Refinery Pilot Project	0.00	1.80	1.80	-	381,206	381,206	II
46	26	645	I	PRA	Rule 1610 Plan Verification	0.75	-0.25	0.50	132,875	(43,929)	88,946	V,IX
47	50	678	I	EP	School Siting	0.25	0.00	0.25	44,029	212	44,241	II
48	50	680	I	EP	Small Business Assistance	0.50	0.00	0.50	88,058	425	88,483	III,IV
49	44	700	I	STA	Source Testing/Compliance	2.25	0.00	2.25	419,860	(15,895)	403,965	VI
50	44	704	I	STA	ST/Sample Analysis/Compliance	4.00	0.00	4.00	693,085	(28,259)	664,826	VI
51	44	707	I	STA	VOC Sample Analysis/Compliance	7.00	0.00	7.00	1,249,899	(49,453)	1,200,446	IV,XV
52	44	716	I	STA	Special Monitoring	2.20	0.00	2.20	416,197	(15,542)	400,655	III,IV,IX,XV
53	60	771	I	CE	Title V	4.50	0.00	4.50	694,237	(7,796)	686,442	II,IV
54	04	791	III	FIN	Toxics/AB2588	0.15	0.00	0.15	37,448	(1)	37,447	X
55	08	791	I	LEG	Toxics/AB2588	0.05	0.00	0.05	10,620	112	10,732	X
56	27	791	III	IM	Toxics/AB2588	0.50	0.00	0.50	152,984	(13,807)	139,176	X
57	50	791	I	EP	Toxics/AB2588	0.25	0.00	0.25	44,029	212	44,241	X
58	60	791	I	CE	Toxics/AB2588	0.10	0.00	0.10	15,427	(173)	15,254	X
59	26	794	I	PRA	Toxics/AB2588	13.00	0.00	13.00	2,303,173	9,422	2,312,596	X
60	44	794	I	STA	Toxics/AB2588	4.25	-1.00	3.25	736,403	(196,231)	540,171	X
61	44	795	I	STA	Toxics/Engineering	0.05	0.00	0.05	8,664	(353)	8,310	VI,X
62	08	805	III	LEG	Training	0.75	0.00	0.75	159,295	1,684	160,979	Ib
Total Ensure Compliance						256.36	4.25	260.61	\$ 43,655,133	\$ 257,048	\$ 43,912,182	

**Monitoring Air Quality  
Work Program by Category**

#	Program Code	Goal	Office	Program	Activities	FTEs FY 2018-19	+/-	FTEs FY 2019-20	Expenditures FY 2018-19	+/-	Expenditures FY 2019-20	Revenue Categories
1	44 036	I	STA	AB 617-Monitoring	AB 617-Monitoring	12.00	27.00	39.00	\$ 2,079,255	\$ 4,402,803	\$ 6,482,058	XX
2	44 038	I	STA	Admin/Office Mgmt/Monitoring	Overall Program Mgmt/Coord	1.40	0.00	1.40	242,580	(9,891)	232,689	Ib
3	44 046	I	STA	Admin/Program Management	STA Program Administration	2.00	0.00	2.00	358,543	(14,129)	344,413	Ib
4	26 061	I	PRA	Air Quality Evaluation	Air Quality Evaluation	2.25	0.25	2.50	398,626	46,104	444,730	IX
5	44 063	I	STA	Ambient Air Analysis	Analyze Criteria/Tox/Pollutants	8.91	0.00	8.91	2,498,628	(1,017,727)	1,480,901	II,V,IX
6	44 064	I	STA	Ambient Network	Air Monitoring/Toxics Network	19.05	-1.00	18.05	3,630,917	(523,288)	3,107,629	II,IV,V,IX
7	44 065	I	STA	Air Quality Data Management	AM Audit/Validation/Reporting	1.00	0.00	1.00	173,271	(7,065)	166,207	II,V,IX
8	44 067	II	STA	Ambient Lead Monitoring	Lead Monitoring/Analysis/Reporting	0.50	0.00	0.50	86,636	(3,532)	83,103	IV
9	44 073	I	STA	Arch Ctgs - Other	Sample Analysis/Rpts	2.00	0.00	2.00	346,543	(14,129)	332,413	XVIII
10	44 079	II	STA	AQ SPEC	AQ SPEC	3.00	3.19	6.19	519,814	509,005	1,028,819	XVII
11	44 081	I	STA	Air Filtration EPA	Air Filtration EPA/Admin/Impl	0.10	0.05	0.15	17,327	7,604	24,931	V
12	44 082	I	STA	Air Filtration Other	Air Filtration Other/Admin/Impl	0.48	-0.38	0.10	83,170	(66,550)	16,621	XVII
13	44 161	I	STA	Comm Air Tox Init	Community Air Toxics Initiative	2.19	-2.19	0.00	379,464	(379,464)	-	XVII
14	60 210	II	CE	Emergency Response	Emerg Tech Asst to Public Saf	0.10	0.00	0.10	15,427	(173)	15,254	IV,XV
15	44 240	I	STA	Environmental Justice	Implement Environmental Justice	0.45	0.00	0.45	77,972	(3,179)	74,793	II,IX
16	44 248	I	STA	EPA Community Scale AQ-SPEC	EPA Community Scale AQ-SPEC	1.00	0.00	1.00	173,271	(7,065)	166,207	V,XVII
17	26 443	I	PRA	MATES V	MATES V	0.30	0.00	0.30	103,150	(39,783)	63,368	XVII
18	26 444	I	PRA	MATES V Refinery	MATES V Refinery	0.00	0.10	0.10	-	17,789	17,789	XVII
19	26 445	I	PRA	Meteorology	ModelDev/Data Analysis/Forecast	2.45	0.05	2.50	584,060	(14,330)	569,730	II,V,IX
20	44 468	I	STA	NATTS(Natl Air Tox Trends Sta)	NATTS (Natl Air Tox Trends)	1.50	-0.50	1.00	259,907	(93,700)	166,207	II,V,IX
21	44 469	I	STA	Near Roadway Mon	Near Roadway Monitoring	1.50	0.00	1.50	259,907	(10,597)	249,310	IV,V,IX
22	44 505	I	STA	PM Sampling Program (EPA)	PM Sampling Program - Addition	8.41	0.00	8.41	1,457,211	(59,414)	1,397,798	V
23	44 507	I	STA	PM Sampling Spec	PM Sampling Special Events	0.10	0.00	0.10	17,327	(706)	16,621	V
24	26 530	I	PRA	Photochemical Assessment	Photochemical Assessment	0.25	-0.25	0.00	44,292	(44,292)	-	II,V
25	44 530	I	STA	Photochemical Assessment	Photochemical Assess & Monitor	3.00	0.00	3.00	519,814	(21,194)	498,620	V,IX
26	44 585	I	STA	Quality Assurance	Quality Assurance Branch	4.00	3.00	7.00	693,085	470,361	1,163,446	II,V,IX
27	44 646	I	STA	R1180 Community Mon	R1180 Comm Monitoring Refinery	5.00	4.00	9.00	-	1,495,860	1,495,860	XVII
28	44 663	I	STA	Salton Sea Monit	Mon/Analyze Hydrogen Sulfide	0.25	0.00	0.25	43,318	(1,766)	41,552	XVII
29	44 715	II	STA	Spec Monitoring/Emerg Response	Emergency Response	0.50	0.00	0.50	86,636	(3,532)	83,103	II

**Total Monitoring Air Quality**      83.69      33.32      117.01      \$ 15,150,150      \$ 4,614,020      \$ 19,764,170



**Operational Support  
Work Program by Category**

#	Program Code	Goal	Office	Program	Activities	FTEs FY 2018-19	+/-	FTEs FY 2019-20	Expenditures FY 2018-19	+/-	Expenditures FY 2019-20	Revenue Categories
1	04 020	III	FIN	Admin/SCAQMD Budget	Analyze/Prepare/Impl/Track WP	2.65	0.00	2.65	\$ 396,581	\$ (23)	\$ 396,558	la
2	04 021	III	FIN	Admin/SCAQMD Contracts	Contract Admin/Monitor/Process	3.20	0.00	3.20	478,890	(28)	478,862	la
3	04 023	III	FIN	Admin/SCAQMD Capital Assets	FA Rep/Reconcile/Inv/Acct	0.70	0.00	0.70	104,757	(6)	104,751	la
4	17 024	III	CB	Admin/SCAQMD/GB/HB Mgmt	Admin Governing/Hearing Brds	1.25	0.00	1.25	299,741	713	300,454	la,VII,XV
5	08 025	III	LEG	Admin/SCAQMD-Legal Research	Legal Research/Staff/Exec Mgmt	1.20	0.00	1.20	254,873	2,694	257,567	la
6	16 026	III	AHR	SCAQMD Mail	Posting/Mailing/Delivery	2.30	0.00	2.30	424,434	(33,581)	390,853	la
7	04 035	I	FIN	AB 617-General	AB 617-General	0.50	0.00	0.50	74,827	(4)	74,822	XX
8	08 035	I	LEG	AB 617-General	AB 617-General	1.00	1.50	2.50	212,394	324,203	536,597	XX
9	16 035	I	AHR	AB 617-General	AB 617-General	2.00	1.00	3.00	369,073	140,735	509,809	XX
10	27 035	I	IM	AB 617-General	AB 617-General	5.00	3.00	8.00	973,839	628,957	1,602,796	XX
11	03 038	III	EO	Admin/Office Management	Budget/Program Management	1.00	0.00	1.00	311,274	20,469	331,742	lb
12	04 038	III	FIN	Admin/Office Management	Fin Mgmt/Oversee Activities	3.75	-1.00	2.75	561,199	(273,542)	287,657	lb
13	08 038	III	LEG	Admin/Office Management	Attorney Timekeeping/Perf Eval	3.50	0.00	3.50	750,629	7,857	758,486	lb
14	16 038	III	AHR	Admin/Office Management	Reports/Proj/Budget/Contracts	3.85	0.00	3.85	727,466	(38,615)	688,852	lb
15	27 038	III	IM	Admin/Office Management	Overall Direction/Coord of IM	2.00	0.00	2.00	389,535	28,238	417,773	lb
16	04 045	III	FIN	Admin/Office Budget	Office Budget/Prep/Impl/Track	0.05	0.00	0.05	7,483	(0)	7,482	lb
17	16 060	III	AHR	Equal Employment Opportunity	Program Dev/Monitor/Reporting	0.10	0.00	0.10	18,454	(1,460)	16,994	la
18	04 071	I	FIN	Arch Ctgs - Admin	Cost Analysis/Payments	0.04	0.00	0.04	5,986	(0)	5,986	XVIII
19	08 071	I	LEG	Arch Ctgs - Admin	Rule Dev/TA/Reinterpretations	0.05	0.00	0.05	10,620	112	10,732	XVIII
20	27 071	I	IM	Arch Ctgs - Admin	Database Dev/Maintenance	0.25	0.00	0.25	48,692	1,395	50,087	XVIII
21	04 085	III	FIN	Building Corporation	Building Corp Act/Fin Reports	0.02	0.00	0.02	2,993	(0)	2,993	la
22	16 090	III	AHR	Building Maintenance	Repairs & Preventative Maint	7.00	1.00	8.00	1,301,757	57,733	1,359,490	la
23	16 092	III	AHR	Business Services	Building Services Admin/Contracts	2.55	0.00	2.55	470,569	(37,231)	433,337	la
24	08 102	II	LEG	CEQA Document Projects	CEQA Review	0.75	0.00	0.75	159,295	1,684	160,979	II,III,IX
25	27 160	III	IM	Computer Operations	Oper/Manage Host Computer Sys	5.25	0.00	5.25	1,431,481	46,704	1,478,185	la
26	27 184	III	IM	Database Information Support	Ad Hoc Reports/Bulk Data Update	1.00	0.00	1.00	214,768	(389)	214,379	la
27	27 185	III	IM	Database Management	Dev/Maintain Central Database	2.25	0.00	2.25	438,227	12,559	450,786	la
28	27 215	I	IM	Annual Emission Reporting	System Enhancements for GHG	0.50	0.00	0.50	97,384	2,791	100,175	II,XVII
29	16 225	III	AHR	Employee Benefits	Benefits Analysis/Orient/Records	1.50	0.00	1.50	276,805	(21,901)	254,904	la
30	16 226	III	AHR	Classification & Pay	Class & Salary Studies	0.30	0.00	0.30	55,361	(4,380)	50,981	la
31	08 227	III	LEG	Employee/Employment Law	Legal Advice: Employment Law	0.50	0.00	0.50	106,197	1,122	107,319	la
32	16 228	III	AHR	Recruitment & Selection	Recruit Candidates for SCAQMD	3.25	0.00	3.25	626,744	(3,701)	623,043	la
33	16 232	III	AHR	Position Control	Track Positions/Workforce Anlys	0.55	0.00	0.55	101,495	(8,030)	93,465	la
34	04 233	III	FIN	Employee Relations	Assist HR/Interpret Salary Res	0.10	0.00	0.10	14,965	(1)	14,964	la
35	16 233	III	AHR	Employee Relations	Meet/Confer/Labor-Mgmt/Grievance	2.20	0.00	2.20	405,981	(32,121)	373,860	la
36	16 255	III	AHR	Facilities Services	Phones/Space/Keys/Audio-Visual	1.00	0.00	1.00	186,537	(16,600)	169,936	la
37	04 265	III	FIN	Financial Mgmt/Accounting	Record Accts Rec & Pay/Rpts	6.20	0.00	6.20	981,759	1,565	983,324	la
38	04 266	III	FIN	Financial Mgmt/Fin Analysis	Fin/SCAQMD Stat Analysis & Audit	0.80	0.00	0.80	119,722	(7)	119,716	la
39	04 267	III	FIN	Financial Mgmt/Treasury Mgmt	Treas Mgt Anlyz/Trk/Proj/Invst	1.00	0.00	1.00	234,303	(9)	234,294	la
40	04 268	III	FIN	Financial Systems	CLASS/Rev/Acct/PR/Sys Anlyze	0.10	0.00	0.10	14,965	(1)	14,964	la
41	02 275	II	GB	Governing Board	Rep of Dist Meet/Conf/Testimony	0.00	0.00	0.00	1,783,687	59,900	1,843,587	la
42	08 275	III	LEG	Governing Board	Legal Advice:Attend Board/Cmte Mtgs	1.00	0.00	1.00	212,394	2,245	214,639	la
43	17 275	III	CB	Governing Board	Attend/Record/Monitor Meetings	1.40	0.00	1.40	335,709	799	336,508	la
44	35	III	LPA	Graphic Arts	Graphic Arts	2.00	0.00	2.00	352,644	3,804	356,448	la

Operational Support (Cont.) Work Program by Category													
#	Program Code	Goal	Office	Program	Activities	FTEs FY 2018-19	+/-	FTEs FY 2019-20	Expenditures FY 2018-19	+/-	Expenditures FY 2019-20	Revenue Categories	
45	27	370	III	IM	Information Technology Svcs	Enhance Oper Effic/Productivity	2.75	0.00	2.75	\$ 558,361	\$ 15,350	\$ 573,711	la
46	08	401	III	LEG	Legal Advice/SCAQMD Programs	General Advice: Contracts	2.00	0.00	2.00	474,788	4,490	479,278	la
47	27	420	III	IM	Library	General Library Svcs/Archives	0.25	0.00	0.25	57,042	1,395	58,437	la
48	04	447	I	FIN	Mobile Sources/Accounting	Record Act Rec & Pay/Special Funds	0.65	0.00	0.65	97,274	(6)	97,269	IX
49	27	470	III	IM	Network Operations/Telecomm	Operate/Maintain/Implem SCAQMD	9.25	0.00	9.25	2,052,263	87,469	2,139,731	la
50	27	480	III	IM	New System Development	Dev sys for special oper needs	2.50	0.00	2.50	554,115	(1,569)	552,546	II,IV
51	04	493	II	FIN	Outreach/SB/MB/DVBE	Outreach/Incr SB/DVBE Partic	0.05	0.00	0.05	7,483	(0)	7,482	la
52	04	510	III	FIN	Payroll	Ded/Ret Rpts/PR/St & Fed Rpts	4.10	0.00	4.10	661,078	(35)	661,042	la
53	04	570	III	FIN	Purchasing	Purch/Track Svcs & Supplies	2.50	0.00	2.50	449,933	(75,821)	374,111	la
54	04	571	III	FIN	Purchasing/Receiving	Receive/Record SCAQMD Purchases	1.20	0.00	1.20	179,584	(10)	179,573	la
55	04	572	III	FIN	Purchasing-Receiving/Stockroom	Track/Monitor SCAQMD Supplies	1.00	0.00	1.00	149,653	(9)	149,644	la
56	27	615	III	IM	Records Information Mgmt Plan	Plan/Impl/Dir/Records Mgmt plan	1.25	0.00	1.25	295,460	(1,382)	294,078	la
57	27	616	III	IM	Records Services	Records/Documents processing	3.75	0.00	3.75	861,379	34,932	896,311	la,III,IV
58	04	630	III	FIN	Cash Mgmt/Revenue Receiving	Receive/Post Pymts/Reconcile	5.25	0.00	5.25	785,679	(45)	785,633	II,III,IV,XI
59	16	640	III	AHR	Risk Management	Liab/Property/Wk Comp/Selfins	2.25	0.00	2.25	490,208	(32,851)	457,357	la
60	27	735	III	IM	Systems Maintenance	Maintain Existing Software Prog	4.50	0.00	4.50	1,329,668	17,109	1,346,777	II,III,IV
61	27	736	III	IM	Systems Implementation/Peoples	Fin/HR PeopleSoft Systems Impl	1.50	0.00	1.50	292,152	8,373	300,524	la
62	04	805	III	FIN	Training	Continuing Education/Training	0.20	0.00	0.20	29,931	(2)	29,929	lb
63	26	805	III	PRA	Training	Training	0.25	0.29	0.54	44,292	51,770	96,062	lb
64	50	805	III	EP	Training	Dist/Org Unit Training	3.10	0.00	3.10	545,960	2,633	548,593	lb
65	60	805	III	CE	Training	Dist/Org Unit Training	2.00	0.00	2.00	308,550	(3,465)	305,085	lb
66	04	825	III	FIN	Union Negotiations	Official Labor/Mgmt Negotiate	0.02	0.00	0.02	2,993	(0)	2,993	la
67	26	825	III	PRA	Union Negotiations	Official Labor/Mgmt Negotiate	0.02	0.02	0.04	3,543	3,572	7,116	la
68	35	825	III	LPA	Union Negotiations	Official Labor/Mgmt Negotiate	0.01	0.00	0.01	1,763	19	1,782	la
69	44	825	III	STA	Union Negotiations	Labor/Mgmt Negotiations	0.05	0.00	0.05	8,664	(353)	8,310	la
70	50	825	III	EP	Union Negotiations	Official Labor/Mgmt Negotiate	0.05	0.00	0.05	8,806	42	8,848	la
71	60	825	III	CE	Union Negotiations	Official Labor/Mgmt Negotiate	0.10	0.00	0.10	15,427	(173)	15,254	la
72	04	826	III	FIN	Union Steward Activities	Rep Employees in Grievance Act	0.01	0.00	0.01	1,497	(0)	1,496	la
73	26	826	III	PRA	Union Steward Activities	Rep Employees in Grievance Act	0.02	0.06	0.08	3,543	10,688	14,231	la
74	35	826	III	LPA	Union Steward Activities	Union Steward Activities	0.01	0.00	0.01	1,763	19	1,782	la
75	44	826	III	STA	Union Steward Activities	Rep Employees in Grievance Act	0.05	0.00	0.05	8,664	(353)	8,310	la
76	50	826	III	EP	Union Steward Activities	Rep Employees in Grievance Act	0.05	0.00	0.05	8,806	42	8,848	la
77	60	826	III	CE	Union Steward Activities	Rep Employees in Grievance Act	0.10	0.00	0.10	15,427	(173)	15,254	la
78	04	827	I	FIN	VW-Program Development	VW-Program Development	0.00	1.00	1.00	88,584	149,644	149,644	XVII
79	03	855	II	EO	Web Tasks	Create/edit/review web content	0.03	0.00	0.03	9,338	60	9,399	la
80	04	855	II	FIN	Web Tasks	Create/edit/review web content	0.02	0.00	0.02	2,993	(0)	2,993	la
81	17	855	II	CB	Web Tasks	Create/edit/review web content	0.03	0.00	0.03	7,194	17	7,211	la
82	26	855	II	PRA	Web Tasks	Create/edit/review web content	0.50	-0.40	0.10	88,584	(70,794)	17,789	la
83	27	855	II	IM	Web Tasks	Create/edit/review web content	3.25	0.00	3.25	918,795	14,558	933,354	la
84	35	855	II	LPA	Web Tasks	Create/edit/review web content	0.40	0.00	0.40	70,529	761	71,290	la
85	50	855	II	EP	Web Tasks	Creation/Update of Web Content	0.25	0.00	0.25	44,029	212	44,241	la
86	60	855	II	CE	Web Tasks	Creation/Update of Web Conten	1.50	0.00	1.50	311,412	(82,599)	228,814	la
Total Operational Support						132.38	6.47	138.85	\$ 28,105,108	\$ 1,008,165	\$ 29,113,274		

Policy Support Work Program by Category												
#	Program Code	Goal	Office	Program	Activities	FTEs FY 2018-19	+/-	FTEs FY 2019-20	Expenditures FY 2018-19	+/-	Expenditures FY 2019-20	Revenue Categories
1	44	041	I	Admin/Office Mgmt/Policy Supp	Overall Policy Supp/Mgmt/Coord	0.49	0.00	0.49	\$ 84,903	\$ (3,462)	\$ 81,441	lb
2	03	083	II	Hlth Effects Air Pollution Fou	Health Effects Air Poll Foundation Support	0.01	0.00	0.01	3,113	20	3,133	la
3	04	083	II	Hlth Effects Air Pollution Fou	Health Effects Air Poll Foundation Support	0.02	0.00	0.02	2,993	(0)	2,993	la
4	26	083	II	Hlth Effects Air Pollution Fou	Health Effects Air Poll Foundation Support	0.10	0.00	0.10	17,717	72	17,789	la,II,IV
5	26	148	I	Climate Change	GHG/Climate Change Policy Development	3.35	-1.35	2.00	593,510	(237,726)	355,784	IV,XVII
6	50	148	I	Climate Change	GHG/Climate Change Support	0.50	0.00	0.50	88,058	425	88,483	II,IX
7	26	240	I	EJ-AQ Guidance Document	AQ Guidance Document	0.10	0.00	0.10	17,717	72	17,789	II,IX
8	03	275	I	Governing Board	Board/Committee Support	1.72	0.00	1.72	535,391	3,459	538,849	la
9	26	276	I	Advisory Group/Home Rule	Governing Board Advisory Group	0.30	0.20	0.50	53,150	35,796	88,946	la
10	44	276	I	Advisory Group/Technology Adva	Tech Adv Advisory Group Supp	0.10	0.00	0.10	17,327	(706)	16,621	VIII
11	50	276	I	Board Committees	Admin/Stationary Source Committees	0.25	0.00	0.25	44,029	212	44,241	la
12	60	276	I	Board Committees	Admin/Stationary Source Committee	0.15	0.00	0.15	23,141	(260)	22,881	la
13	26	277	I	Advisory Group/AQMP	Governing Board AQMP Advisory Group	0.05	0.00	0.05	8,858	36	8,895	II,IX
14	26	278	I	Advisory Group/Sci,Tech,Model	Scientific/Tech/Model Peer Rev	0.15	-0.05	0.10	26,575	(8,786)	17,789	II,IX
15	35	280	I	Advisory Group/Ethnic Comm	GB Ethnic Comm Advisory Group	0.40	0.00	0.40	70,529	761	71,290	II,IX
16	35	281	I	Advisory Group/Small Business	SBA Advisory Group Staff Support	0.50	0.00	0.50	88,161	951	89,112	IV,IX
17	35	283	I	Governing Board Policy	Brd sup/Respond to GB req	0.55	0.00	0.55	96,977	1,046	98,023	la
18	35	345	II	Goods Mvmt&Financial Incentive	Goods Movement & Financial Incentives Progr	1.00	0.00	1.00	176,322	1,902	178,224	IX
19	03	381	I	Interagency Liaison	Local/State/Fed Coord/Interact	0.71	0.00	0.71	221,004	1,428	222,432	la,IX
20	08	404	I	Legal Rep/Legislation	Draft Legis/SCAQMD Position/Mtgs	0.00	0.25	0.25	-	53,660	53,660	II,IX
21	03	410	I	Legislation	Testimony/Mtgs:New/Current Leg	0.03	0.00	0.03	9,338	60	9,399	la,IX
22	44	410	I	Legislation	Support Pollution Reduction thru Legislatio	0.50	0.00	0.50	86,636	(3,532)	83,103	IX
23	35	412	I	Legislation/Federal	Lobbying/Analyses/Tracking/Out	0.25	0.00	0.25	709,211	475	709,686	la
24	35	413	I	Legislation/Exec Office Support	Coord Legis w/ EO, EC, Mgmt	0.25	0.00	0.25	44,081	475	44,556	la
25	35	414	I	Legislation-Effects	Lobbying/Analyses/Tracking/Out	0.80	0.00	0.80	151,058	1,521	152,579	la,IX
26	03	416	I	Legislative Activities	Supp/Promote/Influence Legis/Adm	0.03	0.00	0.03	9,338	60	9,399	la
27	08	416	I	Legislative Activities	Lobbying: Supp/Promote/Influence legis/Adm	0.10	0.00	0.10	21,239	224	21,464	la
28	26	416	I	Legislative Activities	Supp/Promote/Influence Legis/Adm	0.50	0.00	0.50	88,584	362	88,946	la
29	35	416	I	Legislative Activities	Supp/Promote/Influence Legis/Adm	0.50	0.00	0.50	453,161	951	454,112	la
30	50	416	I	Legislative Activities	Legislative Activities	0.25	0.00	0.25	44,029	212	44,241	la
31	35	494	I	Outreach/Collateral/Media	Edits,Brds,Talk shows,Commercl	5.60	0.00	5.60	1,152,120	10,650	1,162,771	la
32	08	717	II	Student Interns	Gov Board/Student Intern Program	0.10	0.00	0.10	21,239	224	21,464	la
33	16	717	II	Student Interns	Gov Board/Student Intern Program	0.20	4.00	4.20	36,907	676,825	713,732	la
34	26	717	II	Student Interns	Gov Bd/Student Intern Program	0.25	0.25	0.50	44,292	44,654	88,946	la
35	35	717	II	Student Interns	Student Interns	0.10	0.00	0.10	17,632	190	17,822	la
36	60	717	II	Student Interns	Gov Board/Student Intern Program	0.05	0.00	0.05	7,714	(87)	7,627	la
Total Policy Support						19.96	3.30	23.26	\$ 5,066,054	\$ 582,168	\$ 5,648,222	

**Timely Review of Permits  
Work Program by Category**

#	Program Code	Goal	Office	Program	Activities	FTEs FY 2018-19	+/-	FTEs FY 2019-20	Expenditures FY 2018-19	+/-	Expenditures FY 2019-20	Revenue Categories
1	50 120	I	EP	Certification/Registration Pro	Certification/Registration Prog	1.00	0.00	1.00	\$ 176,116	\$	849	III
2	50 253	I	EP	ERC Appl Processing	Process ERC Applications	3.50	0.00	3.50	616,407	2,972	619,379	III
3	50 367	I	EP	Hearing Board/Appeals	Appeals: Permits & Denials	0.25	0.00	0.25	44,029	212	44,241	III
4	26 461	I	PRA	Permit & CEQA Modeling Review	Review Model Permit/Risk Assmt	1.30	-0.30	1.00	280,317	(77,425)	202,892	III
5	50 475	I	EP	NSR Implementation	Implement NSR/Allocate ERCs	2.50	0.00	2.50	440,290	2,123	442,413	II,III,V,XV
6	50 476	I	EP	NSR Data Clean Up	Edit/Update NSR Data	0.50	0.00	0.50	88,058	425	88,483	II
7	50 515	I	EP	Perm Proc/Non TV/Non RECLAIM	PP: Non TitlV/TitlIII/RECLAIM	50.75	-0.50	50.25	9,027,895	(103,385)	8,924,511	III,XV
8	08 516	I	LEG	Permit Processing/Legal	Legal Advice: Permit Processing	0.10	0.00	0.10	21,239	224	21,464	III
9	50 517	I	EP	Permit Services	Facility Data-Creare/Edit	12.50	0.00	12.50	2,201,452	10,615	2,212,067	III,XV
10	50 518	I	EP	RECLAIM Non-Title V	Process RECLAIM Only Permits	4.50	-0.50	4.00	792,523	(84,661)	707,862	III,IV,XV
11	50 519	I	EP	Perm Proc/Title III (Non TV)	Process Title III Permits	1.00	0.00	1.00	176,116	849	176,965	III
12	50 521	I	EP	Perm Proc/Expedited Permit	Proc Expedited Permits (301OT)	4.00	0.00	4.00	704,465	3,397	707,862	III
13	27 523	III	IM	Permit Streamlining	Permit Streamlining	0.25	0.00	0.25	48,692	1,395	50,087	III
14	50 523	I	EP	Permit Streamlining	Permit Streamlining	4.75	0.00	4.75	836,552	4,034	840,586	III
15	44 545	I	STA	Protocols/Reports/Plans	Eval Test Protocols/Cust Svc	0.10	0.00	0.10	17,327	(706)	16,621	III,IV
16	44 546	I	STA	Protocols/Reports/Plans	Eval Test Protocols/Compliance	6.15	0.00	6.15	1,065,618	(43,448)	1,022,171	IV,VI
17	50 607	I	EP	RECLAIM & Title V	Process RECLAIM & TV Permits	18.40	0.00	18.40	3,240,537	15,626	3,256,163	III
18	50 643	I	EP	Rule 222 Filing Program	Rule 222 Filing Program	0.50	0.00	0.50	88,058	425	88,483	IV
19	35 680	I	LPA	Small Business/Permit Streamln	Asst sm bus to comply/SCAQMD req	3.95	0.00	3.95	696,473	7,512	703,985	II,III,IV,V,XV
20	44 725	I	STA	Permit Processing/Support E&C	Assist EAC w/ Permit Process	0.05	0.00	0.05	8,664	(353)	8,310	III
21	50 728	I	EP	Perm Proc/IM Programming	Assist IM: Design/Review/Test	2.55	0.00	2.55	449,096	2,166	451,262	II,III,IV
22	08 770	I	LEG	Title V	Leg Advice: Title V Prog/Perm Dev	0.05	0.00	0.05	10,620	112	10,732	II,IV
23	27 770	I	IM	Title V	Dev/Maintain Title V Program	1.50	0.00	1.50	292,152	8,373	300,524	III
24	08 772	I	LEG	Title V Permits	Leg Advice: New Source Title V Permit	0.05	0.00	0.05	10,620	112	10,732	III
25	50 774	I	EP	TV/Non-RECLAIM	Process Title V Only Permits	18.00	0.00	18.00	3,170,091	15,286	3,185,377	III
26	50 775	I	EP	Title V – Admin	Title V Administration	1.00	0.00	1.00	176,116	849	176,965	III

**Total Timely Review of Permits**

139.20	(1.30)	137.90	\$ 24,679,523	\$ (232,421)	\$ 24,447,102
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**Total South Coast AQMD**

876.40	62.60	939.00	\$ 162,631,101	\$ 8,265,624	\$ 170,896,725
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## WORK PROGRAM GLOSSARY

**Below are descriptions of the activities related to the Work Program.**

**AB 134** – under the Community Air Protection Program, funding from CARB is distributed to air districts for the implementation of projects pursuant to the Carl Moyer Memorial Air Quality Standards Attainment Program. (See Carl Moyer Program).

**AB 617** – Community Air Protection Program to improve air quality in disadvantaged communities with high cumulative exposure through monitoring and emission reduction plans.

**AB 1318 Mitigation** - an eligible electrical generating facility shall pay mitigation fees for the transfer of emission credits from South Coast AQMD's internal emission credit accounts. Mitigation fees shall be used to finance emission reduction projects, pursuant to the requirements of AB 1318.

**AB 2766** (Mobile Sources, MSRC) - programs funded from motor vehicle registration revenues. The activities include: evaluation, monitoring, technical assistance, and tracking of AB2766 Subvention Fund Program progress reports including cost-effectiveness and emissions reductions achieved; supporting programs implemented by the Mobile Source Review Committee (MSRC); disbursing and accounting for revenues subvented to local governments; and performing South Coast AQMD activities related to reduction of emissions from mobile sources.

**Acid Rain Program** - developing and implementing the Continuous Emissions Monitoring (CEMS) Program in compliance with 40 CFR Part 75 of the Clean Air Act.

**Administration/South Coast AQMD** - supporting the administration of South Coast AQMD. Examples are tracking fixed assets, operating the mailroom, preparing and reviewing contracts, conducting oversight of South Coast AQMD activities, developing District-wide policies and procedures, preparing the South Coast AQMD budget, providing legal advice on South Coast AQMD programs and other activities, and performing activities in support of South Coast AQMD as a whole.

**Admin/South Coast AQMD Capital Assets (Asset Management)** – tracking of acquisitions, disposals/retirements and reconciliation of capital assets to the Capital Outlay account, and conducting annual lab and biennial asset inventories.

**Administration/Office Management** - supporting the administration of an organizational unit or a unit within an Office. This includes preparing Office budgets, tracking programs, providing overall direction and coordination, providing program management and integration, preparing policies and procedures manuals, and preparing special studies and projects.

**Advisory Group** – providing support to various groups such as: AQMP (Air Quality Management Plan), Environmental Justice, Home Rule, Local Government and Small Business Assistance, Technology Advancement, and Permit Streamlining Task Force.

## WORK PROGRAM GLOSSARY

**Air Filtration** - installation of high-efficiency air filtration devices in schools with the goal of reducing children's exposure to particulate matter in the classroom.

**Air Quality Evaluation** - analyzing air quality trends and preparing the Reasonable Further Progress (RFP) report.

**Ambient Air Analysis/Ambient Network** (Audit, Data Reporting, Special Monitoring) – complying with Federal regulations to monitor air quality for criteria pollutants at air monitoring stations to determine progress toward meeting the federal ambient air quality standards. This includes operating South Coast AQMD's air monitoring network and localized monitoring at landfill sites as well as conducting specialized monitoring in response to public nuisance situations. South Coast AQMD monitoring stations also collect samples which are analyzed by South Coast AQMD's laboratory. Also see Special Monitoring.

**Ambient Lead Monitoring** – maintaining the current ambient lead monitoring network to meet federal monitoring requirements.

**Annual Emission Reporting (AER)** – implementing the AER Program and tracking actual emissions reported by facilities, conducting audits of data, handling refunds, and preparing inventories and various reports.

**Annual Emission Reporting Program Public Assistance** - providing public assistance in implementing South Coast AQMD's AER program by conducting workshops, resolving fee-related issues, and responding to questions.

**AQIP Evaluation** – provides incentive funding for projects to meet VOC, NO<sub>x</sub>, and CO emission targets with funds generated from companies who pay fees in lieu of carpool programs. Projects are funded through a semi-annual solicitation process.

**AQMP** (Air Quality Management Plan) – Management Plan for the South Coast Air Basin and the Interagency AQMP Implementation Committee.

**Air Quality Sensor Performance Evaluation Center (AQ-SPEC)** - program to test commercially available, low-cost air quality sensors.

**Architectural Coatings** – Rule 314 requires architectural coatings manufacturers which distribute into and/or sell their manufactured architectural coatings within South Coast AQMD for use in the South Coast AQMD to submit an Annual Quantity and Emissions Report. To recover the cost of the program, a fee is assessed to these manufacturers. The fee is based on the quantity of coatings sold as well as the cumulative emissions from the quantity of coatings distributed or sold for use in the South Coast AQMD.

**Area Sources/Compliance** – developing rules and compliance programs, as well as alternatives to traditional permitting for smaller sources of emissions of VOCs and NO<sub>x</sub>.

## WORK PROGRAM GLOSSARY

**Auto Services** - maintaining South Coast AQMD's fleet of automobiles, trucks, and vans as well as providing messenger services as needed.

**Billing Services** - administering South Coast AQMD's permit billing system, responding to inquiries, and resolving issues related to fees billed.

**Board Committees** - participation in Governing Board committees by preparing materials, presenting information on significant or new programs and providing technical expertise.

**Building Corporation** - managing the South Coast Air Quality Management District Building Corporation. The Building Corporation issued Installment Sale Revenue Bonds in conjunction with the construction of South Coast AQMD's Diamond Bar headquarters facility.

**Building Maintenance** - maintaining and repairing the Diamond Bar Headquarters facility and South Coast AQMD air monitoring sites.

**Business Services** – overseeing operation of Facilities Services, Automotive Services, Print Shop and Mail/Subscriptions Services; negotiating and administering leases for the Diamond Bar facility, Long Beach Office, and air monitoring stations.

**California Natural Gas Vehicle Partnership** – strategic, non-binding partnership formed to work together in developing and deploying natural gas vehicles and implementing a statewide natural gas infrastructure.

**Call Center** - operates the 24-hour radio communication system via telephone between South Coast AQMD headquarters and the public/field staff.

**CARB PERP (Portable Equipment Registration Program)** – a program established by CARB allowing the operation of portable equipment in any air district throughout the state without individual local district permits. Amended to enhance enforceability and expand CARB's requirements for portable engines and equipment units, creating a more comprehensive and inclusive statewide registration program that now provides for triennial inspection and renewal of PERP registration.

**Carl Moyer Program** – provides incentive funding for the repower, replacement, or purchase of new heavy-duty vehicles and equipment beyond the emission limits mandated by regulations. Awards are granted through an annual solicitation process. Separate program announcements are also issued for pre-1990 diesel Class 7 or 8 truck fleet and ports truck fleet modernization programs. Also see Mobile Sources.

**Case Disposition** - resolving Notices of Violation (NOV) issued by South Coast AQMD inspectors. This includes preparing both civil and criminal cases and administering South Coast AQMD's Mutual Settlement Agreement Program.

## WORK PROGRAM GLOSSARY

**Cash Management** – receiving revenue, posting of payments, processing of refunds associated with South Coast AQMD programs, and bank and preparing cash reconciliations.

**CEMS Certification** (Continuous Emissions Monitoring System) - evaluating, approving, and certifying the continuous emissions monitoring systems installed on emissions sources to ensure compliance with South Coast AQMD rules and permit conditions.

**CEQA Document Projects/Special Projects** (California Environmental Quality Act) - reviewing, preparing, assessing, and commenting on projects which have potential air quality impacts.

**Certification/Registration Program** – manufacturers can voluntarily apply to have standard, off-the-shelf equipment certified by South Coast AQMD to ensure that it meets all applicable requirements.

**China Partnership for Cleaner Shipping** - initiative with China to get cleaner ships to come to the Ports.

**Classification and Pay** – maintaining the classification plan and conducting job analyses to ensure South Coast AQMD positions are allocated to the proper class, and conducting compensation studies to ensure classes are appropriately compensated and salaries remain competitive in the workforce.

**Clean Air Connections** – increase awareness of air quality issues and South Coast AQMD's programs and goals by developing and nurturing a region-wide group of community members with an interest in air quality issues.

**Clean Communities Plan (CCP)** – an update to the 2000 Air Toxics Control Plan (ATCP) and the 2004 Addendum. The objective of the 2010 CCP is to reduce the exposure to air toxics and air-related nuisances throughout South Coast AQMD, with emphasis on cumulative impacts.

**Clean Fuels Program** – accelerate the development and deployment of advanced, low emission technologies, including, but not limited to electric, hydrogen, and plug-in hybrid electric vehicles, low emission heavy-duty engines, after treatment for off-road construction equipment and identification of tailpipe emissions from biofuels.

**Climate Change** – developing and evaluating policy and strategy related to local, state, federal and international efforts on climate change. Seek to maximize synergies for criteria and toxic reduction and minimize and negative impacts.

**Compliance** – ensuring compliance of clean air rules and regulations through regular inspection of equipment and facilities, as well as responding to air quality complaints made by the public.



## WORK PROGRAM GLOSSARY

**Compliance/Notice of Violation (NOV) Administration** – NOV processing and review for preparation for assignment to Mutual Settlement Agreement (MSA), civil, or criminal handling.

**Computer Operations** - operating and managing South Coast AQMD's computer resources. These resources support South Coast AQMD's business processes, air quality data, and modeling activities and the air monitoring telemetry system. Also see Systems Maintenance.

**Conformity** - reviewing of federal guidance and providing input on conformity analysis for the Regional Transportation Improvement Program (RTIP). Staff also participates in various Southern California Association of Governments (SCAG) meetings, the Statewide Conformity Working group, and other meetings to address conformity implementation issues. Staff participates in the federal Conformity Rule revision process, and monitors and updates Rule 1902, Transportation Conformity, as needed.

**Credit Generation Programs** (Intercredit Trading) – rulemaking and developing and implementing a program that expands emission credit trading by linking South Coast AQMD's stationary and mobile source credit markets.

**Criteria Pollutants/Mobile Sources** – coordinating the implementation of the AQMP and conducting feasibility studies for mobile source categories; developing control measures and amended rules as warranted.

**1-800-CUT-SMOG** - The Call Center handles (1-800-CUT-SMOG) calls from drivers who identify a vehicle emitting excessive amounts of exhaust smoke.

**Database Information Support** – day-to-day support of ad hoc reports and bulk data updates required from South Coast AQMD's enterprise databases.

**Database Management** - developing and supporting the data architecture framework, data modeling, database services, and the ongoing administration of South Coast AQMD's central information repository.

**DB/Computerization** – developing laboratory instrument computer systems for data handling and control, evaluating the quality of the stored information. Further develop and maintain the Source Test Information Management System (STIMS).

**DERA (Diesel Emission Reduction Act)** – a U.S. EPA funded program to modernize diesel fleets by retrofitting and replacing diesel engines/vehicles with cleaner, more efficient options.

**Economic Development/Business Retention** – meeting with various governmental agencies to assist company expansion or retention in the Basin.

**EJ-AQ Guidance Document (Environmental Justice-Air Quality Guidance Document)** – providing outreach to local governments as they update their general plans and make land use

## WORK PROGRAM GLOSSARY

decisions. Providing updates to the reference document titled “Guidance Document for Addressing Air Quality Issues in General Plans and Local Planning.”

**Emergency Response** - responding to emergency air pollution (toxic) incidents, providing air quality monitoring support to local authorities.

**Emission Reduction Credit Application Processing** – processing applications for Emission Reduction Credits (ERC).

**Emissions Field Audit** – conducting field audits at facilities that have reported through Annual Emissions Reporting (AER) to ensure accurate emission reporting and to improve the program.

**Emissions Inventory Studies** – developing major point source emissions data and area source emissions inventory, updating emissions factors, developing and updating control factors, performing special studies to improve emission data, and responding to public inquiries regarding emission data.

**Employee Benefits** – administering South Coast AQMD’s benefit plans, including medical, dental, vision, and life insurance, as well as State Disability Insurance, Section 125 cafeteria plan, Long Term Care and Long Term Disability plans, Section 457 Deferred Compensation Plan, and Consolidated Omnibus Budget Reconciliation Act (COBRA) program.

**Employee Relations** – managing the collective bargaining process, administering MOU’s, preparing disciplinary documents, and administering South Coast AQMD’s performance appraisal program, Family and Medical Leave Act (FMLA) requests, tuition reimbursement, and outside training requests.

**Employee/Employment Law** – handling legal issues dealing with employment law in coordination with outside counsel.

**Enhanced Fleet Modernization Program (Replace Your Ride) Admin Support** – CARB-funded voluntary car retirement and replacement incentive program. The goal is to incentivize lower-income motorists to scrap their older, high-emitting cars and replace them with newer, cleaner, and more fuel efficient cars to reduce smog-forming pollutants.

**Enforcement Litigation** – staff attorneys pursue enforcement litigation including actions for civil penalties or injunctions when violations have not been settled or circumstances otherwise dictate.

**Environmental Education** - informing and educating the public about air pollution and their role in bringing clean air to the basin.

**Environmental Justice (EJ)** - a strategy for equitable environmental policymaking and enforcement to protect the health of all persons who live or work in the South Coast District

## WORK PROGRAM GLOSSARY

from the health effects of air pollution regardless of age, culture, ethnicity, gender, race, socioeconomic status, or geographic location. The Environmental Justice Initiatives help to identify and address potential areas where citizens may be disproportionately impacted by air pollutants and ensure clean air benefits are afforded to all citizens and communities of the region.

**Equal Employment Opportunity** – ensuring non-discrimination and equal employment for employees and applicants through broad-based, targeted advertising; training interviewers to ensure fairness in evaluating candidates; ensuring that selection processes and testing instruments are appropriate and job-related; coaching supervisors and managers regarding hiring processes; and gathering data and preparing related staffing reports.

**Facilities Services** – monitoring service contracts, supporting tenants, overseeing conference center use, administering identification badges, overseeing building access control, maintaining key/lock systems, and configuring workspaces.

**Facility-Based Mobile Source Measures (FBMSMs)** – effort to begin implementation of the five FBMSMs (Warehouse Distribution Centers, Commercial Airports, New or Redevelopment Projects, Commercial Marine Ports, and Railyard & Intermodal Facilities) adopted in the 2016 AQMP to reduce emissions from facilities and ensure that these reductions are counted towards the region's emissions budget.

**FARMER (Funding Agricultural Replacement Measures For Emission Reductions)** - CARB funding for projects that will reduce agricultural sector emissions by providing grants, rebates, and other financial incentives for agricultural harvesting equipment, heavy-duty trucks, agricultural pump engines, tractors, and other equipment used in agricultural operations.

**Fee Review** – activities relating to conducting Fee Review Committee hearings for businesses that contest South Coast AQMD fees (Rule 313).

**Financial Management** - managing the financial aspects of the South Coast AQMD. This includes cash management, treasury/investment, accounting, and program and financial audits. It also includes maintaining South Coast AQMD's permit-related financial and accounting records as well as maintaining and enhancing South Coast AQMD's payroll and accounting systems.

**Goods Movement and Financial Incentives** – programs to evaluate the air quality issues associated with goods movement and traffic congestion, and for the identification of financial incentives for expedited facility modernization and diesel engine conversion.

**Governing Board** – supporting the operation of the Governing Board and advisory groups of the South Coast AQMD. These activities range from preparing the agenda and minutes to providing support services, legal advice, speeches, letters, and conference coordination.

**Grants Management** - coordinating, negotiating, monitoring, accounting, and reporting of South Coast AQMD's air pollution program and financial activities relating to grants, including U.S. EPA, DOE, CEC, DHS grants, and CARB Subvention.

## WORK PROGRAM GLOSSARY

**Graphics Arts** - designing and producing presentation materials and South Coast AQMD publications.

**Green House Gas Reporting (GHG)** - many of the businesses and facilities within South Coast AQMD's jurisdiction are required to report their GHG emissions to CARB under the regulation for Mandatory Reporting of Greenhouse Gases (state) and, beginning in 2011, to the U.S. EPA under their Mandatory Reporting Rule (federal).

**Green House Gas Reduction Fund** – CARB's Low Carbon Transportation Greenhouse Gas Reduction Fund (GGRF) Investment Program funds projects to demonstrate zero emission trucks.

**Health Effects** – conducting research and analyzing the health effects of air pollutants and assessing the health implications of pollutant reduction strategies; working with industry, trade associations, environmental groups, CARB and U.S. EPA and providing information to concerned citizens.

**Hearing Board** – supporting operation of South Coast AQMD's Hearing Board. These activities include accepting petitions filed; preparing and distributing notices; preparing minute orders, findings, and decisions of the Board; collecting fees; and general clerical support for the Board.

**Information Technology Services** - implementing new information technologies to enhance operational efficiency and productivity. Examples include developing workflow applications, training and supporting computer end users, and migrating network operating systems.

**Inspections** - inspecting facilities and equipment that emit or have the potential to emit air pollutants.

**Inspections/RECLAIM Audits** – conducting RECLAIM inspections and audits at facilities subject to Regulation XX (RECLAIM).

**Interagency Coordination/Liaison** - interacting with state, local, and federal control agencies and governmental entities.

**Intergovernmental/Geographic Deployment** - influencing local policy development and implementing a local government clean air program.

**Lawnmower Exchange** – residents of the South Coast Air Basin may trade in their gas-powered lawnmower and purchase a new zero-emission, battery electric lawnmower at a significant discount.

**Lead Agency Projects** – South Coast AQMD permitting and rule development projects where a CEQA document is prepared and the South Coast AQMD is the lead agency.

## WORK PROGRAM GLOSSARY

**Legal** - providing legal support to South Coast AQMD in the areas of liability defense, writs of mandate, injunctions, and public hearings. This activity also includes reviewing contracts, and advising staff on rules, fees and other governmental issues.

**Legislation** - drafting new legislation, analyzing and tracking proposed legislation, and developing position recommendations on legislation which impacts air quality.

**Library** - acquiring and maintaining reference materials and documentation that support the South Coast AQMD's programs.

**Lobby Permit Services** – providing information and support to applicants to expedite permit processing. Includes consolidating forms, prescreening review for completeness of applications, providing internet access of certain forms, and providing “over-the-counter” permits in the lobby of South Coast AQMD’s Diamond Bar headquarters.

**MATES V (Fifth Multiple Air Toxics Exposure Study)** – this study provides unique information on air toxics and their associated health risks based on long-term monitoring at ten fixed locations throughout the South Coast Air Basin (Basin) and a detailed emissions inventory and modeling analysis.

**Meteorology** - modeling, characterizing, and analyzing both meteorological and air quality data to produce the South Coast AQMD's daily air quality forecast.

**Microscopic Analysis** - analyzing, identifying, and quantifying asbestos for compliance with South Coast AQMD, state, and federal regulations.

**Mobile Sources** - transportation monitoring, strategies, control measures, demonstration projects, the Mobile Source Air Pollution Reduction Review Committee (MSRC), implementation of Fleet Rules, High Emitter Repair & Scrappage Program, and locomotive remote sensing.

**Mobile Source and AQMP (Air Quality Management Plan) Control Strategies** – provide technical assistance on the mobile source element of the AQMP.

**Moyer Program** – see Carl Moyer Program

**Mutual Settlement Program** - resolving civil penalties without court intervention; this program is a mechanism to resolve violations and avoid criminal proceedings.

**National Air Toxics Trends Stations (NATTS)** – through U.S. EPA funding, two sites in the monitoring network are utilized to collect ambient VOC and particulate samples. Samples are analyzed by the South Coast AQMD lab and reported to U.S. EPA where the data is used to determine toxic trends.

## WORK PROGRAM GLOSSARY

**Near Roadway (NO<sub>2</sub>) Monitoring** – federal monitoring requirement that calls for state and local air monitoring agencies to install near-road NO<sub>2</sub> monitoring stations at locations where peak hourly NO<sub>2</sub> concentrations are expected to occur within the near-road environment in larger urban areas.

**Network Operations/Telecommunications** – installing, maintaining, and providing operational support of South Coast AQMD's PC, voice, data, image, and radio networks; planning, designing, and implementing new network systems or services in response to South Coast AQMD's communications and business needs; and providing training, support, and application development services for end-users of voice and PC systems.

**New Systems Development** – providing support for computer systems development efforts.

**New Source Review (NSR)** - developing and implementing New Source Review rules; designing, implementing, and maintaining the Emission Reduction Credits and the NSR programs. These programs streamline the evaluation of permit renewal and emissions reporting.

**Outreach** - increasing public awareness of South Coast AQMD's programs, goals, permit requirements, and employment opportunities; interacting, providing technical assistance, and acting as liaison between South Coast AQMD staff and various sectors of private industry, local governments, small businesses, and visiting dignitaries.

**Outreach Media/Communications** - monitoring local and national press accounts, both print and broadcast media, to assess South Coast AQMD's outreach and public opinion on South Coast AQMD rules and activities. This also includes responding to media calls for informational background material on South Coast AQMD news stories.

**Payroll** - paying salaries and benefits to South Coast AQMD employees, withholding and remitting applicable taxes, and issuing W2s.

**Permit Processing** - inspecting, evaluating, auditing, analyzing, reviewing and preparing final approval or denial to operate equipment which may emit or control air contaminants.

**Permit Streamlining** – activities relating to reducing organizational costs and streamlining regulatory and permit requirements on businesses.

**Photochemical Assessment Monitoring Systems (PAMS)** - promulgating PAMS (a federal regulation), which requires continuous ambient monitoring of speciated hydrocarbons during smog season. Through U.S. EPA funding, ozone precursors are measured at seven stations and samples are collected.

**PM Sampling Program (U.S. EPA)** – daily collection of particulate samples

## WORK PROGRAM GLOSSARY

**Port of Long Beach (POLB) Advanced Maritime Emission Control System (AMECS) Demo** – funded by the Port of Long Beach, the proposed project will assess the performance and effectiveness of a barge-mounted emission control system to capture and treat hoteling emissions from ocean-going vessels (OGV) at berth at the Port of Long Beach.

**Portable Equipment Registration Program (PERP)** – see CARB PERP Program.

**Position Control** – tracking Board-authorized positions and South Coast AQMD workforce utilization, processing personnel transactions for use by Payroll, and preparing reports regarding employee status, personnel transactions, and vacant positions.

**Print Shop** – performing in-house printing jobs and contracting outside printing/binding services when necessary.

**Proposition 1B** - providing incentive funding for goods movement and lower emission school bus projects with funds approved by voters in November 2006.

**Protocols/Reports/Plans/LAP** - evaluating and approving protocols, source testing plans and reports submitted by regulated facilities as required by South Coast AQMD rules and permit conditions, New Source Review, state and federal regulations; and evaluating the capabilities of source test laboratories under the Laboratory Approval Program (LAP).

**Public Complaints/Breakdowns** - responding to air pollution complaints about odors, smoke, dust, paint overspray, or companies operating out of compliance; responding to industry notifications of equipment breakdowns, possibly resulting in emission exceedances.

**Public Education/Public Events** – implementing community events and programs to increase the public's understanding of air pollution and their role in improving air quality.

**Public Information Center** - notifying schools and large employers of predicted and current air quality conditions on a daily basis and providing the public with printed South Coast AQMD information materials.

**Public Notification** – providing timely and adequate notification to the public of South Coast AQMD rulemaking workshops and public hearings, proposed rules, upcoming compliance dates, and projects of interest to the public.

**Public Records Act** - providing information to the public as requested and as required by Government Code, Section 6254.

**Purchasing** (Receiving, Stockroom) - procuring services and supplies necessary to carry out South Coast AQMD programs.

## WORK PROGRAM GLOSSARY

**Quality Assurance** – assuring the data quality from the Monitoring and Analysis Division meets or exceeds state and federal standards and also assuring the appropriateness of the data for supporting South Coast AQMD regulatory, scientific and administrative decisions.

**RECLAIM/Admin Support** – developing and implementing rules, and monitoring of emissions of the REgional Clean Air Incentives Market (RECLAIM) program, a market incentives trading program designed to help achieve federal and state ambient air quality standards in a cost-effective manner with minimal impacts to jobs or public health. The RECLAIM program will transition to a command and control regulatory structure.

**RECLAIM and Title V** – permit processing of applications from facilities that are both RECLAIM and Title V.

**RECLAIM Non-Title V** – permit processing of applications from RECLAIM facilities only.

**Records Information Management Plan** – providing the process to comply with internal and external requirements for the retention and retrieval of information pertinent to the mission and operation of the South Coast AQMD.

**Records Services** – maintaining South Coast AQMD's central records and files, converting paper files to images, and operating the network image management system; providing for all off-site long-term storage of records and for developing and monitoring South Coast AQMD's Records Retention Policy.

**Recruitment and Selection** – assisting South Coast AQMD management in meeting staffing needs by conducting fair and non-discriminatory recruitment and selection processes that result in qualified, diverse applicants for South Coast AQMD jobs; overseeing promotional and transfer processes, and reviewing proposed staff reassignments.

**Refinery Pilot Project** – pursuant to the AQMP, a working group was formed to examine the efficacy of an alternative regulatory approach to reducing refinery emissions beyond the current requirements by establishing a targeted emission reduction commitment for each refinery for a set period of time and allow the use of on-site or off-site reduction strategies with acceptable environmental justice attributes.

**Regional Modeling** – designing, performing, and reviewing modeling and risk assessment analysis to assess the air quality impacts of new or modified sources of air pollution. Also see Meteorology.

**Ridesharing** - implementing South Coast AQMD's Rule 2202 Trip Reduction Plan.

**Risk Management** - developing and administering South Coast AQMD's liability, property, and workers' compensation and safety programs.



## WORK PROGRAM GLOSSARY

**Rule 1180** - adopted in December 2017, this rule requires real-time fenceline air monitoring systems and establishes a fee schedule to fund refinery-related community air monitoring systems that will provide air quality information to the public about levels of various criteria air pollutants, volatile organic compounds, metals and other compounds at or near the property boundaries of petroleum refineries and in nearby communities.

**Rule 1610** – ensuring compliance with Rule 1610, Old-Vehicle Scrapping.

**Rule 2202 ETC Training** – administering and conducting monthly Rule 2202 implementation training classes, workshops and/or forums for the regulated public and other interested individuals.

**Rule 222 Implement/Support/Filing Program** – ensuring compliance with Rule 222 for equipment subject to a filing requirement with South Coast AQMD.

**Rulemaking/Rules** – developing new rules and evaluating existing South Coast AQMD and CARB rules and compliance information to assure timely implementation of the AQMP and its control measures.

**Salton Sea Monitoring** – maintaining the monitoring network for expected nuisance pollutants, primarily hydrogen sulfide, which are released from the Salton Sea area.

**School Bus Lower Emission Program** – funding to replace pre-1987 diesel school buses with new alternative fuel buses owned and operated by public school districts.

**South Coast AQMD Mail** – processing and delivering all incoming and outgoing mail.

**South Coast AQMD Projects** – South Coast AQMD permitting and rule development projects where a California Environmental Quality Act (CEQA) document is prepared and the South Coast AQMD is the lead agency.

**School Siting** – identifying any hazardous emission sources within one-quarter mile of a new school site as required by AB3205. District activities include reporting of criteria and toxic pollutant information and conducting inspections of permitted facilities within a quarter-mile radius of proposed schools.

**Small Business Assistance** - providing technical and financial assistance to facilitate the permit process for small businesses.

**Socio-Economic** - developing an economic database to forecast economic activity, analyzing economic benefits of air pollution control, and analyzing the social impact of economic activity resulting from air quality regulations and plans.

## WORK PROGRAM GLOSSARY

**Source Education** - providing classes to facility owners and operators to ensure compliance with applicable South Coast AQMD's rules and regulations.

**Source Testing (ST)** – conducting source tests as needed in support of permitting functions and to determine compliance with permit conditions and South Coast AQMD Rules. Additionally, data submitted by facilities is reviewed for protocol approval, CEMS certification, or test data acceptance.

**Speaker's Bureau** - training South Coast AQMD staff for advising local government and private industry on air quality issues.

**Special Monitoring** – performing special ambient air sampling at locations where public health, nuisance concern, or Rule 403 violations may exist; determining the impacts from sources emitting toxics on receptor areas; and performing special monitoring in support of the emergency response program and public complaints response. Also see Emergency Response.

**Sample Analyses** – analyzing samples submitted by inspectors to determine compliance with South Coast AQMD Rules. Samples are also analyzed in support of rule development activities.

**Student Interns** – providing mutually beneficial educational hands-on experience for high school and college students by providing them with the opportunity to engage in day-to-day work with mentoring professionals within South Coast AQMD.

**Subscription Services** - maintaining South Coast AQMD's rule subscription mailing list and coordinating the mailing of South Coast AQMD publications.

**Systems Implementation PeopleSoft** – implementing activities required to maintain an integrated Financial and Human Resources system, including additional features and functions introduced with scheduled software upgrades.

**Systems Maintenance** - routinely maintaining installed production data systems that support South Coast AQMD's business fluctuations, including minor modifications, special requests, fixes, and general maintenance.

**Targeted Air Shed** – funding from U.S. EPA to reduce air pollution in the nation's areas with the highest levels of ozone or particulate matter 2.5 (PM<sub>2.5</sub>) exposure.

**Technology Advancement** - supporting the development of innovative controls for mobile and stationary sources, reviewing promising control technologies, and identifying those most deserving of South Coast AQMD developmental support.

**Title III** - permitting equipment that emits hazardous air pollutants in compliance with the federal Clean Air Act.

## WORK PROGRAM GLOSSARY

**Title V** - developing and implementing a permit program in compliance with the federal Clean Air Act.

**Toxics/AB 2588** – evaluation of toxic inventories, risk assessments and risk reduction plans, with public notification as required. Analyzing, evaluating, reviewing, and making recommendations regarding toxic substances and processes and contributing input to District toxic rules and programs.

**Training** (Education, Organizational and Human Resources Development, Staff) - providing increased training in the areas of personnel education, computers, safety procedures, new programs, hazardous materials, and new technologies.

**Transportation Regional Programs/Research** – actively participating in Advisory Groups and Policy Committees involving the development and monitoring of South Coast AQMD's AQMP, Congestion Mitigation Air Quality Improvement Program (CMAQ), Safe Accountable Flexible Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), Transportation Control Measures (TCMs) and regional alternative commute mode programs.

**Union Negotiations/Union Steward Activities** – Union-related activities of union stewards including labor management negotiations and assisting in the filing of employee grievances.

**VOC Sample Analysis** - providing data and technical input for VOC rule development, performing analytical testing for compliance with South Coast AQMD rules regulating VOC content in coatings, inks, plastic foam, paint, adhesives, and solvents, and providing assistance and technical input to small businesses and other regulatory agencies, industry and the public.

**Volkswagen (VW) Environmental Mitigation Trust** – The Beneficiary Mitigation Plan for the Volkswagen (VW) Environmental Mitigation Trust identifies five funding categories for funded projects intended to mitigate the excess NOx emissions caused by VW vehicles.

**Voucher Incentive Program (VIP)** - incentive program designed to reduce emissions by replacing old, high-polluting vehicles with newer, lower-emission vehicles, or by installing a Verified Diesel Emission Control Strategy (VDECS).

**Web Tasks** – preparing and reviewing materials for posting to South Coast AQMD's internet and/or intranet website.

# WORK PROGRAM ACRONYMS

## ORGANIZATIONAL UNITS

AHR	Administrative & Human Resources
CB	Clerk of the Boards
CE	Compliance & Enforcement
DG	District General
EP	Engineering & Permitting
EO	Executive Office
FIN	Finance
GB	Governing Board
IM	Information Management
LEG	Legal
LPAM	Legislative & Public Affairs/Media Office
PRA	Planning, Rule Development & Area Sources
STA	Science & Technology Advancement

## PROGRAMS

AB 134	Community Air Protection Program (Carl Moyer)
AB 617	Community Air Protection Program
AB 1318	Offsets-Electrical Generating Facilities
AB 2588	Air Toxics ("Hot Spots")
AB 2766	Motor Vehicle Subvention Program
APEP	Annual Permit Emissions Program
AQIP	Air Quality Investment Program
AQMP	Air Quality Management Plan
BACT	Best Available Control Technology
CEMS	Continuous Emissions Monitoring Systems
CEQA	California Environmental Quality Act
CF	Clean Fuels Program
CMP	Carol Moyer Program
DERA	Diesel Emission Reduction Act
EFMP	Enhanced Fleet Modernization Program
ERC	Emission Reduction Credit
FARMER	Funding Agricultural Replacement Measures For Emissions Reductions
GGRF	Greenhouse Gas Reduction Fund
MATES	Multiple Air Toxics Exposure Study
MS	Mobile Sources Program
NSR	New Source Review
PERP	Portable Equipment Registration Program
PR	Public Records Act
QA	Quality Assurance
RFP	Reasonable Further Progress
RECLAIM	REgional CLean Air Incentives Market
ST	Source Test
Title III	Federally Mandated Toxics Program
Title V	Federally Mandated Permit Program
VIP	Voucher Incentive Program
VW	Volkswagen

## GOVERNMENT AGENCIES

APCD	Air Pollution Control District (Generic)
CARB	California Air Resources Board
CEC	California Energy Commission
DHS	Department of Homeland Security
DOE	Department of Energy
EPA	Environmental Protection Agency
NACAA	National Association of Clean Air Agencies
SCAG	Southern California Association of Governments

## GENERAL

AA	Affirmative Action
AER	Annual Emissions Reporting
AM	Air Monitoring
AQSCR	Air Quality Standards Compliance Report
AQ-SPEC	Air Quality Sensor Performance Evaluation Center
ATIP	Air Toxics Inventory Plan
AVR	Average Vehicle Ridership
BARCT	Best Available Retrofit Control Technology
CLASS	Clean Air Support System
CNG	Compressed Natural Gas
CTC	County Transportation Commission
CTG	Control Techniques Guideline
DB	Database
EIR	Environmental Impact Report
EJ	Environmental Justice
ERC	Emission Reduction Credit
ETC	Employee Transportation Coordinator
EV	Electric Vehicle
FBMSMs	Facility-Based Mobile Source Measures
FY	Fiscal Year
GHG	Greenhouse Gas
HR	Human Resources
HRA	Health Risk Assessment
IAIC	Interagency AQMP Implementation Committee
IGA	Intergovernmental Affairs
ISR	Indirect Source Rules
LAER	Lowest Achievable Emissions Rate
LEV	Low Emission Vehicle
LNG	Liquefied Natural Gas
LS	Laboratory Services
MOU	Memorandum of Understanding
MSERCs	Mobile Source Emission Reduction Credits
MSRC	Mobile Source (Air Pollution Reduction) Review Committee
NATTS	National Air Toxics Trends Stations
NESHAPS	National Emission Standards for Hazardous Air Pollutants
NGV	Natural Gas Vehicle
NOV	Notice of Violation
NSR	New Source Review
PAMS	Photochemical Assessment Monitoring System
PAR	Proposed Amended Rule
PE	Program Evaluations
PR	Proposed Rule
RFP	Request for Proposal
RFQ	Request for Quotations
RTC	RECLAIM Trading Credit
SBA	Small Business Assistance
SIP	State Implementation Plan
STE	Source Testing Evaluations
SULEV	Super Ultra Low-Emission Vehicle
TCM	Transportation Control Measure
ULEV	Ultra- Low-Emissions Vehicle
VMT	Vehicle Miles Traveled
ZECT	Zero Emission Cargo Transport
ZEV	Zero-Emission Vehicle

## POLLUTANTS

CO	Carbon Monoxide
NO <sub>x</sub>	Oxides of Nitrogen
O <sub>3</sub>	Ozone
PM <sub>2.5</sub>	Particulate Matter <2.5 microns
PM <sub>10</sub>	Particulate Matter ≤ 10 microns
ROG	Reactive Organic Gases
SO <sub>x</sub>	Oxides of Sulfur
VOC	Volatile Organic Compound

## GOVERNING BOARD

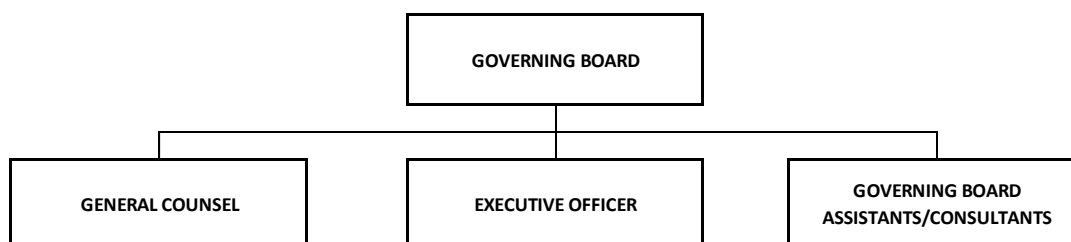
<b>At a Glance:</b>	
FY 2018-19 Adopted	\$1.8M
FY 2019-20 Budget	\$1.8M
% of FY 2019-20 Budget Total	1.1%
FTEs FY 2019-20 Budget	N/A

### DESCRIPTION OF MAJOR SERVICES:

The Governing Board is made up of 13 officials who meet monthly to establish policy and review new or amended rules for approval. The Governing Board appoints the South Coast AQMD Executive Officer and General Counsel, and members of the Hearing Board. Each Governing Board member is allocated funds to retain the services of Board Consultants and/or Assistants to provide support in their duties as Governing Board members.

Governing Board members include:

- One county Board of Supervisor's representative each from the counties of Los Angeles, Orange, Riverside, and San Bernardino;
- One representative each from cities within Orange, Riverside, and San Bernardino counties, two representatives from cities within Los Angeles County, and one city representative from the City of Los Angeles;
- One representative appointed by the Governor, one by the Assembly Speaker, and one by the Senate Rules Committee.



Governing Board Line Item Expenditure						
Major Object / Account # / Account Description		FY 2017-18 Actuals	FY 2018-19 Adopted Budget	FY 2018-19 Amended Budget	FY 2018-19 Estimate *	FY 2019-20 Adopted Budget
<b>Salary &amp; Employee Benefits</b>						
51000-52000	Salaries	\$ 318,469	\$ 462,913	\$ 462,913	\$ 280,194	\$ 462,913
53000-55000	Employee Benefits	20,288	261,190	261,190	115,885	284,590
Sub-total Salary & Employee Benefits		\$ 338,757	\$ 724,103	\$ 724,103	\$ 396,079	\$ 747,503
<b>Services &amp; Supplies</b>						
67250	Insurance	\$ -	\$ -	\$ -	\$ -	\$ -
67300	Rents & Leases Equipment	-	-	-	-	-
67350	Rents & Leases Structure	-	-	-	-	-
67400	Household	-	-	-	-	-
67450	Professional & Special Services	673,354	771,284	807,784	807,784	807,784
67460	Temporary Agency Services	-	-	-	-	-
67500	Public Notice & Advertising	77,976	52,000	52,000	52,000	52,000
67550	Demurrage	-	-	-	-	-
67600	Maintenance of Equipment	-	-	-	-	-
67650	Building Maintenance	-	-	-	-	-
67700	Auto Mileage	12,132	10,000	10,000	10,000	10,000
67750	Auto Service	-	-	-	-	-
67800	Travel	91,118	64,800	64,800	64,800	64,800
67850	Utilities	-	-	-	-	-
67900	Communications	18,719	20,000	20,000	20,000	20,000
67950	Interest Expense	-	-	-	-	-
68000	Clothing	-	-	-	-	-
68050	Laboratory Supplies	-	-	-	-	-
68060	Postage	1,823	10,000	8,640	8,640	10,000
68100	Office Expense	2,284	4,000	4,000	4,000	4,000
68200	Office Furniture	-	-	-	-	-
68250	Subscriptions & Books	-	-	-	-	-
68300	Small Tools, Instruments, Equipment	-	-	-	-	-
68400	Gas and Oil	-	-	-	-	-
69500	Training/Conference/Tuition/ Board Exp.	118,038	112,500	109,236	109,236	112,500
69550	Memberships	-	-	-	-	-
69600	Taxes	-	-	-	-	-
69650	Awards	-	-	-	-	-
69700	Miscellaneous Expenses	13,740	15,000	19,624	19,624	15,000
69750	Prior Year Expense	-	-	-	-	-
69800	Uncollectable Accounts Receivable	-	-	-	-	-
89100	Principal Repayment	-	-	-	-	-
Sub-total Services & Supplies		\$ 1,009,184	\$ 1,059,584	\$ 1,096,084	\$ 1,096,084	\$ 1,096,084
77000	<b>Capital Outlays</b>	\$ -	\$ -	\$ -	\$ -	\$ -
79050	<b>Building Remodeling</b>	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures		\$ 1,347,940	\$ 1,783,687	\$ 1,820,187	\$ 1,492,163	\$ 1,843,587
* Estimates based on July 2018 through February 2019 actual expenditures and March 2019 budget amendments.						

## EXECUTIVE OFFICE

### WAYNE NASTRI EXECUTIVE OFFICER

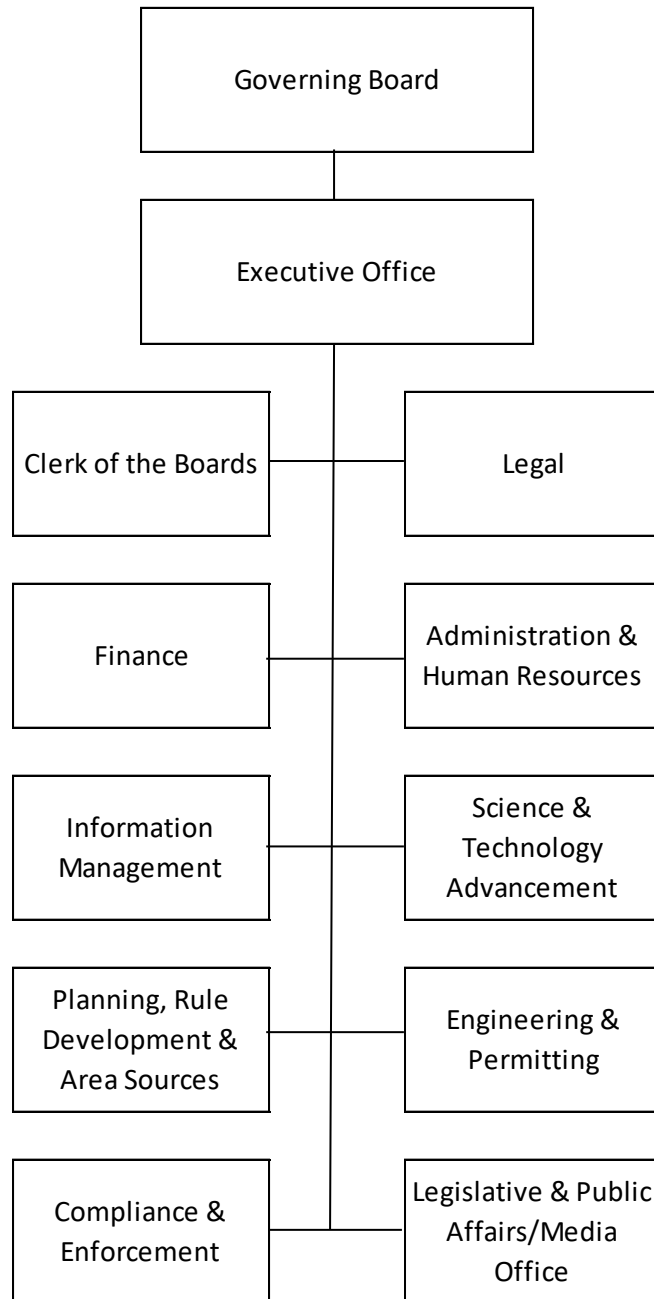
<b>At a Glance:</b>	
FY 2018-19 Adopted	\$1.5M
FY 2019-20 Budget	\$1.6M
% of FY 2019-20 Budget Total	0.9%
FTEs FY 2019-20 Budget	5

#### DESCRIPTION OF MAJOR SERVICES:

The Executive Office is responsible for the comprehensive management of the South Coast AQMD and the development and implementation of near-term and long-term strategies to attain ambient air quality standards. The Executive Office also translates set goals and objectives into effective programs and enforceable regulations that meet federal and state statutory requirements, while being sensitive to potential socioeconomic and environmental justice impacts in the South Coast Air Basin.

The Executive Office currently consists of the Executive Officer, Chief Operating Officer, and three support staff. The Executive Officer serves as Chief of Operations in implementing policy directed by the agency's 13-member Governing Board and in working proactively with state and federal regulatory officials. The Executive Officer also oversees all of the day-to-day administrative functions of staff and the annual operating budget.

**ORGANIZATIONAL CHART:**





**POSITION SUMMARY: 5 FTEs**

Executive Office Unit	Amended FY 2018-19	Change	Budget FY 2019-20
Administration	5	-	5

**POSITION DETAIL:**

<u>FTEs</u>	<u>Title</u>
1	Chief Operating Officer
1	Executive Officer
<u>3</u>	Executive Secretary
5	Total FTEs

Executive Office Work Program by Office								
#	Program Code	Program Categories	Program	Activities	FTEs FY 2018-19	+/-	FTEs FY 2019-20	Revenue Categories
1	03 1010	Develop Programs	AQMP	Develop/Implement AQMP	0.05	0.00	0.05	II,IX
2	03 028	Develop Programs	Admin/SCAQMD Policy	Dev/Coord Goals/Policies/Overs	0.44	0.00	0.44	Ia
3	03 038	Operational Support	Admin/Office Management	Budget/Program Management	1.00	0.00	1.00	Ib
4	03 083	Policy Support	Hlth Effects Air Pollution Fou	Health Effects Air Poll Foundation Support	0.01	0.00	0.01	Ia
5	03 275	Policy Support	Governing Board	Board/Committee Support	1.72	0.00	1.72	Ia
6	03 381	Policy Support	Interagency Liaison	Local/State/Fed Coord/Interact	0.71	0.00	0.71	Ia,IX
7	03 410	Policy Support	Legislation	Testimony/Mtgs:New/Current Leg	0.03	0.00	0.03	Ia,IX
8	03 416	Policy Support	Legislative Activities	Supp/Promote/Influence Legis/Adm	0.03	0.00	0.03	Ia
9	03 490	Customer Service and Business Assistance	Outreach	Publ Awareness Clean Air Prog	0.97	0.00	0.97	Ia
10	03 565	Customer Service and Business Assistance	Public Records Act	Comply w/ Public Req for Info	0.01	0.00	0.01	Ia
11	03 855	Operational Support	Web Tasks	Create/edit/review web content	0.03	0.00	0.03	Ia
Total Executive Office					5.00	-	5.00	

Executive Office Line Item Expenditure						
Major Object / Account # / Account Description		FY 2017-18 Actuals	FY 2018-19 Adopted Budget	FY 2018-19 Amended Budget	FY 2018-19 Estimate *	FY 2019-20 Adopted Budget
<b>Salary &amp; Employee Benefits</b>						
51000-52000	Salaries	\$ 949,223	\$ 847,771	\$ 860,952	\$ 860,952	\$ 868,518
53000-55000	Employee Benefits	504,450	452,281	475,542	475,542	462,846
Sub-total Salary & Employee Benefits		\$ 1,453,674	\$ 1,300,052	\$ 1,336,494	\$ 1,336,494	\$ 1,331,364
<b>Services &amp; Supplies</b>						
67250	Insurance	\$ -	\$ -	\$ -	\$ -	\$ -
67300	Rents & Leases Equipment	-	-	-	-	-
67350	Rents & Leases Structure	-	-	-	-	-
67400	Household	-	-	-	-	-
67450	Professional & Special Services	4,490	75,000	150,000	150,000	75,000
67460	Temporary Agency Services	-	-	-	-	-
67500	Public Notice & Advertising	-	7,500	7,500	7,500	7,500
67550	Demurrage	-	-	-	-	-
67600	Maintenance of Equipment	-	400	400	400	400
67650	Building Maintenance	-	-	-	-	-
67700	Auto Mileage	606	800	800	800	800
67750	Auto Service	-	-	-	-	-
67800	Travel	60,739	77,000	77,000	77,000	77,000
67850	Utilities	-	-	-	-	-
67900	Communications	5,691	6,500	6,500	6,500	6,500
67950	Interest Expense	-	-	-	-	-
68000	Clothing	-	-	-	-	-
68050	Laboratory Supplies	-	-	-	-	-
68060	Postage	84	7,000	7,000	7,000	7,000
68100	Office Expense	1,024	6,300	6,300	6,300	6,300
68200	Office Furniture	-	-	-	-	-
68250	Subscriptions & Books	-	5,000	5,000	5,000	5,000
68300	Small Tools, Instruments, Equipment	-	-	-	-	-
68400	Gas and Oil	-	-	-	-	-
69500	Training/Conference/Tuition/ Board Exp.	3,695	1,000	1,000	1,000	1,000
69550	Memberships	38,000	26,000	26,000	26,000	26,000
69600	Taxes	-	-	-	-	-
69650	Awards	-	-	-	-	-
69700	Miscellaneous Expenses	361	25,000	25,000	25,000	25,000
69750	Prior Year Expense	-	-	-	-	-
69800	Uncollectable Accounts Receivable	-	-	-	-	-
89100	Principal Repayment	-	-	-	-	-
Sub-total Services & Supplies		\$ 114,690	\$ 237,500	\$ 312,500	\$ 312,500	\$ 237,500
77000	<b>Capital Outlays</b>	\$ -	\$ -	\$ -	\$ -	\$ -
79050	<b>Building Remodeling</b>	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures		\$ 1,568,363	\$ 1,537,552	\$ 1,648,994	\$ 1,648,994	\$ 1,568,864
* Estimates based on July 2018 through February 2019 actual expenditures and March 2019 budget amendments.						



**SOUTH COAST**  
**AIR QUALITY MANAGEMENT DISTRICT**

## DISTRICT GENERAL

<b>At a Glance:</b>	
FY 2018-2019 Adopted	\$16.4M
FY 2019-20 Budget	\$16.7M
% of FY2019-20 Budget Total	9.8%
FTEs FY 2019-20 Budget	N/A

Accounts associated with general operations of the South Coast AQMD are budgeted and tracked in District General. Included are such items as retirement payouts, principal and interest payments, insurance, utilities, taxes, housekeeping, security, and building maintenance and improvements.

District General Line Item Expenditure						
Major Object / Account # / Account Description		FY 2017-18 Actuals	FY 2018-19 Adopted Budget	FY 2018-19 Amended Budget	FY 2018-19 Estimate *	FY 2019-20 Adopted Budget
<b>Salary &amp; Employee Benefits</b>						
51000-52000	Salaries	\$ -	\$ 1,785,964	\$ 1,758,644	\$ 1,758,644	\$ 1,785,964
53000-55000	Employee Benefits	261,663	480,000	480,000	393,271	480,000
Sub-total Salary & Employee Benefits		\$ 261,663	\$ 2,265,964	\$ 2,238,644	\$ 2,151,915	\$ 2,265,964
<b>Services &amp; Supplies</b>						
67250	Insurance	\$ 1,518,801	\$ 1,317,400	\$ 1,382,900	\$ 1,382,900	\$ 1,317,400
67300	Rents & Leases Equipment	32,263	117,000	117,000	117,000	117,000
67350	Rents & Leases Structure	-	-	-	-	-
67400	Household	654,326	755,866	755,866	755,866	809,388
67450	Professional & Special Services	1,060,050	1,215,975	1,215,975	1,215,975	1,254,852
67460	Temporary Agency Services	-	-	-	-	-
67500	Public Notice & Advertising	26,028	25,000	25,000	25,000	25,000
67550	Demurrage	-	100,000	100,000	100,000	100,000
67600	Maintenance of Equipment	280,350	403,654	403,654	403,654	403,654
67650	Building Maintenance	941,798	1,231,479	1,231,479	1,231,479	831,479
67700	Auto Mileage	16	-	-	-	-
67750	Auto Service	-	-	-	-	-
67800	Travel	-	-	-	-	-
67850	Utilities	1,397,050	1,959,620	2,147,788	2,147,788	1,959,620
67900	Communications	127,559	150,900	149,300	149,300	150,900
67950	Interest Expense	3,756,716	3,637,290	3,637,290	3,637,290	3,503,982
68000	Clothing	-	-	-	-	-
68050	Laboratory Supplies	-	-	-	-	-
68060	Postage	13,096	17,083	17,083	17,083	17,083
68100	Office Expense	315,598	288,200	278,200	278,200	288,200
68200	Office Furniture	3,990	4,000	4,000	4,000	4,000
68250	Subscriptions & Books	-	-	-	-	-
68300	Small Tools, Instruments, Equipment	353	-	-	-	-
68400	Gas and Oil	-	-	-	-	-
69500	Training/Conference/Tuition/ Board Exp.	-	-	-	-	-
69550	Memberships	-	-	-	-	-
69600	Taxes	32,876	56,000	56,000	56,000	56,000
69650	Awards	13,855	27,342	27,342	27,342	27,342
69700	Miscellaneous Expenses	15,080	14,375	14,375	14,375	14,375
69750	Prior Year Expense	(23,050)	-	-	-	-
69800	Uncollectable Accounts Receivable	410,438	-	-	-	-
89100	Principal Repayment	2,432,798	2,553,110	2,553,110	2,553,110	2,686,640
Sub-total Services & Supplies		\$ 13,009,992	\$ 13,874,294	\$ 14,116,362	\$ 14,116,362	\$ 13,566,915
77000	<b>Capital Outlays</b>	\$ 31,347	\$ 210,000	\$ 745,000	\$ 745,000	\$ 75,000
79050	<b>Building Remodeling</b>	\$ -	\$ -	\$ -	\$ -	\$ -
99950	<b>Transfers Out</b>	\$ 250,000	\$ -	\$ 2,063,229	\$ 2,063,229	\$ 841,353
Total Expenditures		\$ 13,553,003	\$ 16,350,258	\$ 19,163,235	\$ 19,076,506	\$ 16,749,232

\* Estimates based on July 2018 through February 2019 actual expenditures and March 2019 budget amendments.

## ADMINISTRATIVE & HUMAN RESOURCES

### A. JOHN OLVERA DEPUTY EXECUTIVE OFFICER

<b>At a Glance:</b>	
FY 2018-19 Adopted	\$6.5M
FY 2019-20 Budget	\$6.7M
% of FY 2019-20 Budget	3.9%
Total FTEs FY 2019-20 Budget	43

#### DESCRIPTION OF MAJOR SERVICES:

Administrative & Human Resources is comprised of several units: Employment & Labor Relations/Benefits & Records, Classification & Pay/Recruitment & Selection, Risk Management, Business Services, and Building Services. Human Resources units are responsible for planning and administering programs to maximize hiring, retention, and development of the highly-qualified employees necessary to meet South Coast AQMD's air quality goals. Risk Management is responsible for programs aimed at ensuring a healthful and safe work environment, including security, emergency preparedness, and business continuity programs; as well as programs to reduce liability and accident-related costs. Business Services oversees the administration of the South Coast AQMD headquarters facility services, its leases, the maintenance of fleet vehicles, and the management of Print Shop and Mail/Subscription services. Building Services is responsible for the maintenance and repair of the South Coast AQMD headquarters building, childcare center, field offices, air monitoring stations, and meteorological stations.

#### ACCOMPLISHMENTS:

##### RECENT:

- Administered employee benefits programs, including the successful transition to new online platforms for health insurance and the deferred compensation programs, and expanded wellness education programs.
- Conducted successful recruitment efforts for promotional opportunities and new hires.
- Completed reclassification studies; received Board approval for adoption or reclassification of 9 positions.
- Provided support and direction to management and staff with respect to adherence to relevant state and federal laws and South Coast AQMD policies, procedures and Memoranda of Understanding.
- Supported South Coast AQMD's Succession Planning program through the Executive Office.

## ADMINISTRATIVE & HUMAN RESOURCES (cont.)

- Initiated a new District-wide mentoring program.
- Administered the Governing Board Summer Intern Program.
- Conducted ergonomic workspace evaluations and other safety training programs.
- Implemented a Teleworking Pilot Program for employees.
- Held training on sexual harassment prevention and anti-bullying policies, as well as programs for career development and workforce education.
- Completed a Continuity of Operations Plan and Emergency Operations Plan.
- Completed a comprehensive Site Security Assessment.
- Completed new office construction and conference room updates.
- Completed work space design and reconfiguration on several floors.

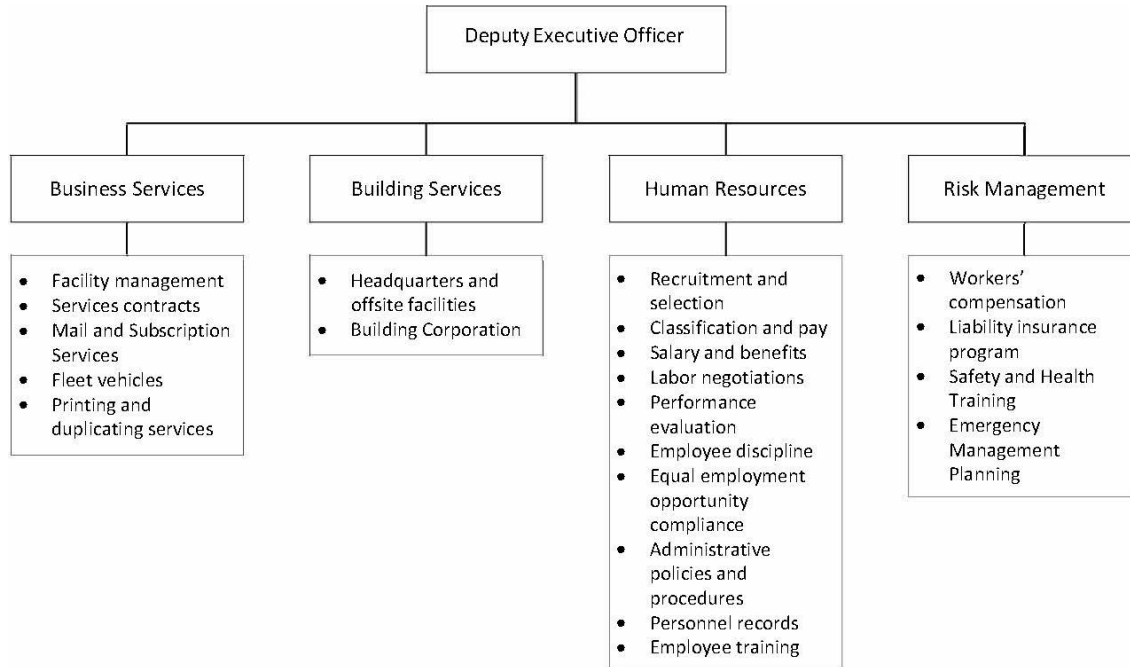
### **ANTICIPATED:**

- Continue to provide support and direction to management and staff with respect to adherence to relevant state and federal laws and South Coast AQMD policies, procedures and Memoranda of Understanding.
- Continue recruitment and selection efforts, and conduct classification studies.
- Provide training workshops for supervisors and managers.
- Implement the Continuity of Operations Plan and Emergency Operations Plan program.
- Implement the mentorship program.
- Transition from a pilot program to a fully adopted Teleworking Policy and Program.
- Conduct emergency preparedness drills.
- Continue updates and implementation of South Coast AQMD's Succession Planning program.
- Evaluate and plan for significant turnover of vehicle fleet due to CNG tank expiration.
- Install two 770-ton chillers at Diamond Bar headquarters.
- Install two 800-ton cooling towers at Diamond Bar headquarters.



## ADMINISTRATIVE & HUMAN RESOURCES (cont.)

### ORGANIZATIONAL CHART:



### POSITION SUMMARY: 43 FTEs

Administrative & Human Resources Units	Amended FY 2018-19	Change	Budget FY 2019-20
Office Administration	2	-	2
Business Services	14	-	14
Building Services	8	-	8
Career Development Interns	6	-	6
Classification & Pay/Recruitment & Selection	5	-	5
Employee & Labor Relations/Benefits & Records	6	-	6
Risk Management	2	-	2
<b>Total</b>	<b>43</b>	<b>-</b>	<b>43</b>

# ADMINISTRATIVE & HUMAN RESOURCES (cont.)

## POSITION DETAIL:

<u>FTEs</u>	<u>Title</u>
1	Building Maintenance Manager
1	Building Supervisor
1	Business Services Manager
6	Career Development Intern
1	Deputy Executive Officer/Administrative & Human Resources
1	Facilities Services Technician
1	Fleet Services Supervisor
2	Fleet Services Worker II
5	General Maintenance Worker
5	Human Resources Analyst
2	Human Resources Manager
2	Human Resources Technician
2	Mail Subscription Services Clerk
1	Mail Subscription Services Supervisor
1	Office Assistant
1	Offset Press Operator
2	Print Shop Duplicator
1	Print Shop Supervisor
1	Risk Manager
2	Secretary
1	Senior Administrative Secretary
2	Senior Office Assistant
<u>1</u>	Staff Specialist
43	Total FTEs

Administrative & Human Resources Work Program by Office								
#	Program Code	Program Categories	Program	Activities	FTEs FY 2018-19	+/-	FTEs FY 2019-20	Revenue Categories
1	16 026	Operational Support	SCAQMD Mail	Posting/Mailing/Delivery	2.30	0.00	2.30	la
2	16 035	Operational Support	AB 617-General	AB 617-General	2.00	1.00	3.00	XX
3	16 038	Operational Support	Admin/Office Management	Reports/Proj/Budget/Contracts	3.85	0.00	3.85	lb
4	16 060	Operational Support	Equal Employment Opportunity	Program Dev/Monitor/Reporting	0.10	0.00	0.10	la
5	16 080	Ensure Compliance	Auto Services	Vehicle/Radio Repair & Maint	3.00	0.00	3.00	la
6	16 090	Operational Support	Building Maintenance	Repairs & Preventative Maint	7.00	1.00	8.00	la
7	16 092	Operational Support	Business Services	Building Services Admin/Contracts	2.55	0.00	2.55	la
8	16 225	Operational Support	Employee Benefits	Benefits Analysis/Orient/Records	1.50	0.00	1.50	la
9	16 226	Operational Support	Classification & Pay	Class & Salary Studies	0.30	0.00	0.30	la
10	16 228	Operational Support	Recruitment & Selection	Recruit Candidates for SCAQMD	3.25	0.00	3.25	la
11	16 232	Operational Support	Position Control	Track Positions/Workforce Analsys	0.55	0.00	0.55	la
12	16 233	Operational Support	Employee Relations	Meet/Confer/Labor-Mgmt/Grievance	2.20	0.00	2.20	la
13	16 255	Operational Support	Facilities Services	Phones/Space/keys/Audio-Visual	1.00	0.00	1.00	la
14	16 457	Advance Clean Air Technology	MS/Carl Moyer Admin	C Moyer/Contractor Compliance	0.10	0.00	0.10	IX
15	16 540	Customer Service and Business Assistance	Print Shop	Printing/Collating/Binding	4.00	0.00	4.00	la
16	16 542	Advance Clean Air Technology	Prop 1B:Goods Movement	Prop 1B: Goods Movement	0.10	0.00	0.10	IX
17	16 565	Customer Service and Business Assistance	Public Records Act	Comply w/ Public Rec Requests	0.05	0.00	0.05	la
18	16 640	Operational Support	Risk Management	Liab/Property/Wk Comp/Selfins	2.25	0.00	2.25	la
19	16 717	Policy Support	Student Interns	Gov Board/Student Intern Program	0.20	4.00	4.20	la
20	16 720	Customer Service and Business Assistance	Subscription Services	Rule & Gov Board Materials	1.70	-1.00	0.70	IV,XVII
Total Administrative & Human Resources					38.00	5.00	43.00	

Administrative & Human Resources Line Item Expenditure						
Major Object / Account # / Account Description		FY 2017-18 Actuals	FY 2018-19 Adopted Budget	FY 2018-19 Amended Budget	FY 2018-19 Estimate *	FY 2019-20 Adopted Budget
<b>Salary &amp; Employee Benefits</b>						
51000-52000	Salaries	\$ 3,051,947	\$ 3,291,547	\$ 3,350,913	\$ 3,297,111	\$ 3,413,047
53000-55000	Employee Benefits	1,731,417	1,987,321	1,987,320	1,987,320	2,122,658
Sub-total Salary & Employee Benefits		\$ 4,783,364	\$ 5,278,868	\$ 5,338,233	\$ 5,284,431	\$ 5,535,704
<b>Services &amp; Supplies</b>						
67250	Insurance	\$ -	\$ -	\$ -	\$ -	\$ -
67300	Rents & Leases Equipment	108,209	41,600	41,600	41,600	41,600
67350	Rents & Leases Structure	-	-	-	-	-
67400	Household	404	5,284	5,284	5,284	5,284
67450	Professional & Special Services	147,411	151,750	256,479	256,479	151,750
67460	Temporary Agency Services	61,837	17,000	67,000	67,000	17,000
67500	Public Notice & Advertising	63,638	12,066	12,066	12,066	12,066
67550	Demurrage	-	-	-	-	-
67600	Maintenance of Equipment	28,506	5,500	5,500	5,500	5,500
67650	Building Maintenance	2,297	-	-	-	-
67700	Auto Mileage	6,911	4,200	7,200	7,200	4,200
67750	Auto Service	573,247	470,000	470,000	470,000	470,000
67800	Travel	3,848	2,500	2,500	2,500	2,500
67850	Utilities	-	-	-	-	-
67900	Communications	15,878	21,900	21,900	21,900	21,900
67950	Interest Expense	-	-	-	-	-
68000	Clothing	13,142	10,808	10,808	10,808	10,808
68050	Laboratory Supplies	1,156	-	-	-	-
68060	Postage	3,355	5,469	5,469	5,469	5,469
68100	Office Expense	143,155	111,300	108,200	108,200	111,300
68200	Office Furniture	172,129	-	-	-	-
68250	Subscriptions & Books	654	2,520	2,520	2,520	2,520
68300	Small Tools, Instruments, Equipment	6,974	5,030	5,030	5,030	5,030
68400	Gas and Oil	188,215	292,021	292,021	292,021	292,021
69500	Training/Conference/Tuition/ Board Exp.	31,075	15,062	15,062	15,062	15,062
69550	Memberships	1,357	3,265	3,265	3,265	3,265
69600	Taxes	-	-	100	100	-
69650	Awards	342	-	-	-	-
69700	Miscellaneous Expenses	13,219	12,000	12,000	12,000	12,000
69750	Prior Year Expense	(962)	-	-	-	-
69800	Uncollectable Accounts Receivable	-	-	-	-	-
89100	Principal Repayment	-	-	-	-	-
Sub-total Services & Supplies		\$ 1,585,998	\$ 1,189,275	\$ 1,344,004	\$ 1,344,004	\$ 1,189,275
77000	<b>Capital Outlays</b>	\$ -	\$ -	\$ -	\$ -	\$ -
79050	<b>Building Remodeling</b>	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures		\$ 6,369,363	\$ 6,468,143	\$ 6,682,237	\$ 6,628,435	\$ 6,724,979
* Estimates based on July 2018 through February 2019 actual expenditures and March 2019 budget amendments.						

## CLERK OF THE BOARDS

### DENISE GARZARO CLERK OF THE BOARDS

At a Glance:	
FY 2018-19 Adopted	\$1.4M
FY 2019-20 Budget	\$1.4M
% of FY 2019-20 Budget Total	0.8%
FTEs FY 2019-20 Budget	6

#### DESCRIPTION OF MAJOR SERVICES:

Clerk of the Boards coordinates the activities, provides operational support, and maintains the official records for both the Governing Board and the Hearing Board. The Office is responsible for preparing the legal notices for hearings and meetings, and ensuring that such notices are published as required. Clerk of the Boards' staff assist petitioners and attorneys in the filing of petitions before the Hearing Board and explain the Hearing Board's functions and procedures. Staff prepares Minute Orders, Findings and Decisions of the Hearing Board, and Summary Minutes of Governing Board meetings. The Clerk acts as communication liaison for the Boards with South Coast AQMD staff and state and federal agencies.

#### ACCOMPLISHMENTS:

##### RECENT

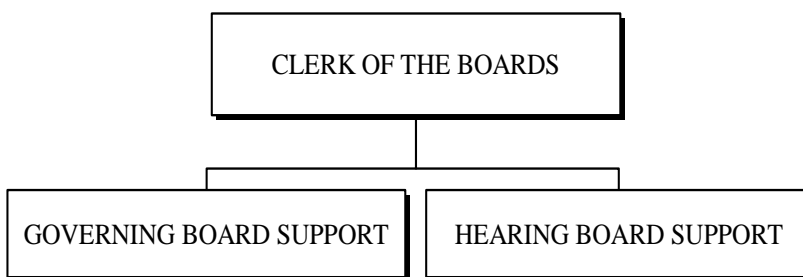
- Received and processed 77 subpoenas, public/administrative records requests, and claims against the South Coast AQMD.
- Provided support for 12 Governing Board meetings, including: preparing an agenda and minutes for each meeting; preparation, distribution, and publication of 28 meeting and public hearing notices; preparation of 26 Board Resolutions.
- Provided support for 85 hearings, pre-hearing conferences, and general meetings held by the Hearing Board, including: processing 80 petitions; preparation, distribution, and publication of 60 meeting and public hearing notices; preparation of 110 Minute Orders, Findings & Decisions, Pre-hearing Memoranda, and General Meeting Reports of Actions; and preparation and distribution of 100 daily agendas and monthly case calendars.
- Planned/coordinated efforts and provided clerical support for special offsite meetings, including: Governing Board – Mobile Board Meeting 10/6/2017 in Los Angeles, Board Retreat 5/10-5/11/18 in Indian Wells.

## CLERK OF THE BOARDS (cont.)

### ANTICIPATED:

- Provide support for approximately 75 hearings, pre-hearing conferences, and general meetings held by the Hearing Board, including: processing approximately 90 petitions; preparation, distribution, and publication of 100 meeting and public hearing notices; preparation of over 100 Minute Orders, Findings and Decisions, Pre-hearing Memoranda, and General Meeting Reports of Actions; and preparing and distributing more than 120 daily agendas and monthly case calendars. Provide support for 12 Governing Board meetings, including preparation of meeting agendas, minutes and Board Resolutions.

### ORGANIZATIONAL CHART:



### POSITION SUMMARY: 6 FTEs

Clerk of the Boards Unit	Amended FY 2018-19	Change	Budget FY 2019-20
Governing/Hearing Board Support	6	-	6

### POSITION DETAIL:

<u>FTEs</u>	<u>Title</u>
1	Clerk of the Board
3	Deputy Clerk/Transcriber
1	Office Assistant
<u>1</u>	Senior Deputy Clerk
6	Total FTEs

Clerk of the Boards Work Program by Office								
	Program Code	Program Categories	Program	Activities	FTEs FY 2018-19	+/-	FTEs FY 2019-20	Revenue Categories
1	17 024	Operational Support	Admin/SCAQMD/GB/HB Mgmt	Admin Governing/Hearing Brds	1.25	0.00	1.25	la,VII,XV
2	17 275	Operational Support	Governing Board	Attend/Record/Monitor Meetings	1.40	0.00	1.40	la
3	17 364	Ensure Compliance	Hearing Board/Abatement Orders	Attnnd/Recrd/Monitr Mtgs	0.10	0.00	0.10	IV
4	17 365	Ensure Compliance	Hearing Board/Variances/Appeal	Attend/Record/Monitor HB Mtgs	3.20	0.00	3.20	IV,V,VII
5	17 565	Customer Service and Business Assistance	Public Records Act	Comply w/ Public Rec Requests	0.02	0.00	0.02	la
6	17 855	Operational Support	Web Tasks	Create/edit/review web content	0.03	0.00	0.03	la

<b>Total Clerk of the Boards</b>				6.00	-	6.00
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Clerk of the Boards Line Item Expenditure						
Major Object / Account # / Account Description		FY 2017-18 Actuals	FY 2018-19 Adopted Budget	FY 2018-19 Amended Budget	FY 2018-19 Estimate *	FY 2019-20 Adopted Budget
<b>Salary &amp; Employee Benefits</b>						
51000-52000	Salaries	\$ 408,637	\$ 397,406	\$ 404,908	\$ 404,908	\$ 408,778
53000-55000	Employee Benefits	276,675	294,250	294,249	294,249	291,875
Sub-total Salary & Employee Benefits		\$ 685,312	\$ 691,656	\$ 699,157	\$ 699,157	\$ 700,653
<b>Services &amp; Supplies</b>						
67250	Insurance	\$ -	\$ -	\$ -	\$ -	\$ -
67300	Rents & Leases Equipment	-	-	-	-	-
67350	Rents & Leases Structure	-	-	-	-	-
67400	Household	-	-	-	-	-
67450	Professional & Special Services	17,385	85,200	85,200	85,200	85,200
67460	Temporary Agency Services	-	-	-	-	-
67500	Public Notice & Advertising	21,879	40,000	40,000	40,000	40,000
67550	Demurrage	-	-	-	-	-
67600	Maintenance of Equipment	-	200	200	200	200
67650	Building Maintenance	-	-	-	-	-
67700	Auto Mileage	72	100	100	100	100
67750	Auto Service	-	-	-	-	-
67800	Travel	399	200	200	200	200
67850	Utilities	-	-	-	-	-
67900	Communications	154	500	500	500	500
67950	Interest Expense	-	-	-	-	-
68000	Clothing	-	-	-	-	-
68050	Laboratory Supplies	-	-	-	-	-
68060	Postage	424	1,200	1,200	1,200	1,200
68100	Office Expense	1,890	6,600	6,600	6,600	6,600
68200	Office Furniture	-	-	-	-	-
68250	Subscriptions & Books	-	-	-	-	-
68300	Small Tools, Instruments, Equipment	-	-	-	-	-
68400	Gas and Oil	-	-	-	-	-
69500	Training/Conference/Tuition/ Board Exp.	579,703	584,920	584,920	584,920	584,920
69550	Memberships	160	300	300	300	300
69600	Taxes	-	-	-	-	-
69650	Awards	-	-	-	-	-
69700	Miscellaneous Expenses	94	500	500	500	500
69750	Prior Year Expense	-	0	-	-	-
69800	Uncollectable Accounts Receivable	-	-	-	-	-
89100	Principal Repayment	-	-	-	-	-
Sub-total Services & Supplies		\$ 622,159	\$ 719,720	\$ 719,720	\$ 719,720	\$ 719,720
77000	<b>Capital Outlays</b>	\$ -	\$ -	\$ -	\$ -	\$ -
79050	<b>Building Remodeling</b>	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures		\$ 1,307,471	\$ 1,411,376	\$ 1,418,877	\$ 1,418,877	\$ 1,420,373
* Estimates based on July 2018 through February 2019 actual expenditures and March 2019 budget amendments.						



## COMPLIANCE & ENFORCEMENT

### MARIAN COLEMAN DEPUTY EXECUTIVE OFFICER

<b>At a Glance:</b>	
FY 2018-19 Adopted	\$20.7M
FY 2019-20 Budget	\$21.0M
% of FY 2019-20 Budget Total	12.3%
FTEs FY 2019-20 Budget	155

#### DESCRIPTION OF MAJOR SERVICES:

Compliance and Enforcement (C&E) ensures public health by conducting unannounced field inspections to verify compliance with South Coast AQMD, state and federal rules and regulations and investigating air quality complaints and equipment breakdowns. Title V and RECLAIM sources are inspected at least annually, with the exception of select industries targeted for more frequent evaluation (e.g., at least quarterly inspection of chrome plating facilities). All other 24,000 stationary sources and 13,000 PERP engines/equipment are inspected at least once every three years. Notices to Comply are issued when additional information is required of a source to determine compliance, and for minor administrative violations. Notices of Violation are issued for more serious, typically emissions-based violations. Other activities include participation in Emergency Response and joint inspection activities with other agencies, providing expert testimony before the South Coast AQMD Hearing Board, and conducting training classes for the public and regulated community.

#### ACCOMPLISHMENTS:

##### RECENT:

- Completed 219 inspections of chrome plating facilities (quarterly inspections of 108 facilities).
- Completed 99 Title V facility inspections.
- Completed 214 RECLAIM facility audits.
- Completed inspections of 3,131 other permitted stationary source facilities.
- Completed inspections of 1,504 PERP-registered engines/ equipment.
- Completed eight "Blue Sky" team inspections at refineries.
- Responded to 5,333 complaints (97% of those received).
- Responded to 434 breakdown notifications (79% of those received).
- Conducted 11 multi-agency targeted inspections.

## **COMPLIANCE & ENFORCEMENT (cont.)**

- Hosted and presented a compliance symposium on Title V requirements to the regulated community.
- Issued 1,579 Notices to Comply and 2,061 Notices of Violation.
- Conducted 29 training classes for members of the public and the regulated community.
- Promoted one AQ Inspector II to Staff Specialist and six AQ Inspectors II to AQ Inspector II, and hired 16 new AQ Inspectors.

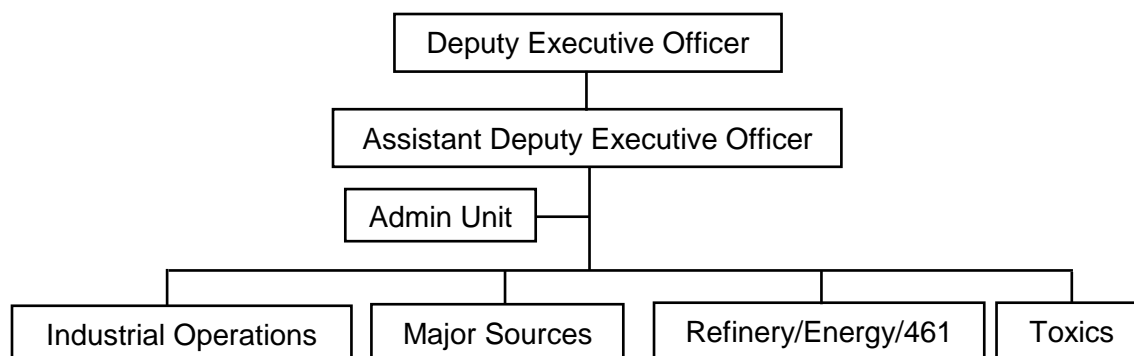
\*FY 2018-19, through December 31, 2018

### **ANTICIPATED:**

- Asbestos Strike Force
  - Double the number of asbestos notification inspections from 1,300 to 2,600.
- Marine Vessel & Terminal Inspection Program (Operation Sea Force)
  - Reduce the number of ships in South Coast AQMD waters that vent due to poor maintenance.
  - Attempt weekly inspection of ships for Rule 1142 compliance.
- Complaint Resolution Team Pilot Program
  - Cut the first contact complaint response time in half from the current average of 2 hours down to 1 hour.
  - Increase number of non-Title V/non-RECLAIM inspections from 5,000 annually (current frequency is once every 4 years) to 10,000 annually (proposed frequency once every 2 years).
  - Perform idling truck sweeps, residential burning sweeps and participate in AB 617 complaint investigations.
- Conduct additional multi-agency inspection sweeps to identify and confirm possible sources of excess Cr6 emissions in other communities.
- Reduce paperwork and streamline the report writing process to increase inspection efficiencies.
- Improve timeliness of complaint response.
- Efficiently move NOV reports to the General Counsel's office.
- Work closely with the General Counsel's office to address significant violations.
- Work closely with monitoring and rule-making staff to identify, assess, and address facilities with high emissions.
- Update policies and procedures governing enforcement actions.

## COMPLIANCE & ENFORCEMENT (cont.)

### ORGANIZATIONAL CHART:



### POSITION SUMMARY: 155 FTEs

Office of Compliance and Enforcement Units	Amended FY 2018-19	Change	Budget FY 2019-20
Major Sources	22	-	22
Industrial Operations	52	-	52
Refinery/Energy/461	38	-	38
Toxics	35	-	35
Senior Admin/Staff	8	-	8
Total	155	-	155

### STAFFING DETAIL:

<u>FTEs</u>	<u>Title</u>
6	AQ Analysis & Compliance Supervisor
91	AQ Inspector II
15	AQ Inspector III
1	Assistant Deputy Executive Officer
1	Deputy Executive Officer
10	Office Assistant
2	Senior Office Assistant
4	Senior Enforcement Manager
1	Staff Assistant
3	Staff Specialist
2	Senior Administrative Secretary
2	Secretary
<u>17</u>	Supervising AQ Inspector
155	Total Adopted Positions

**Compliance & Enforcement  
Work Program by Office**

	Program Code	Program Categories	Program	Activities	FTEs FY 2018-19	+/-	FTEs FY 2019-20	Revenue Categories
1	60	032	Ensure Compliance	AB617-Compliance	0.00	8.00	8.00	XX
1	60	038	Customer Service and Business Assistance	Admin/Office Budget	7.00	-1.00	6.00	Ib
2	60	047	Customer Service and Business Assistance	Admin/Operations Support	4.90	0.00	4.90	Ib
3	60	070	Ensure Compliance	CARB PERP Program	6.00	0.00	6.00	XIX
4	60	148	Policy Support	Climate Change	0.00	0.00	0.00	IV,IX
5	60	152	Ensure Compliance	Compliance/IM Related Activiti	0.50	0.00	0.50	IV
6	60	155	Ensure Compliance	Compliance Guidelines	1.50	0.00	1.50	IV
7	60	157	Ensure Compliance	Compliance/Special Projects	3.00	0.00	3.00	II
8	60	158	Ensure Compliance	Compliance Testing	1.00	0.00	1.00	IV
9	60	210	Monitoring Air Quality	Emergency Response	0.10	0.00	0.10	IV,XV
10	60	276	Policy Support	Board Committees	0.15	0.00	0.15	Ia
11	60	365	Ensure Compliance	Hearing Bd/Variances	2.00	0.00	2.00	VII
12	60	375	Ensure Compliance	Inspections	88.00	-3.00	85.00	II,V,XV
13	60	377	Ensure Compliance	Inspections/RECLAIM Audits	14.00	0.00	14.00	II,IV
14	60	416	Policy Support	Legislative Activities	0.00	0.00	0.00	Ia
15	60	492	Customer Service and Business Assistance	Outreach/Business	0.20	0.00	0.20	IX
16	60	539	Ensure Compliance	Procedure 5 Review	0.40	0.00	0.40	XVII
17	60	550	Ensure Compliance	Public Complaints/Breakdowns	10.00	-1.00	9.00	II,IV,V,XV
18	60	565	Customer Service and Business Assistance	Public Records Act	3.00	0.00	3.00	Ia
19	60	605	Ensure Compliance	RECLAIM/Admin Support	0.50	0.00	0.50	II,III,IV,XV
20	60	657	Develop Rules	Rulemaking/Support PRA	1.00	0.00	1.00	IV,XV
21	60	678	Ensure Compliance	School Siting	0.00	0.00	0.00	IV
22	60	690	Customer Service and Business Assistance	Source Education	0.40	0.00	0.40	III,IV,V,XV
23	60	717	Policy Support	Student Interns	0.05	0.00	0.05	Ia
24	60	751	Ensure Compliance	Title III Inspections	0.00	0.00	0.00	IV
25	60	771	Ensure Compliance	Title V	4.50	0.00	4.50	II,IV
26	60	791	Ensure Compliance	Toxics/AB2588	0.10	0.00	0.10	X
27	60	805	Operational Support	Training	2.00	0.00	2.00	Ib
28	60	825	Operational Support	Union Negotiations	0.10	0.00	0.10	Ia
29	60	826	Operational Support	Union Steward Activities	0.10	0.00	0.10	Ia
30	60	855	Operational Support	Web Tasks	1.50	0.00	1.50	Ia

**Total Compliance & Enforcement**

152.00	3.00	155.00
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Compliance & Enforcement Line Item Expenditure					
Major Object / Account # / Account Description	FY 2017-18 Actuals	FY 2018-19 Adopted Budget	FY 2018-19 Amended Budget	FY 2018-19 Estimate *	FY 2019-20 Adopted Budget
<b>Salary &amp; Employee Benefits</b>					
51000-52000 Salaries	\$ 11,708,324	\$ 12,786,732	\$ 13,000,474	\$ 12,281,680	\$ 13,046,309
53000-55000 Employee Benefits	5,874,708	7,439,606	7,439,607	6,909,922	7,574,368
Sub-total Salary & Employee Benefits	\$ 17,583,032	\$ 20,226,338	\$ 20,440,081	\$ 19,191,601	\$ 20,620,677
<b>Services &amp; Supplies</b>					
67250 Insurance	\$ -	\$ -	\$ -	\$ -	\$ -
67300 Rents & Leases Equipment	-	-	-	-	-
67350 Rents & Leases Structure	101,090	106,791	109,791	109,791	111,543
67400 Household	-	-	-	-	-
67450 Professional & Special Services	13,853	15,500	20,945	20,945	19,500
67460 Temporary Agency Services	17,260	2,000	2,000	2,000	2,000
67500 Public Notice & Advertising	-	-	-	-	-
67550 Demurrage	-	250	250	250	250
67600 Maintenance of Equipment	300	26,000	28,000	28,000	34,000
67650 Building Maintenance	-	-	-	-	-
67700 Auto Mileage	474	1,000	1,000	1,000	1,000
67750 Auto Service	-	1,000	1,000	1,000	1,000
67800 Travel	8,392	15,000	16,000	16,000	15,000
67850 Utilities	-	-	-	-	-
67900 Communications	59,169	117,350	117,350	117,350	117,350
67950 Interest Expense	-	-	-	-	-
68000 Clothing	13,691	30,685	36,185	36,185	31,297
68050 Laboratory Supplies	8,886	12,000	14,500	14,500	12,000
68060 Postage	10,911	3,000	3,000	3,000	11,645
68100 Office Expense	42,195	11,005	10,686	10,686	9,355
68200 Office Furniture	9,893	-	1,000	1,000	2,000
68250 Subscriptions & Books	150	400	1,600	1,600	400
68300 Small Tools, Instruments, Equipment	3,833	15,769	13,769	13,769	15,460
68350 Film	-	-	-	-	-
68400 Gas and Oil	-	-	-	-	-
69500 Training/Conference/Tuition/ Board Exp.	46,730	25,450	37,450	37,450	25,550
69550 Memberships	-	750	750	750	250
69600 Taxes	-	-	-	-	-
69650 Awards	-	-	-	-	-
69700 Miscellaneous Expenses	1,734	5,000	6,000	6,000	5,750
69750 Prior Year Expense	(298)	-	-	-	-
69800 Uncollectable Accounts Receivable	-	-	-	-	-
89100 Principal Repayment	-	-	-	-	-
Sub-total Services & Supplies	\$ 338,262	\$ 388,950	\$ 421,276	\$ 421,276	\$ 415,350
77000 <b>Capital Outlays</b>	\$ 564,579	\$ 80,000	\$ 200,000	\$ 200,000	\$ -
79050 <b>Building Remodeling</b>	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ 18,485,873	\$ 20,695,288	\$ 21,061,357	\$ 19,812,877	\$ 21,036,027
* Estimates based on July 2018 through February 2019 actual expenditures and March 2019 budget amendments.					



**SOUTH COAST**  
**AIR QUALITY MANAGEMENT DISTRICT**

## ENGINEERING & PERMITTING

### LAKI TISOPULOS DEPUTY EXECUTIVE OFFICER

At a Glance:	
FY 2018-19 Adopted	\$25.4M
FY 2019-20 Budget	\$25.7M
% of FY 2019-20 Budget	15.0%
Total FTEs FY 2019-20 Budget	161

#### DESCRIPTION OF MAJOR SERVICES:

Engineering & Permitting (E&P) is responsible for processing applications for Permits to Construct & Operate, and special services. The permit processing activities involve nearly 400 major facilities that have been issued Title V Federal Operating permits, almost 300 facilities in the RECLAIM program, and over 27,000 large and small business operations. In addition, staff also participate in activities with other agencies, assist with Economic Development and Business Retention programs, provide engineering support to other divisions, and evaluate and implement permit backlog reduction and permit streamlining activities, including automation and other permit processing modernization efforts.

#### ACCOMPLISHMENTS:

##### RECENT:

- Successfully implemented the Action Plan to reduce the permit application backlog and total pending permit applications, improved permit processing efficiency and timely issuance of permits.
- Since the commencement of the backlog reduction effort in July 2016, reduced total pending applications by over 50%, from more than 7,300 to less than 3,800 pending applications by April 2018, ahead of the July 2018 target date.
- Completed the permit backlog reduction effort by meeting and exceeding the following goals:
  - Reduced pending applications to less than 3,800 by end of FY 2017-18 and less than 3,600 by October 2018 (reached goal in May 2018);
  - Processed more than 1,800 Permits to Construct and a total of 7,500 applications for Permits, Plans, and ERCs during FY 2017-18 (achieved 2,081 and 8,624 respectively, exceeding goals by 23% and 16%);
  - Focused on reducing last remaining aged permit applications to extent possible; and

## ENGINEERING & PERMITTING (cont.)

- Reduced pending applications beyond targets established in Action Plan to establish a cushion to help address additional incoming permit applications anticipated from RECLAIM program phase-out over the next one to three years.
- Excluding Permits to Construct issued, reduced pending application inventory to less than 2,400 meeting the 2,500 - 3,000 target for FY 2018-19.
- Reduced the permit application average residence time by over 33% following initiation of the backlog reduction effort.
- Improved the timely completion rate for new permit applications by nearly 10% over the past year and 30% since the initiation of the backlog reduction effort as determined by the number of new applications completed within 180 days of being deemed complete.
- Issued over 175 Title V renewal and modification permits in calendar year 2018.
- Continued program to recognize top performing individuals and teams to help maintain high morale and acknowledge performance.
- Continued development of Online Permit Processing tools and other automation efforts. Deployed online permitting tool for gasoline dispensing facilities and automotive refinishing spray booths and issued South Coast AQMD's first online permits for gasoline dispensing facilities, while continuing to support online permitting for dry cleaning equipment.
- Maintained Division's Permit Streamlining goal of application delivery to Permitting Teams within 4 business days.
- Continued implementation of EPA Title V Program Audit Findings Action Plan.
- Posted over 65% of the Title V permits to the internet for online public access.
- Participated in public meetings to address public concerns regarding high toxic risks and emissions.
- Supported Compliance and Enforcement staff in investigations and inspections of potential hexavalent chromium and other toxic air contaminant-emitting sources.
- Assisted in developing and amending South Coast AQMD Rules and Regulations such as Reg. III, Reg. XI, Reg. XIV, including Rule 1469, and other BARCT rules called for under AB 617, including Reg. XX.
- Provided Pre- and Post-application conferences to help permit applicants.
- Participated, reviewed and provided permit remedies to permit holders throughout Calendar Year 2018 from Fee Review cases.
- Provided technical support to IM to test and troubleshoot CLASS programs issues, including working to test and verify assessment of fees for new Reg. XX requirements under the Regulation III amendment.
- Successfully provided engineering support and/or expert testimony in Hearing Board cases throughout calendar year 2018.
- Organized and administered the annual Certified Permit Processing Professional (CPP) exam for 11 participants. Certified four new CPP holders as well as provided support to 161 existing CPP holders.
- Prepared Federal New Source Review (NSR) Equivalency Determination Reports pursuant to Rule 1315.
- Prepared annual report on the NO<sub>x</sub> and SO<sub>x</sub> RECLAIM Program in accordance with Rule 2015.



## ENGINEERING & PERMITTING (cont.)

### ANTICIPATED:

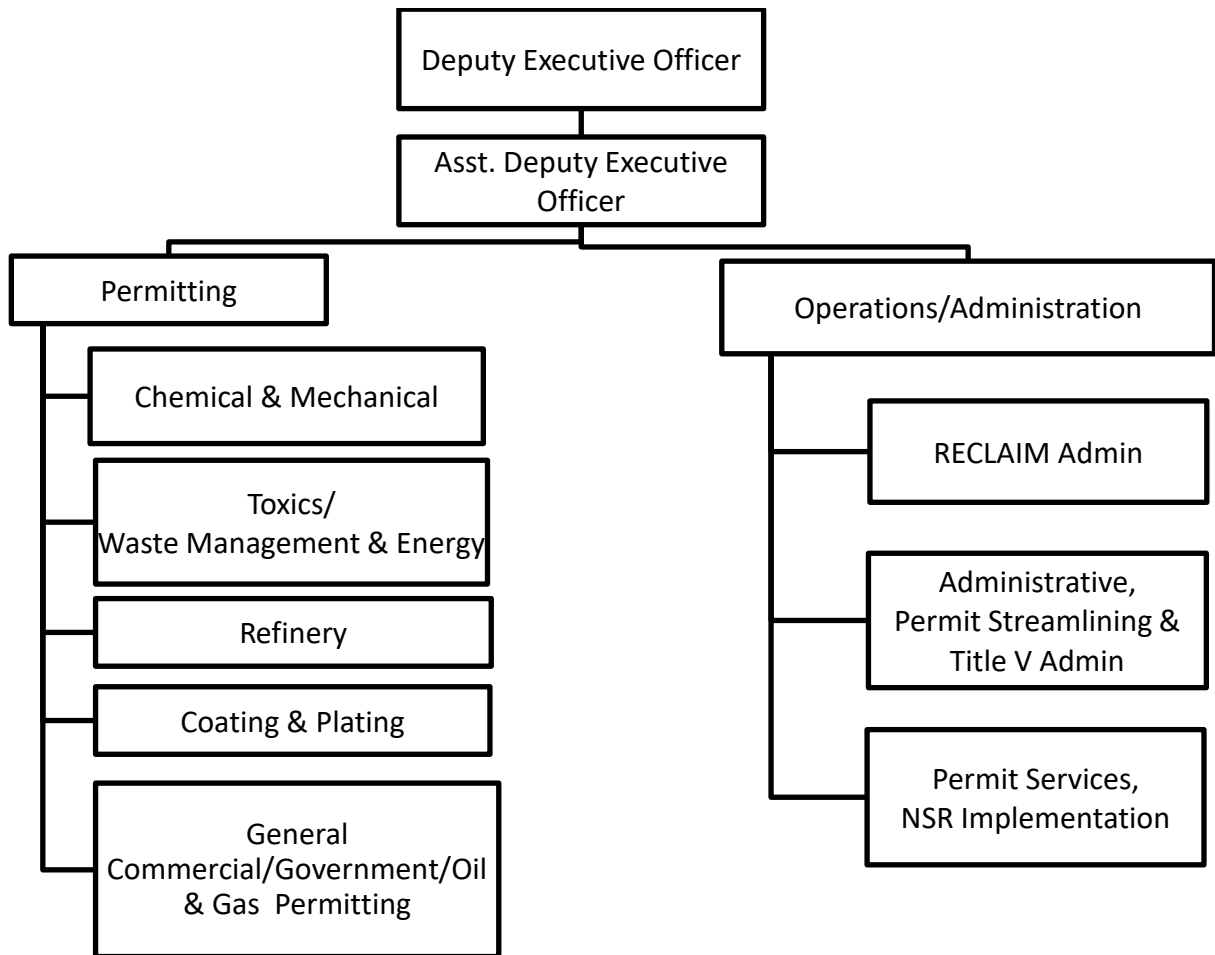
- Continue progress in reducing the permit applications inventory by maintaining pending permit applications inventory excluding Permits to Construct issued and RECLAIM transition applications between 2,000 and 2,500.
- Secure and maintain the timely completion rate for new permit applications by processing 75 to 80 percent of new permit applications within 180 days of being deemed complete.
- Monitor and reduce average permit application residence times.
- Complete timely renewal of Title V permits.
- Continue to implement action plan to further improve Title V program pursuant to EPA's recommendations:
  - a) Prepare expanded Statement of Basis (SOB) for all initial Title V permits, at least 10% of Title V renewals, and all De-Minimis and Significant Title V revisions,
  - b) Continue efforts to develop automated capability to publish Title V permits online,
  - c) Provide more detail account of applicable federal requirement in Title V permits,
  - d) Provide public with online access to all issued Title V permits, and
  - e) Develop formal policy for sources exiting the Title V program.
- Continue efforts to streamline and expedite permit issuance and reduce permit application backlog through:
  - a) Equipment certification/registration programs
  - b) Streamlined standard permits
  - c) Enhancement of permitting systems
  - d) Expedited Permit Processing Program.
- Complete the deployment of online permitting and permit automation tools for gasoline dispensing facilities and automotive spray booths, and establish eligibility criteria for identifying any additional candidate equipment/process suitable for online permitting based on lessons learned from Phase I.
- Continue the development and deployment of Phase II Online Permitting efforts:
  - a) On-line Dash Board tool for Permit Application Status Tracking that will allow public to track the status of individual permit applications,
  - b) Rule 222 Filing & Registration Forms,
  - c) Registration/Certification for Emergency Generators and Soil Vapor Extraction Systems,
  - d) 400-E-xx Permit Application Forms, and
  - e) Enhancements to Dry Cleaning, Gasoline Dispensing and Automotive Spray Booth modules.
- Continue permit processing modernization efforts through the development of a plan and business model that will facilitate transition to electronic permit application submittal and processing and can be deployed as soon as the development of electronic smart permit applications forms is complete.
- Continue implementation of the staff recognition program, recognizing top performing individuals and teams to help maintain high morale and acknowledge performance.

## **ENGINEERING & PERMITTING (cont.)**

- Continue to improve and monitor the operational and permitting efficiency of permitting teams by:
  - a) Streamlining workflow,
  - b) Enhancing permitting tools,
  - c) Standardizing permit conditions,
  - d) Reviewing and updating outdated Permitting Policies and Procedures, and
  - e) Standardizing time and processing status metrics for monitoring permit applications through completion.
- Continue soliciting stakeholder input on permit application backlog reduction and permit streamlining efforts through Permit Streamlining Task Force subcommittee meetings.
- Continue certification of CPPs.
- Continue to improve customer services and public outreach by:
  - a) Providing public education by attending public meetings and addressing public concerns,
  - b) Providing assistance to permit applicants through pre- and post-conferences, and
  - c) Providing permitting information for Public Record requests.
- Continue to evaluate the optional Expedited Permitting Program and propose improvements if warranted.
- Initiate the process to update and expand the South Coast AQMD's Permit Processing Handbook.
- Review and comment on Rule 1402 Risk Reduction Plans.
- Continue to provide critical input in developing and amending South Coast AQMD Rules.
- Continue to provide critical input in enforcing South Coast AQMD Rules.
- Continue to provide support in Fee Review cases and Hearing Board cases.
- Continue to prepare Federal NSR Equivalency Determination Reports pursuant to Rule 1315.
- Continue to prepare annual report on the NO<sub>x</sub> and SO<sub>x</sub> RECLAIM Program in accordance with Rule 2015.
- Develop a plan to re-issue permits to facilities that are opting out of NO<sub>x</sub> RECLAIM program.
- Continue to provide critical guidance to PRDAS in developing a streamlined NSR process for facilities exiting the RECLAIM program.

## ENGINEERING & PERMITTING (cont.)

### ORGANIZATIONAL CHART:



### POSITION SUMMARY: 161 FTEs

Engineering & Permitting	Amended FY 2018-19	Change	Budget FY 2019-20
Administration	4	-	4
Engineering	130	-	130
Operations	27	-	27
Total	161	-	161

## ENGINEERING & PERMITTING (cont.)

### POSITION DETAIL:

<u>FTEs</u>	<u>Title</u>
92	Air Quality Engineer II
1	Air Quality Specialist
1	Assistant Deputy Executive Officer
2	Data Technician
1	Deputy Executive Officer
1	Office Assistant
1	Program Supervisor
5	Secretary
2	Senior Administrative Secretary
20	Senior Air Quality Engineer
6	Senior Air Quality Engineering Manager
17	Senior Office Assistant
2	Staff Specialist
8	Supervising Air Quality Engineer
<u>2</u>	Supervising Office Assistant
161	Total FTEs

Engineering & Permitting Work Program by Office								
Program #	Code	Program Categories	Program	Activities	FTEs FY 2018-19	+/-	FTEs FY 2019-20	Revenue Categories
1	50 1035	Customer Service and Business Assistance	AB617-General	AB617-General	0.00	1.00	1.00	XX
1	50 1038	Customer Service and Business Assistance	Admin/Office Management	Dev/Coord Goals/Policies/Overs	3.00	0.00	3.00	Ib
2	50 1047	Customer Service and Business Assistance	Admin/Operations Support	Budget/Contracts/Reports/Projects	3.00	0.00	3.00	Ib
3	50 120	Timely Review of Permits	Certification/Registration Pro	Certification/Registration Prog	1.00	0.00	1.00	III
4	50 148	Policy Support	Climate Change	GHG/Climate Change Support	0.50	0.00	0.50	II,IX
5	50 156	Ensure Compliance	Perm Proc/Info to Compliance	Prov Permit Info to Compliance	3.00	0.00	3.00	III,IV,XV
6	50 200	Customer Service and Business Assistance	Economic Dev/Bus Retention	Perm Proc/Public Participation	0.10	0.00	0.10	III
7	50 240	Ensure Compliance	Environmental Justice	R461/Combustion Equip Testing	0.50	0.00	0.50	II,IV,XV
8	50 253	Timely Review of Permits	ERC Appl Processing	Process ERC Applications	3.50	0.00	3.50	III
9	50 260	Customer Service and Business Assistance	Fee Review	Fee Review Committee	0.45	0.00	0.45	II,III,IV
10	50 276	Policy Support	Board Committees	Admin/Stationary Source Committees	0.25	0.00	0.25	Ia
11	50 365	Ensure Compliance	Hearing Bd/Variances	Variances/Orders of Abatement	0.75	0.00	0.75	VII
12	50 367	Timely Review of Permits	Hearing Board/Appeals	Appeals: Permits & Denials	0.25	0.00	0.25	III
13	50 377	Ensure Compliance	Inspections/RECLAIM Audits	Audit/Compliance Assurance	6.00	0.00	6.00	II,IV
14	50 416	Policy Support	Legislative Activities	Legislative Activities	0.25	0.00	0.25	Ia
15	50 425	Customer Service and Business Assistance	Lobby Permit Services	Supp Perm Proc/Customer Svc	1.00	0.00	1.00	III
16	50 475	Timely Review of Permits	NSR Implementation	Implement NSR/Allocate ERCs	2.50	0.00	2.50	II,III,V,XV
17	50 476	Timely Review of Permits	NSR Data Clean Up	Edit/Update NSR Data	0.50	0.00	0.50	II
18	50 492	Ensure Compliance	Customer Service	Compliance/Inspection/Follow-up	0.50	0.00	0.50	II,V,IX,XV
19	50 515	Timely Review of Permits	Perm Proc/Non TV/Non RECLAIM	PP: Non TitIV/TitIII/RECLAIM	50.75	-0.50	50.25	III,XV
20	50 517	Timely Review of Permits	Permit Services	Facility Data-Create/Edit	12.50	0.00	12.50	III,XV
21	50 518	Timely Review of Permits	RECLAIM Non-Title V	Process RECLAIM Only Permits	4.50	-0.50	4.00	III,IV,XV
22	50 519	Timely Review of Permits	Perm Proc/Title III (Non TV)	Process Title III Permits	1.00	0.00	1.00	III
23	50 520	Customer Service and Business Assistance	Perm Proc/Pre-Appl Mtg Outreac	Pre-App Mtgs/Genl Prescreening	1.00	0.00	1.00	III
24	50 521	Timely Review of Permits	Perm Proc/Expedited Permit	Proc Expedited Permits (301OT)	4.00	0.00	4.00	III
25	50 523	Timely Review of Permits	Permit Streamlining	Permit Streamlining	4.75	0.00	4.75	III
26	50 565	Customer Service and Business Assistance	Public Records Act	Comply w/ Public Req for Info	0.25	0.00	0.25	Ia
27	50 605	Ensure Compliance	RECLAIM/Admin Support	Admin/Policy/Guidelines	6.50	0.00	6.50	II,III,IV,XV
28	50 607	Timely Review of Permits	RECLAIM & Title V	Process RECLAIM & TV Permits	18.40	0.00	18.40	III
29	50 643	Timely Review of Permits	Rule 222 Filing Program	Rule 222 Filing Program	0.50	0.00	0.50	IV
30	50 650	Develop Rules	Rulemaking	Dev/Amend/Impl Rules	0.25	0.00	0.25	II,XV
31	50 657	Develop Rules	Rulemaking/Support PRA	Provide Rule Development Supp	0.25	0.00	0.25	II,XV
32	50 678	Ensure Compliance	School Siting	Identify Haz. Emission Sources near Schools	0.25	0.00	0.25	II
33	50 680	Ensure Compliance	Small Business Assistance	Asst sm bus w/ Permit Process	0.50	0.00	0.50	III,IV
34	50 690	Customer Service and Business Assistance	Source Education	Prov Tech Asst To Industries	2.80	0.00	2.80	III,IV,V,XV
35	50 728	Timely Review of Permits	Perm Proc/IM Programming	Assist IM: Design/Review/Test	2.55	0.00	2.55	II,III,IV
36	50 752	Develop Rules	Title III Rulemaking	Title III Dev/Implement Rules	0.25	0.00	0.25	II,V,XV
37	50 773	Develop Rules	Title V & NSR Rulemaking-Supp	Title V Rules Dev/Amend/Impl	0.25	0.00	0.25	II
38	50 774	Timely Review of Permits	TV/Non-RECLAIM	Process Title V Only Permits	18.00	0.00	18.00	III
39	50 775	Timely Review of Permits	Title V – Admin	Title V Administration	1.00	0.00	1.00	III
40	50 791	Ensure Compliance	Toxics/AB2588	AB2588 Rev Rprts/Risk Redplans	0.25	0.00	0.25	X
41	50 805	Operational Support	Training	Dist/Org Unit Training	3.10	0.00	3.10	Ib
42	50 825	Operational Support	Union Negotiations	Official Labor/Mgmt Negotiate	0.05	0.00	0.05	Ia
43	50 826	Operational Support	Union Steward Activities	Rep Employees in Grievance Act	0.05	0.00	0.05	Ia
44	50 855	Operational Support	Web Tasks	Creation/Update of Web Content	0.25	0.00	0.25	Ia
Total Engineering & Permitting					161.00	-	161.00	

Engineering & Permitting Line Item Expenditure						
Major Object / Appount # / Appount Description		FY 2017-18 Actuals	FY 2018-19 Adopted Budget	FY 2018-19 Amended Budget	FY 2018-19 Estimate *	FY 2019-20 Adopted Budget
<b>Salary &amp; Employee Benefits</b>						
51000-52000	Salaries	\$ 16,327,617	\$ 16,235,607	\$ 16,502,202	\$ 15,981,547	\$ 16,271,427
53000-55000	Employee Benefits	7,646,179	8,750,049	8,750,049	8,478,322	9,013,891
Sub-total Salary & Employee Benefits		\$ 23,973,796	\$ 24,985,656	\$ 25,252,251	\$ 24,459,869	\$ 25,285,319
<b>Services &amp; Supplies</b>						
67250	Insurance	\$ -	\$ -	\$ -	\$ -	\$ -
67300	Rents & Leases Equipment	2,984	10,000	10,000	10,000	8,000
67350	Rents & Leases Structure	-	10,000	10,000	10,000	8,000
67400	Household	-	-	-	-	-
67450	Professional & Special Services	5,564	2,500	28,914	28,914	2,500
67460	Temporary Agency Services	17,073	20,000	42,000	42,000	32,000
67500	Public Notice & Advertising	103,845	160,000	137,000	137,000	140,000
67550	Demurrage	-	250	250	250	250
67600	Maintenance of Equipment	-	-	-	-	-
67650	Building Maintenance	-	-	-	-	-
67700	Auto Mileage	36,376	35,000	35,000	35,000	35,000
67750	Auto Service	-	-	-	-	-
67800	Travel	10,392	17,555	17,555	17,555	18,433
67850	Utilities	-	-	-	-	-
67900	Communications	11,142	6,450	8,050	8,050	6,450
67950	Interest Expense	-	-	-	-	-
68000	Clothing	2,454	2,930	2,930	2,930	4,500
68050	Laboratory Supplies	(552)	-	-	-	-
68060	Postage	23,733	37,000	37,000	37,000	37,000
68100	Office Expense	72,186	56,336	56,336	56,336	59,296
68200	Office Furniture	3,584	-	-	-	3,500
68250	Subscriptions & Books	269	400	400	400	400
68300	Small Tools, Instruments, Equipment	-	-	-	-	-
68400	Gas and Oil	-	-	-	-	-
69500	Training/Conference/Tuition/ Board Exp.	4,639	4,500	4,500	4,500	5,500
69550	Memberships	470	750	1,750	1,750	1,500
69600	Taxes	-	-	-	-	-
69650	Awards	-	2,000	2,000	2,000	2,000
69700	Miscellaneous Expenses	544	5,000	5,000	5,000	5,000
69750	Prior Year Expense	-	-	-	-	-
69800	Uncollectable Accounts Receivable	-	-	-	-	-
89100	Principal Repayment	-	-	-	-	-
Sub-total Services & Supplies		\$ 294,703	\$ 370,671	\$ 398,685	\$ 398,685	\$ 369,329
77000	<b>Capital Outlays</b>	\$ -	\$ 70,000	\$ 90,000	\$ 90,000	\$ -
79050	<b>Building Remodeling</b>	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures		\$ 24,268,499	\$ 25,426,327	\$ 25,740,936	\$ 24,948,554	\$ 25,654,648
* Estimates based on July 2018 through February 2019 actual expenditures and March 2019 budget amendments.						

## FINANCE

### SUJATA JAIN CHIEF FINANCIAL OFFICER

<b>At a Glance:</b>	
FY 2018-19 Adopted	\$6.6M
FY 2019-20 Budget	\$6.4M
% of FY 2019-20 Budget	3.7%
Total FTEs FY 2019-20 Budget	48

#### DESCRIPTION OF MAJOR SERVICES:

Finance provides services to internal and external customers and stakeholders, including fee payers, internal divisions, employees, the Mobile Source Air Pollution Reduction Review Committee, the Building Corporation, and the Health Effects of Air Pollution Foundation. These services are provided through three distinct units: Controller, Financial Services, and Procurement. The Controller is responsible for accounting, financial reporting, accounts payable, payroll, state and federal tax reporting, revenue posting, and asset management. The Financial Services Manager is responsible for budget preparation, budgetary reporting, forecasting, grants management, billing services, and ad-hoc internal financial support/analysis. The Procurement Manager is responsible for the procurement of goods and services, contracting, proposal/bid solicitations and advertising, processing supplier deliveries, and controlling/dispensing/reconciling inventory.

#### ACCOMPLISHMENTS:

##### RECENT:

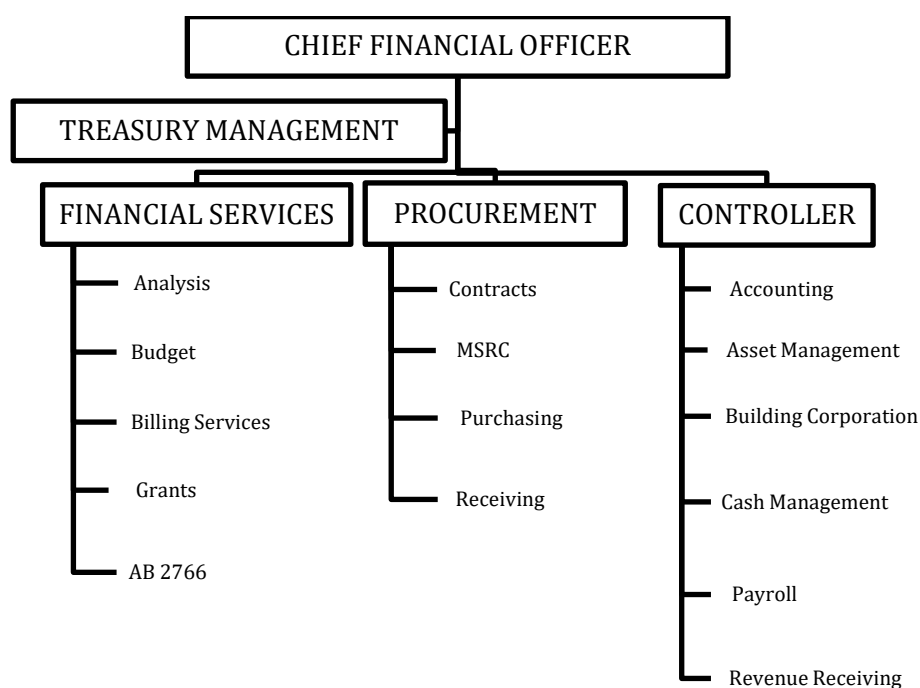
- Continued to expand electronic payment options to include Permit Processing Fee payments for asbestos, dry cleaners, spray booths and gas stations.
- Processed 701 contracts and modifications, issued 39 Request for Proposals/Quotes, and processed 586 proposals/quotation. Processed 1,544 purchase orders and 427 CalCard orders.
- Received the Government Finance Officer's Association's (GFOA) awards for the Annual Budget, Comprehensive Annual Financial Report (CAFR), and Popular Annual Financial Report (PAFR) for the most recent fiscal year.
- Implemented the new financial reporting requirements, as required by Governmental Accounting Standards Board (GASB) Statement Number 75 "Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pension Plans," through coordination with Los Angeles County Employees' Retirement Association (LACERA), and external auditors.

## FINANCE (cont.)

### ANTICIPATED:

- Continue to receive GFOA Awards for the Annual Budget, CAFR, and PAFR to ensure South Coast AQMD's financial reports meet the highest professional standards.
- Ensure compliance with all AB 617, AB 134, and VW Mitigation Settlement guidelines for financial reporting and tracking of revenue and expenditures.
- Start planning for the implementation of the new lease accounting standards required by Governmental Accounting Standards Board (GASB) Statement Number 87 for recognizing certain lease assets and liabilities for leases, which will impact South Coast AQMD starting with FY 2020-21.
- Continue to identify and implement additional opportunities for electronic payments.

### ORGANIZATIONAL CHART:





## FINANCE (cont.)

### POSITION SUMMARY: 48 FTEs

Finance Units	Amended FY 2018-19	Change	Budget FY 2019-20
Office Administration	4	(1)	3
Controller	20	-	20
Financial Services	15	-	15
Procurement	10	-	10
Total	49	(1)	48

### POSITION DETAIL:

<u>FTEs</u>	<u>Title</u>
2	Accounting Technician
1	Chief Financial Officer
2	Contracts Assistant
1	Controller
1	District Storekeeper
4	Financial Analyst
1	Financial Services Manager
7	Fiscal Assistant
3	Payroll Technician
1	Procurement Manager
2	Purchasing Assistant
1	Purchasing Supervisor
2	Secretary
3	Senior Accountant
1	Senior Administrative Secretary
2	Senior Fiscal Assistant
9	Senior Office Assistant
1	Staff Assistant
1	Staff Specialist
1	Stock Clerk
1	Supervising Office Assistant
<u>1</u>	Supervising Payroll Technician
48	Total FTEs

Finance Work Program by Office								
	Program Code	Program Categories	Program	Activities	FTEs FY 2018-19	+/-	FTEs FY 2019-20	Revenue Categories
	1 04 002	Customer Service and Business Assistance	AB2766/Mobile Source	Prog Admin: Monitor/Dist/Audit	0.10	0.00	0.10	IX
	2 04 003	Advance Clean Air Technology	AB2766/MSRC	MSRC Program Administration	0.35	0.00	0.35	IX
	3 04 009	Develop Programs	AB 1318 Mitigation	AB 1318 Projects Admn/Impl	0.13	0.00	0.13	XVII
	4 04 020	Operational Support	Admin/SCAQMD Budget	Analyze/Prepare/Impl/Track WP	2.65	0.00	2.65	la
	5 04 021	Operational Support	Admin/SCAQMD Contracts	Contract Admin/Monitor/Process	3.20	0.00	3.20	la
	6 04 023	Operational Support	Admin/SCAQMD Capital Assets	FA Rep/Reconcile/Inv/Acct	0.70	0.00	0.70	la
	7 04 030	Advance Clean Air Technology	AB 134	AB 134	2.00	0.00	2.00	IX
	8 04 035	Operational Support	AB 617-General	AB 617-General	0.50	0.00	0.50	XX
	9 04 038	Operational Support	Admin/Office Management	Fin Mgmt/Oversee Activities	3.75	-1.00	2.75	lb
	10 04 045	Operational Support	Admin/Office Budget	Office Budget/Prep/Impl/Track	0.05	0.00	0.05	lb
	11 04 071	Operational Support	Arch Ctgs - Admin	Cost Analysis/Payments	0.04	0.00	0.04	XVIII
	12 04 083	Policy Support	Hlth Effects Air Pollution Fou	Health Effects Air Poll Foundation Support	0.02	0.00	0.02	la
	13 04 085	Operational Support	Building Corporation	Building Corp Acct/Fin Reports	0.02	0.00	0.02	la
	14 04 130	Advance Clean Air Technology	Clean Fuels/Contract Admin	Clean Fuels Contract Admin/Monitor	0.15	0.00	0.15	VIII
	15 04 170	Customer Service and Business Assistance	Billing Services	Answer/Resp/Resolv Prob & Inq	8.00	0.00	8.00	II,III,IV
	16 04 233	Operational Support	Employee Relations	Assist HR/Interpret Salary Res	0.10	0.00	0.10	la
	17 04 260	Customer Service and Business Assistance	Fee Review	Cmte Mtg/Fee-Related Complaint	0.10	0.00	0.10	II,III,IV,XV
	18 04 265	Operational Support	Financial Mgmt/Accounting	Record Accts Rec & Pay/Rpts	6.20	0.00	6.20	la
	19 04 266	Operational Support	Financial Mgmt/Fin Analysis	Fin/SCAQMD Stat Analysis & Audit	0.80	0.00	0.80	la
	20 04 267	Operational Support	Financial Mgmt/Treasury Mgmt	Treas Mgt Anlyz/Trk/Proj/Invst	1.00	0.00	1.00	la
	21 04 268	Operational Support	Financial Systems	CLASS/Rev/Acct/PR/Sys Analyze	0.10	0.00	0.10	la
	22 04 355	Customer Service and Business Assistance	Grants Management	Grant Anlyz/Eval/Negot/Acc/Rpt	1.00	0.00	1.00	IV,V,XV
	23 04 447	Operational Support	Mobile Sources/Accounting	Record Acct Rec & Pay/Special Funds	0.65	0.00	0.65	IX
	24 04 457	Advance Clean Air Technology	Mobile Source/Moyer Adm	Carl Moyer: Contract/Fin Admin	1.02	0.00	1.02	IX
	25 04 493	Operational Support	Outreach/SB/MB/DVBE	Outreach/Incr SB/DVBE Partic	0.05	0.00	0.05	la
	26 04 510	Operational Support	Payroll	Ded/Ret Rpts/PR/St & Fed Rpts	4.10	0.00	4.10	la
	27 04 542	Advance Clean Air Technology	Prop 1B:Goods Movement	Contracts/Finance Admin	0.50	0.00	0.50	IX
	28 04 544	Advance Clean Air Technology	Prop 1B:Low Emiss Sch Bus	Grants/Finance Admin	0.05	0.00	0.05	IX
	29 04 565	Customer Service and Business Assistance	Public Records Act	Comply w/ Public Rec Requests	0.02	0.00	0.02	la
	30 04 570	Operational Support	Purchasing	Purch/Track Svcs & Supplies	2.50	0.00	2.50	la
	31 04 571	Operational Support	Purchasing/Receiving	Receive/Record SCAQMD Purchases	1.20	0.00	1.20	la
	32 04 572	Operational Support	Purchasing-Receiving/Stockroom	Track/Monitor SCAQMD Supplies	1.00	0.00	1.00	la
	33 04 630	Operational Support	Cash Mgmt/Revenue Receiving	Receive/Post Pymts/Reconcile	5.25	0.00	5.25	II,III,IV,XI
	34 04 631	Customer Service and Business Assistance	Cash Mgmt/Refunds	Research/Doc/Prep/Proc Refunds	0.30	0.00	0.30	III,IV,XI
	35 04 791	Ensure Compliance	Toxics/AB2588	AB2588 Toxics HS Fee Collection	0.15	0.00	0.15	X
	36 04 805	Operational Support	Training	Continuing Education/Training	0.20	0.00	0.20	lb
	37 04 825	Operational Support	Union Negotiations	Official Labor/Mgmt Negotiate	0.02	0.00	0.02	la
	38 04 826	Operational Support	Union Steward Activities	Rep Employees in Grievance Act	0.01	0.00	0.01	la
	39 04 827	Operational Support	VW-Program Development	VW-Program Development	0.00	1.00	1.00	XVII
	40 04 855	Operational Support	Web Tasks	Create/edit/review web content	0.02	0.00	0.02	la
Total Finance					48.00	-	48.00	

Finance Line Item Expenditure						
Major Object / Account # / Account Description		FY 2017-18 Actuals	FY 2018-19 Adopted Budget	FY 2018-19 Amended Budget	FY 2018-19 Estimate *	FY 2019-20 Adopted Budget
Salary & Employee Benefits						
51000-52000	Salaries	\$ 3,697,964	\$ 3,683,948	\$ 3,749,688	\$ 3,634,201	\$ 3,634,399
53000-55000	Employee Benefits	2,139,797	2,390,069	2,390,068	2,301,418	2,335,967
Sub-total Salary & Employee Benefits		\$ 5,837,761	\$ 6,074,016	\$ 6,139,756	\$ 5,935,618	\$ 5,970,366
Services & Supplies						
67250	Insurance	\$ -	\$ -	\$ -	\$ -	\$ -
67300	Rents & Leases Equipment	-	-	-	-	-
67350	Rents & Leases Structure	-	-	-	-	-
67400	Household	-	900	900	900	900
67450	Professional & Special Services	126,834	163,560	193,029	193,029	155,178
67460	Temporary Agency Services	57,010	63,000	63,000	63,000	63,000
67500	Public Notice & Advertising	3,828	7,000	7,000	7,000	7,000
67550	Demurrage	-	780	780	780	780
67600	Maintenance of Equipment	647	1,860	1,860	1,860	1,860
67650	Building Maintenance	-	-	-	-	-
67700	Auto Mileage	2,525	4,468	4,468	4,468	4,468
67750	Auto Service	-	-	-	-	-
67800	Travel	2,105	6,000	6,000	6,000	6,000
67850	Utilities	-	-	-	-	-
67900	Communications	1,438	9,000	9,000	9,000	9,000
67950	Interest Expense	-	-	-	-	-
68000	Clothing	1,056	1,200	1,200	1,200	1,200
68050	Laboratory Supplies	-	-	-	-	-
68060	Postage	143,199	102,706	102,706	102,706	111,038
68100	Office Expense	28,672	36,120	36,120	36,120	36,120
68200	Office Furniture	175	-	-	-	-
68250	Subscriptions & Books	2,408	3,470	3,470	3,470	3,470
68300	Small Tools, Instruments, Equipment	-	-	-	-	-
68400	Gas and Oil	-	-	-	-	-
69500	Training/Conference/Tuition/ Board Exp.	7,529	27,250	27,250	27,250	27,250
69550	Memberships	1,590	2,793	2,793	2,793	2,793
69600	Taxes	-	-	-	-	-
69650	Awards	-	-	-	-	-
69700	Miscellaneous Expenses	3,339	5,150	5,150	5,150	5,200
69750	Prior Year Expense	-	-	-	-	-
69800	Uncollectable Accounts Receivable	-	-	-	-	-
89100	Principal Repayment	-	-	-	-	-
Sub-total Services & Supplies		\$ 382,356	\$ 435,257	\$ 464,726	\$ 464,726	\$ 435,257
77000	Capital Outlays	\$ -	\$ 75,800	\$ 75,800	\$ 75,800	\$ -
79050	Building Remodeling	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures		\$ 6,220,117	\$ 6,585,073	\$ 6,680,282	\$ 6,476,144	\$ 6,405,623
* Estimates based on July 2018 through February 2019 actual expenditures and March 2019 budget amendments.						



**SOUTH COAST**  
**AIR QUALITY MANAGEMENT DISTRICT**

## INFORMATION MANAGEMENT

### RON MOSKOWITZ CHIEF INFORMATION OFFICER

<b>At a Glance:</b>	
FY 2018-19 Adopted	\$11.3M
FY 2019-20 Budget	\$12.2M
% of FY 2019-20 Budget	7.1%
Total FTEs FY 2019-20 Budget	57

#### DESCRIPTION OF MAJOR SERVICES:

Information Management (IM) provides a wide range of information management systems and services in support of all South Coast AQMD operations. In addition to IM's administrative unit which provides for overall planning, administration and coordination of all IM activities, IM is comprised of two Information Technology (IT) units, and a Special Projects unit. The two IT units are distinguished from each other in that one is primarily concerned with hardware and network issues (while acquiring and applying software to integrate systems and functions), whereas the other focuses on system development (while integrating communication functions and the latest computer technologies). Due to the increasing convergence between hardware, software and digital technologies, the work performed by the two IT units often overlaps and requires close coordination. Areas where the two units overlap include workflow automation, imaging, automatic system messaging (e.g., through email), GIS, etc. The Special Projects unit performs project management functions, processes all of the public records requests and handles day-to-day updates and additions to the South Coast AQMD website along with other projects as they arise.

#### ACCOMPLISHMENTS:

##### RECENT:

- South Coast AQMD Mobile Application for Apple devices
- FIND System Replacement: Replacement of the existing Facility INformation Detail system to provide updated user interface, responsive design, and better search and reporting capabilities for staff and the public.
- Geographic Information Systems Implementation: Completed Phase II including Open Data Portal, FIND Map replacement, and GEO coding services and tooling
- Permit Application Status Dashboard

## **INFORMATION MANAGEMENT (cont.)**

- PeopleSoft Upgrades, Customizations and Module Implementations: Benefits Administration BCC Module implementation and labor negotiation customization and implementation
- Air Quality Index calculation migration to NowCast method
- R1415 Refrigerant Filing System
- Bank of America transmission platform migration
- Request To Speak web application developed for public comments at Governing Board Meetings
- Information Technology Review: Evaluated the information technologies and processes in place and those needed to support the South Coast AQMD's goals and objectives.
- New Website, Website Facelift
- OnBase Version Upgrade
- Enterprise GIS Infrastructure on-line and on-premise
- Fiber network cable replacement and closet uplink upgrade
- Internet bandwidth upgrade
- Wi-Fi Deployment
- End Point Virus Protection Upgrade
- Desktop Upgrades
- Permitting Automation New System Development: Automated 400A form filing and permit processing of dry cleaner, gas station and spray booth operations and online Facility ID generation.
- Security Portal Lite Registration Implementation: Core infrastructure for all web applications including login and registration, user and application management, reporting copy of record, and application administration
- "Replace Your Ride" (RYP) New System Development: Developed web-based application that supports the implementation of a program providing monetary incentives to eligible individuals to retire their older vehicle and purchase a cleaner burning, more fuel efficient vehicle.
- Financial Services Web Services Upgrade: Converted all major financial subsidiary functions to 64-bit web services including Finance daily report, refunds sweep, Bank of America Link Reporting Services, on-line payment processing, and PeopleSoft to CLASS link.
- GIS Services Implementation and Migration to ESRI: Map layer conversion and spatial query/web services for 400A and RYP system support
- On-line training system implementation: Support registration for on-line and leader-lead classes and on-line training

### **ANTICIPATED:**

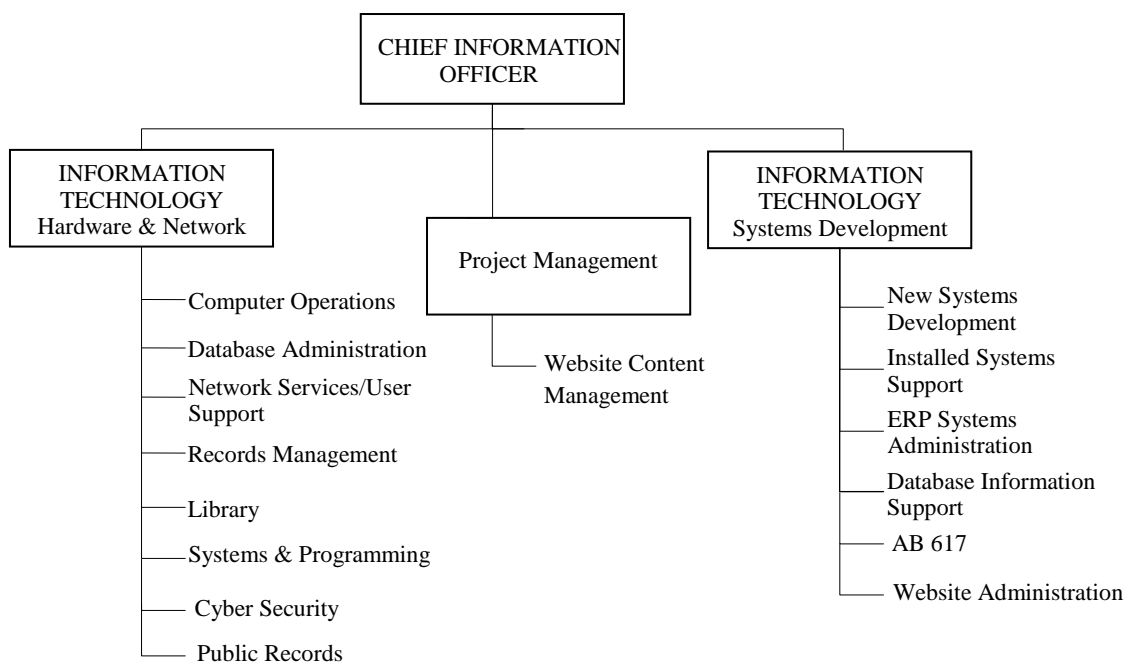
- South Coast AQMD Mobile Application Android

## **INFORMATION MANAGEMENT (cont.)**

- South Coast AQMD Mobile Application enhancements for filing complaints, notifications, facility search, etc.
- PeopleSoft implementation for electronic requisition processing
- AQ-SPEC data management system
- Implementation of selected recommendations from IT Review
- Website Upgrade
- Database Administration: CLASS database upgraded and high availability
- Records: Agenda Tracking System Application Upgrade, E-Discovery implementation
- IT Services and Operations: Enterprise GIS applications implementation (web mapping), HF Monitoring System replacement, and RECLAIM Electronic Reporting System replacement (electronic reporting systems)
- Network and Hardware: Cloud based email and file sharing (Office 365), internet bandwidth upgrade, vertical network fiber upgrade, Wi-Fi deployment outdoors, virtualization and storage upgrades, server migration to the Cloud, Windows 10 Version upgrade, laptop disk encryption, and Desktop replacement with laptops
- Permitting Automation Phase II New System Development: 400 E Series form filing, on-line permits IC engine/vapor recovery, equipment registration form processing, internal workflow automation, and paperless permit equipment evaluation
- Annual Emission Reporting (AER) System Migration: Evaluation and upgrade and/or replacement of the existing AER system for better support and integration with South Coast AQMD's enterprise database and programs.
- Legal Division New System Development: Replacement of existing Courtview Case Management Solution with a more robust solution that integrates with the CLASS system.
- Flare Notification New System Development: Replacement of existing Flare Notification System with a more robust solution that integrates with the CLASS system and supports recent rule changes.
- Title V Compliance Form Filing: New web-based outward facing application to support the filing of Title V Compliance forms
- Compliance System Replacement: New web-based application to replace the aging client/server desktop application for the tracking and processing of complaints, inspections, notifications, breakdowns, Notices of Violation, and Notices to Comply
- Transportation Plan Form Filing on the Web: New outward-facing web application to allow the online filing of Transportation Plans

## INFORMATION MANAGEMENT (cont.)

### ORGANIZATIONAL CHART:



### POSITION SUMMARY: 57 FTEs

Information Management Units	Amended FY 2018-19	Change	Budget FY 2019-20
Office Administration	2	-	2
Hardware & Network	28	-	28
Systems Development	20	-	20
Special Projects	3	-	3
Public Records	4	-	4
<b>Total</b>	<b>57</b>	<b>-</b>	<b>57</b>



## INFORMATION MANAGEMENT (cont.)

### POSITION DETAIL:

<u>FTEs</u>	<u>Title</u>
1	Assistant Database Administrator
3	Assistant Information Technology Specialist
1	Chief Information Officer
1	Database Administrator
1	Information Technology Specialist I
1	Information Technology Specialist II
3	Information Technology Supervisor
4	Office Assistant
1	Public Affairs Specialist
2	Secretary
1	Senior Administrative Secretary
5	Senior Information Technology Specialist
4	Senior Office Assistant
2	Supervising Office Assistant
14	Systems Analyst
11	Systems and Programming Supervisor
<u>2</u>	Information Technology Manager
57	Total FTEs

Information Management Work Program by Office								
	Program Code	Program Categories	Program	Activities	FTEs FY 2018-19	+/-	FTEs FY 2019-20	Revenue Categories
1	27 035	Operational Support	AB 617-General	AB 617-General	5.00	3.00	8.00	XX
2	27 038	Operational Support	Admin/Office Management	Overall Direction/Coord of IM	2.00	0.00	2.00	Ib
3	27 071	Operational Support	Arch Ctgs - Admin	Database Dev/Maintenance	0.25	0.00	0.25	XVIII
4	27 160	Operational Support	Computer Operations	Oper/Manage Host Computer Sys	5.25	0.00	5.25	Ia
5	27 184	Operational Support	Database Information Support	Ad Hoc Reports/Bulk Data Update	1.00	0.00	1.00	Ia
6	27 185	Operational Support	Database Management	Dev/Maintain Central Database	2.25	0.00	2.25	Ia
7	27 215	Operational Support	Annual Emission Reporting	System Enhancements for GHG	0.50	0.00	0.50	II,XVII
8	27 370	Operational Support	Information Technology Svcs	Enhance Oper Effic/Productivity	2.75	0.00	2.75	Ia
9	27 420	Operational Support	Library	General Library Svcs/Archives	0.25	0.00	0.25	Ia
10	27 470	Operational Support	Network Operations/Telecomm	Operate/Maintain/Implem SCAQMD	9.25	0.00	9.25	Ia
11	27 480	Operational Support	New System Development	Dev sys for special oper needs	2.50	0.00	2.50	II,IV
12	27 481	Customer Service and Business Assistance	New System Development	Dev sys in supp of Dist-wide	1.75	0.00	1.75	Ia,III
13	27 523	Timely Review of Permits	Permit Streamlining	Permit Streamlining	0.25	0.00	0.25	III
14	27 565	Customer Service and Business Assistance	Public Records Act	Comply w/ Public Req for Info	4.75	0.00	4.75	Ia
15	27 615	Operational Support	Records Information Mgmt Plan	Plan/Impl/Dir/Records Mgmt plan	1.25	0.00	1.25	Ia
16	27 616	Operational Support	Records Services	Records/Documents processing	3.75	0.00	3.75	Ia,III,IV
17	27 735	Operational Support	Systems Maintenance	Maintain Existing Software Prog	4.50	0.00	4.50	II,III,IV
18	27 736	Operational Support	Systems Implementation/Peoples	Fin/HR PeopleSoft Systems Impl	1.50	0.00	1.50	Ia
19	27 770	Timely Review of Permits	Title V	Dev/Maintain Title V Program	1.50	0.00	1.50	III
20	27 791	Ensure Compliance	Toxics/AB2588	AB2588 Database Software Supp	0.50	0.00	0.50	X
21	27 855	Operational Support	Web Tasks	Create/edit/review web content	3.25	0.00	3.25	Ia
Total Information Management					54.00	3.00	57.00	

Information Management Line Item Expenditure						
Major Object / Account # / Account Description		FY 2017-18 Actuals	FY 2018-19 Adopted Budget	FY 2018-19 Amended Budget	FY 2018-19 Estimate *	FY 2019-20 Adopted Budget
<b>Salary &amp; Employee Benefits</b>						
51000-52000	Salaries	\$ 5,380,449	\$ 5,458,597	\$ 5,554,305	\$ 5,554,305	\$ 5,889,051
53000-55000	Employee Benefits	2,916,262	3,433,500	3,433,500	3,433,500	3,567,551
Sub-total Salary & Employee Benefits		\$ 8,296,711	\$ 8,892,097	\$ 8,987,805	\$ 8,987,805	\$ 9,456,602
<b>Services &amp; Supplies</b>						
67250	Insurance	\$ -	\$ -	\$ -	\$ -	\$ -
67300	Rents & Leases Equipment	-	1,880	1,880	1,880	1,880
67350	Rents & Leases Structure	-	-	-	-	-
67400	Household	-	1,250	1,250	1,250	1,250
67450	Professional & Special Services	1,340,927	1,404,121	1,646,358	1,646,358	1,404,121
67460	Temporary Agency Services	122,462	347,199	347,199	347,199	347,199
67500	Public Notice & Advertising	-	-	-	-	-
67550	Demurrage	-	650	650	650	650
67600	Maintenance of Equipment	100,621	157,750	190,613	190,613	157,750
67650	Building Maintenance	-	-	-	-	-
67700	Auto Mileage	3,578	1,250	1,250	1,250	1,250
67750	Auto Service	-	-	-	-	-
67800	Travel	18,905	2,160	2,160	2,160	2,160
67850	Utilities	-	-	-	-	-
67900	Communications	12,508	36,900	36,900	36,900	36,900
67950	Interest Expense	-	-	-	-	-
68000	Clothing	-	-	-	-	-
68050	Laboratory Supplies	-	-	-	-	-
68060	Postage	1,376	5,500	5,500	5,500	5,500
68100	Office Expense	731,974	323,912	766,161	766,161	673,912
68200	Office Furniture	19,310	-	5,959	5,959	-
68250	Subscriptions & Books	88,922	30,000	30,000	30,000	30,000
68300	Small Tools, Instruments, Equipment	-	2,000	2,000	2,000	2,000
68350	Film	-	-	-	-	-
68400	Gas and Oil	-	-	-	-	-
69500	Training/Conference/Tuition/ Board Exp.	29,718	46,575	46,575	46,575	46,575
69550	Memberships	527	1,320	1,320	1,320	1,320
69600	Taxes	-	1,000	1,000	1,000	1,000
69650	Awards	-	-	-	-	-
69700	Miscellaneous Expenses	-	-	-	-	-
69750	Prior Year Expense	(8,658)	-	-	-	-
69800	Uncollectable Accounts Receivable	-	-	-	-	-
89100	Principal Repayment	-	-	-	-	-
Sub-total Services & Supplies		\$ 2,462,171	\$ 2,363,467	\$ 3,086,775	\$ 3,086,775	\$ 2,713,467
77000	<b>Capital Outlays</b>	\$ 2,895,652	\$ 35,000	\$ 1,954,486	\$ 1,954,486	\$ 35,000
79050	<b>Building Remodeling</b>	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures		\$ 13,654,534	\$ 11,290,564	\$ 14,029,066	\$ 14,029,066	\$ 12,205,069

\* Estimates based on July 2018 through February 2019 actual expenditures and March 2019 budget amendments.



**SOUTH COAST**  
**AIR QUALITY MANAGEMENT DISTRICT**

## LEGAL

### BAYRON T. GILCHRIST GENERAL COUNSEL

<b>At a Glance:</b>	
FY 2018-19 Adopted	\$6.8M
FY 2019-20 Budget	\$7.1M
% of FY 2019-20 Budget	4.2%
Total FTEs FY 2019-20 Budget	35

#### DESCRIPTION OF MAJOR SERVICES:

The General Counsel's Office is responsible for advising the South Coast AQMD Board and staff on all legal matters and enforcing South Coast AQMD rules and state laws related to air pollution control. Attorneys review and assist in the drafting of South Coast AQMD rules and regulations to ensure they are within South Coast AQMD's authority, and are written in a clear and enforceable manner. Attorneys ensure that all legal requirements for noticing, public workshop, CEQA analysis, and socioeconomic analysis of proposed rules and air quality management plans are satisfied.

The General Counsel's Office is also responsible for representing the South Coast AQMD Board and staff in court proceedings and administrative hearings related to matters arising out of staff's performance of official duties as South Coast AQMD officers and employees.

The Office is responsible for the enforcement of all South Coast AQMD rules and regulations and applicable state law. In addition, staff attorneys represent the Executive Officer in all matters before the South Coast AQMD Hearing Board, including variances, permit appeals, and abatement orders. Staff investigators support civil penalty and litigation and settlement efforts, including the minor source penalty program which is handled by investigators.

#### ACCOMPLISHMENTS:

##### RECENT:

- Staff negotiated an award of \$547 thousand in attorneys' fees as a prevailing party in *Fast Lane Transportation, et al. v. City of Los Angeles, et al. (SCIG)*. In this case the Court of Appeal agreed with South Coast AQMD's position that the Environmental Impact Report (EIR) for a BNSF railyard project to be located in an environmental justice area did not adequately analyze air quality impacts over the 50-year life of the project.
- The Superior Court upheld the South Coast AQMD's EIR for the Tesoro Los Angeles Refinery Integration & Compliance project, which will reduce localized pollution in the Wilmington-Carson area due to the shutdown of a fluid catalytic cracking unit. The plaintiffs, Communities for a Better Environment, unsuccessfully argued that the project

## **LEGAL (cont.)**

would increase the use of higher-sulfur crude oil and higher volatility crude oil which would adversely affect the environment.

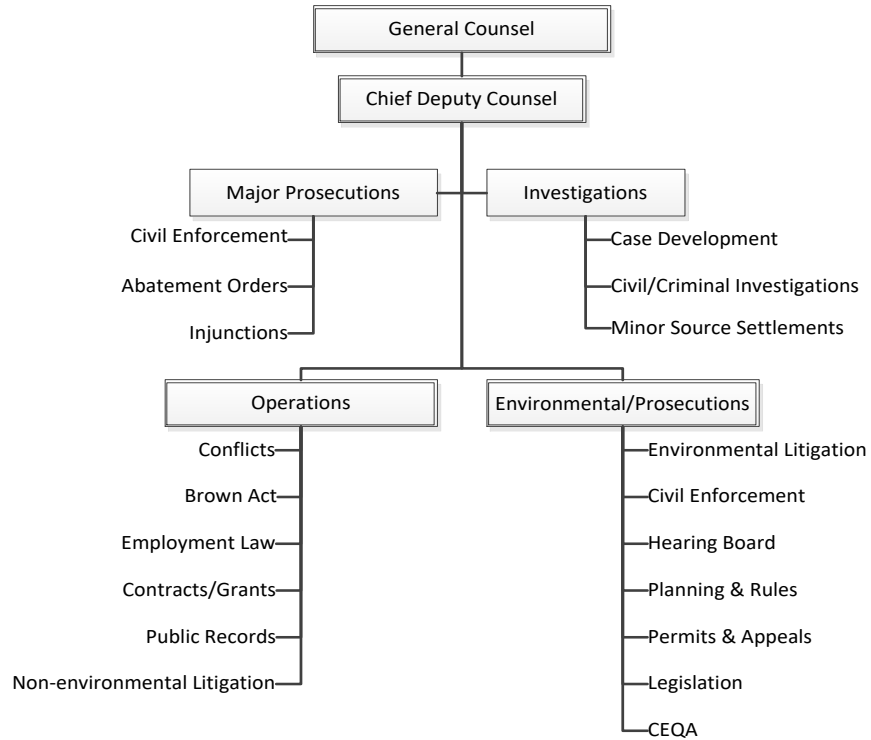
- Staff helped reduce the backlog of Public Records Act requests by 78% between June and November 2018.
- Staff obtained over \$15 million in civil penalties for air pollution violations in 2018.
- Processed \$157 million in incentive contracts, implementing the 2016 AQMP Funding Plan, and reducing NOx pollution in South Coast AQMD by three (3) tons/day.
- Drafted and implemented guidance on personal devices used for South Coast AQMD business being subject to the Public Records Act.
- Updated key portions of Rule Development Manual.

### **ANTICIPATED:**

- Provide training for staff on Public Records Act.
- Provide legal advice for priority projects such as AB 617, BARCT rules, AQMP rules, RECLAIM phase-out, and promotion of legislation for sales tax.
- Update additional chapters of Rule Development Manual.
- Provide legal advice for implementation of AB 617, including community emission reduction plans and potential enforcement actions.
- Implement first phases of new document management systems including assignment tracking and searchable database for briefs, memos, etc.

## LEGAL (cont.)

### ORGANIZATIONAL CHART:



### POSITION SUMMARY: 35 FTEs

Legal Units	Amended FY 2018-19	Change	Budget FY 2019-20
Office Administration	4	-	4
General Counsel	25	-	25
Investigations	6	-	6
<b>Total</b>	<b>35</b>	<b>-</b>	<b>35</b>

## LEGAL (cont.)

### POSITION DETAIL:

<u>FTEs</u>	<u>Title</u>
4	Administrative Secretary/Legal
1	Assistant Chief Deputy – Major Prosecutions
1	Chief Deputy Counsel
1	General Counsel
4	Investigator
3	Legal Secretary
1	Office Assistant
2	Paralegal
4	Principal Deputy District Counsel
10	Senior Deputy District Counsel
1	Senior Office Assistant
1	Senior Paralegal
1	Staff Specialist
<u>1</u>	Supervising Investigator
35	Total FTEs



Legal Work Program by Office							FTEs FY 2018-19	+/-	FTEs FY 2019-20	Revenue Categories
#	Program Code	Program Categories	Program	Activities						
1	08 1001	Advance Clean Air Technology	AB2766/Mob Src/Legal Advice	AB2766 Leg Adv: Trans/Mob Source			0.05	0.00	0.05	IX
2	08 1003	Advance Clean Air Technology	AB2766/MSRC	Legal Advice: MSRC Prog Admin			0.10	0.00	0.10	IX
3	08 1009	Develop Programs	AB 1318 Mitigation	AB 1318 Projects Adm/Impl			0.00	0.00	0.00	XVII
4	08 1010	Develop Programs	AQMP	AQMP Revision/CEQA Review			0.10	0.00	0.10	II,IV,IX
5	08 1025	Operational Support	Admin/SCAQMD-Legal Research	Legal Research/Staff/Exec Mgmt			1.20	0.00	1.20	la
6	08 1030	Advance Clean Air Technology	AB 134	AB 134			2.00	-0.50	1.50	IX
7	08 1035	Operational Support	AB 617-General	AB 617-General			1.00	1.50	2.50	XX
8	08 1038	Operational Support	Admin/Office Management	Attorney Timekeeping/Perf Eval			3.50	0.00	3.50	Ib
9	08 1071	Operational Support	Arch Ctgs - Admin	Rule Dev/TA/Reinterpretations			0.05	0.00	0.05	XVIII
10	08 1072	Ensure Compliance	Arch Ctgs - End User	Case Dispo/Rvw, Track, Prep NOV's			0.05	0.00	0.05	XVIII
11	08 1073	Ensure Compliance	Arch Ctgs - Other	Case Dispo/Rvw, Track, Prep NOV's			0.05	0.00	0.05	XVIII
12	08 102	Operational Support	CEQA Document Projects	CEQA Review			0.75	0.00	0.75	II,III,IX
13	08 115	Ensure Compliance	Case Disposition	Trial/Dispo-Civil Case/Injunct			4.75	0.00	4.75	II,IV,V,VII,XV
14	08 131	Advance Clean Air Technology	Clean Fuels/Legal Advice	Legal Advice: Clean Fuels			0.15	0.00	0.15	VIII
15	08 154	Ensure Compliance	Compliance/NOV Administration	Review/Track/Prep NOV's/MSAs			0.75	0.00	0.75	IV
16	08 185	Ensure Compliance	Database Management	Support IM/Dev Tracking System			1.00	0.00	1.00	IV
17	08 227	Operational Support	Employee/Employment Law	Legal Advice: Employment Law			0.50	0.00	0.50	la
18	08 235	Ensure Compliance	Enforcement Litigation	Maj Prosecutions/Civil Actions			2.00	0.00	2.00	IV
19	08 275	Operational Support	Governing Board	Legal Advice:Attend Board/Cnte Mtgs			1.00	0.00	1.00	la
20	08 366	Ensure Compliance	Hearing Board/Legal	Hear/Disp-Varian/Appeal/Rev			3.00	0.00	3.00	IV,V,XV
21	08 380	Ensure Compliance	Interagency Coordination	Coordinate with Other Agencies			0.20	0.00	0.20	II,V
22	08 401	Operational Support	Legal Advice/SCAQMD Programs	General Advice: Contracts			2.00	0.00	2.00	la
23	08 403	Ensure Compliance	Legal Rep/Litigation	Prep/Hearing/Disposition			3.50	0.00	3.50	la,II
24	08 404	Customer Service and Business Assistance	Legal Rep/Legislation	Draft Legis/SCAQMD Position/Mtgs			0.25	0.00	0.25	II,IX
25	08 416	Policy Support	Legislative Activities	Lobbying: Supp/Promote/Influence legis/Adm			0.10	0.00	0.10	la
26	08 457	Advance Clean Air Technology	Mob Src/C Moyer/Leg Advice	Moyer/Implem/Program Dev			0.10	0.00	0.10	IX
27	08 465	Ensure Compliance	Mutual Settlement	Mutual Settlement Program			1.50	0.00	1.50	IV
28	08 516	Timely Review of Permits	Permit Processing/Legal	Legal Advice: Permit Processing			0.10	0.00	0.10	III
29	08 565	Customer Service and Business Assistance	Public Records Act	Comply w/ Public Rec Requests			1.50	0.00	1.50	la
30	08 651	Develop Rules	Rules/Legal Advice	Legal Advice: Rules/Draft Regs			1.20	0.00	1.20	II
31	08 661	Develop Rules	Rulemaking/RECLAIM	RECLAIM Legal Adv/Related Iss			0.50	0.00	0.50	II
32	08 681	Customer Service and Business Assistance	Small Business/Legal Advice	Legal Advice: SB/Fee Review			0.05	0.00	0.05	II,III
33	08 717	Policy Support	Student Interns	Gov Board/Student Intern Program			0.10	0.00	0.10	la
34	08 770	Timely Review of Permits	Title V	Leg Advice: Title V Prog/Perm Dev			0.05	0.00	0.05	II,IV
35	08 772	Timely Review of Permits	Title V Permits	Leg Advice: New Source Title V Permit			0.05	0.00	0.05	III
36	08 791	Ensure Compliance	Toxics/AB2588	AB2588 Legal Advice: Plan & Impl			0.05	0.00	0.05	X
37	08 805	Ensure Compliance	Training	Continuing Education/Training			0.75	0.00	0.75	Ib
38	08 825	Operational Support	Union Negotiations	Legal Adv: Union Negotiations			0.00	0.00	0.00	la
39	08 826	Operational Support	Union Steward Activities	Rep Employees in Grievance Act			0.00	0.00	0.00	la
Total Legal							34.00	1.00	35.00	

Legal Line Item Expenditure						
Major Object / Account # / Account Description		FY 2017-18 Actuals	FY 2018-19 Adopted Budget	FY 2018-19 Amended Budget	FY 2018-19 Estimate *	FY 2019-20 Adopted Budget
Salary & Employee Benefits						
51000-52000	Salaries	\$ 4,076,449	\$ 4,032,051	\$ 4,102,377	\$ 3,992,032	\$ 4,282,146
53000-55000	Employee Benefits	2,073,147	2,361,693	2,361,693	2,261,553	2,411,122
Sub-total Salary & Employee Benefits		\$ 6,149,596	\$ 6,393,744	\$ 6,464,070	\$ 6,253,584	\$ 6,693,269
Services & Supplies						
67250	Insurance	\$ -	\$ -	\$ -	\$ -	\$ -
67300	Rents & Leases Equipment	-	-	-	-	-
67350	Rents & Leases Structure	-	-	-	-	-
67400	Household	-	-	-	-	-
67450	Professional & Special Services	1,035,096	251,201	284,000	284,000	246,001
67460	Temporary Agency Services	-	7,250	7,250	7,250	7,250
67500	Public Notice & Advertising	194	2,500	2,500	2,500	2,500
67550	Demurrage	893	3,500	3,500	3,500	4,000
67600	Maintenance of Equipment	-	300	300	300	500
67650	Building Maintenance	-	-	-	-	-
67700	Auto Mileage	282	1,600	1,600	1,600	1,600
67750	Auto Service	-	-	-	-	-
67800	Travel	20,088	15,000	15,000	15,000	15,000
67850	Utilities	-	-	-	-	-
67900	Communications	3,062	10,300	10,300	10,300	10,300
67950	Interest Expense	-	-	-	-	-
68000	Clothing	168	500	500	500	500
68050	Laboratory Supplies	-	-	-	-	-
68060	Postage	3,913	4,750	4,750	4,750	4,750
68100	Office Expense	15,945	16,000	16,000	16,000	16,000
68200	Office Furniture	7,801	-	-	-	4,500
68250	Subscriptions & Books	119,538	115,000	115,000	115,000	115,000
68300	Small Tools, Instruments, Equipment	-	-	-	-	-
68400	Gas and Oil	-	-	-	-	-
69500	Training/Conference/Tuition/ Board Exp.	15,078	17,500	17,500	17,500	17,500
69550	Memberships	943	750	750	750	750
69600	Taxes	-	-	-	-	-
69650	Awards	-	-	-	-	-
69700	Miscellaneous Expenses	1,213	2,000	2,000	2,000	2,000
69750	Prior Year Expense	-	-	-	-	-
69800	Uncollectable Accounts Receivable	-	-	-	-	-
89100	Principal Repayment	-	-	-	-	-
Sub-total Services & Supplies		\$ 1,224,215	\$ 448,151	\$ 480,950	\$ 480,950	\$ 448,151
77000	Capital Outlays	\$ -	\$ -	\$ -	\$ -	\$ -
79050	Building Remodeling	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures		\$ 7,373,811	\$ 6,841,895	\$ 6,945,020	\$ 6,734,534	\$ 7,141,420
* Estimates based on July 2018 through February 2019 actual expenditures and March 2019 budget amendments.						

## **LEGISLATIVE & PUBLIC AFFAIRS/MEDIA OFFICE**

### **DERRICK ALATORRE DEPUTY EXECUTIVE OFFICER**

<b>At a Glance:</b>	
FY 2018-19 Adopted	\$9.5M
FY 2019-20 Budget	\$10.1M
% of FY 2019-20 Budget	5.9%
Total FTEs FY 2019-20 Budget	55

#### **DESCRIPTION OF MAJOR SERVICES:**

Legislative & Public Affairs/Media Office provides a broad range of services to internal and external stakeholders. These services include:

##### **Legislative/Communications**

###### **State and Federal Relations**

State and Federal Relations works with all levels of elected officials and their staff, agencies, and other stakeholders to support South Coast AQMD's legislative priorities. Efforts are focused on policy and funding issues that support South Coast AQMD's Air Quality Management Plan to meet state and federal clean air standards. This unit also works to defend against legislative activities by others detrimental to the goals and priorities of clean air.

###### **Local Government/Community Relations**

Local Government and Community Relations works in all four counties of South Coast AQMD's jurisdiction, including 86 cities in Los Angeles County, 34 cities in Orange County, 27 cities in Riverside County and 16 cities in San Bernardino County. Activities include monitoring government actions on all levels (local, state and federal); facilitating a two-way flow of communication between South Coast AQMD and stakeholders; assisting with inquiries from government offices, community members, health and environmental justice organizations, and business organizations; and, promoting and providing information on South Coast AQMD programs and initiatives.

###### **Communications & Public Information Center**

The Communications & Public Information Center serves and assists members of the public who wish to report air quality complaints, contact District staff or acquire additional information regarding South Coast AQMD programs. The Communications Center and its associated toll-free numbers, along with South Coast AQMD's main telephone line, provide easy access to the public for reporting of a wide variety of air quality related concerns. The Public Information Center (PIC), which is located in the South Coast AQMD lobby, serves as a walk-up resource for all visitors to South Coast AQMD. The PIC assists with other inquiries made by the public, which can range from requests for information to consultations on South Coast AQMD programs and regulations.

**Small Business Assistance**

The Small Business Assistance (SBA) program is required under Section 40448 of the California Health and Safety Code to provide administrative, technical services and information to small businesses and the public.

**Environmental Justice**

South Coast AQMD's Environmental Justice initiatives focus on a wide variety of programs to partner with disadvantaged communities to address air pollution related issues. Specific programs such as the Environmental Justice Community Partnership program and the Environmental Justice Advisory Group seek to build community capacity to empower residents and to reduce air pollution in areas of cumulative impact.

**AB 617**

The South Coast AQMD is actively conducting comprehensive community-based efforts that focus on improving air quality and public health in environmental justice communities. For Year 1 of the program, AB 617 implementation efforts continue in three (3) South Coast AQMD communities: Wilmington/Carson/West Long Beach, San Bernardino/Muscoy and Boyle Heights/East Los Angeles/West Commerce.

**Media**

The Media Relations Office serves as the agency's official liaison with news media in its many forms, including the Internet; newspapers and radio; broadcast, cable and satellite TV; books, magazines and newsletters; digital and social media. The Media Relations Office also supports programs and policies of South Coast AQMD and its Board with a wide range of proactive media and public relations programs. The Office provides strategic counsel to the Executive Officer, Board members and their staff and Executive Council members on sensitive, high-profile media relations issues as well as building public awareness of air quality issues.

**Social Media**

South Coast AQMD's Social Media program maintains, builds awareness, and monitors South Coast AQMD's social media websites. The agency is active on Facebook, Twitter and Instagram on a daily basis.

**Graphics**

The Graphics Department is responsible for providing all graphic services for the agency, from conceptual design to final design and completion of projects.

## **LEGISLATIVE & PUBLIC AFFAIRS/MEDIA OFFICE (cont.)**

### **ACCOMPLISHMENTS:**

#### **RECENT:**

##### **State Legislative**

- Assisted with efforts to secure \$50 million statewide to air districts to implement AB 617, Community Air Toxics Program.
- Actively worked to garner \$245 million statewide to air districts for incentives to accelerate turnover to cleaner vehicles & equipment.
- Worked to secure \$132 million statewide to air districts for reducing agricultural emissions through diesel engine replacement & upgrades.
- South Coast AQMD Sponsored Bill, SB 1502, to modernize the public notice requirement to allow for electronic communications, signed into law.
- Secured amendments to SB 1260 (Jackson) to allow South Coast AQMD to issue controlled burn permits for open fires in mechanized burners within Los Angeles County, to promote fire hazard mitigation and reduce air pollution, signed into law.
- Prevented diversion of \$26 million in statewide tire fee revenue from Carl Moyer Program.

##### **Federal Legislative**

- Worked with the Administration and Members of Congress to move forward the U.S. Environmental Protection Agency (EPA) Clean Trucks Initiative which focuses on a proposed rule for an Ultra-Low NOx Emission Standard for Heavy Duty Trucks.
- Organized and staffed four trips to Washington, D.C. with Governing Board and Executive Council Members to educate the Administration and Members of Congress on South Coast AQMD and our specific air quality-related issues.
- Worked with our Congressional Delegation to increase and/or protect funding for:
  - The Diesel Emission Reductions Act (DERA) grew from \$75 million in Fiscal Year (FY) 2018 to \$87 million in FY 2019
  - Targeted Airshed (TAS) grants grew from \$40 million in FY 2018 to \$53 million in FY 2019; and,
  - Section 103/105 funding remained level at \$228.2 million despite the Administration's initial budget proposal to significantly decrease this account.
- A visit and tour of the South Coast Air Basin by Assistant EPA Administrator Bill Wehrum and key staff.
- Chairman of the House Subcommittee on Interior, Environmental, and Related Agencies, Congressman Ken Calvert visited South Coast AQMD for meetings, a tour of the laboratory and a display of near-zero and zero emission medium and heavy-duty vehicles.

##### **Communications & Public Information Center**

- Assisted the Small Business Assistance Unit by performing nearly 1,300 initial calls to businesses with expired permits to remind them about the expired status of the permits, and to encourage them to bring the permits current.
- Processed 2,650 walk-up inquiries through the PIC in the South Coast AQMD Lobby.

## **LEGISLATIVE & PUBLIC AFFAIRS/MEDIA OFFICE (cont.)**

- Assisted in the updating/publishing of about 230 web pages, including specific web pages relating to: 1) the Aliso Canyon Natural Gas Leak; 2) ongoing air monitoring activities in Paramount and Compton; 3) Sunshine Canyon Landfill; 4) Torrance Refinery; and 5) the Exide lead battery recycling facility.

### **Local Government/Community Affairs**

- Regular attendance at regional and community meetings throughout the four (4) counties including League of California Cities, the Councils of Governments, and Chambers of Commerce and business organizations.
- Assisted with communications, outreach and issue management for high profile items such as the Special Toxics Investigations in Paramount and Compton, Torrance Refinery (formerly ExxonMobil), SoCalGas Aliso Canyon Storage Facility, Sunshine Canyon Landfill, Coastal Odors and several other facilities.
- Organized logistics, conducted outreach and staffed for 15 public meetings such as Town Hall/Community Meetings, Rule-related meetings, Hearings; and Committees.
- Participated in and represented South Coast AQMD throughout the four-county region at 52 community events such as health and environmental justice resources fairs, Council of Government General Assemblies, and air quality related forums and conferences.
- Planned, organized and produced the 2019 “Martin Luther King, Jr. Day of Service Forum” which had more than 400 attendees.
- Planned, organized and produced the 2019 “Cesar Chavez Day of Remembrance” which had more than 350 attendees.
- Planned, organized and produced the 2018 “Clean Air Awards” which honored ten individuals, businesses, and organizations. Over 400 attended the event.
- Completed 32 Visiting Dignitaries and Speakers Bureau presentations and tours.
- On an administrative level, the team met on a regular weekly basis to share information on administrative business, rule-related activity, high profile topics, and events, programs and initiatives, including specific items of interest in each of the counties. These meetings included the Environmental Justice staff as well to better facilitate programs and share information across the department.

### **Environmental Justice**

- Organized and staffed four Environmental Justice Advisory Group meetings.
- Held three Environmental Justice Community Partnership Advisory Council meetings.
- Hosted an Inter-Agency Task Force Summit to facilitate coordination between agencies within Los Angeles County process their environmental complaints, and to discuss ways in which environmental complaints can be processed more collaboratively and efficiently.
- Held the 4th Annual Environmental Justice Conference: “Technology’s Role in the Future of Environmental Justice.”
- Organized, conducted outreach for and staffed four Environmental Justice Community Partnership (EJCP) Workshops.
- Held meetings of the Young Leaders Advisory Council (YLAC), which will educate and engage young adults regarding the region’s clean air issues.

## **LEGISLATIVE & PUBLIC AFFAIRS/MEDIA OFFICE (cont.)**

### **AB 617**

- Organized and staffed the kick-off meetings for the AB 617 program including 13 Meetings attended by 525 stakeholders.
- Assisted with the process to identify the first-year AB 617 communities through an extensive scientific and outreach process. The three communities approved by CARB are:
  - Boyle Heights, East Los Angeles, West Commerce
  - Wilmington, West Long Beach, Carson
  - San Bernardino, Muscoy
- Coordinated with other South Coast AQMD Departments to form three Community Steering Committees including 91 total Community Steering Committee Members.
- Held six Steering Committee meetings attended by approximately 450 Stakeholders.

### **Media**

- Implemented the Google and YouTube campaign for “The Right to Breathe” including the completion of an updated video.
- Developed AB 617/134 hot topics webpage as well as monitored and update other major issue webpages.
- Participated and implemented web improvements such as the streamlining of the “All Videos” webpage and the production of home page announcement banners.
- Oversaw the implementation of the Check Before You Burn program including AMC movie ads, Power106 radio promotion spots, and three videos for social media.
- Provided media relations services and strategic counsel for high-profile media issues through press releases, media advisories, talking points, in-person and on-camera interviews, and opinion pieces and letters to the editor.
- Handled 987 media interactions on behalf of South Coast AQMD.
- Wrote and issued 39 news releases; issued a total of 34 Smoke Advisories, Odor Advisories, and No-burn Alerts.

### **Small Business Assistance**

- Conducted 83 on-site consultations.
- Provided assistance to businesses relating to 2,556 permit applications.
- Approved and processed 728 Air Quality Permit Checklist submittals.
- Provided technical support to 255 businesses to understand South Coast AQMD rules and regulations.
- Provided 10 businesses with recordkeeping training.
- Issued four dry cleaning grants.
- Assisted three businesses file variances before the South Coast AQMD Hearing Board.
- Participated in 12 small business-related events.
- Outreached to 588 facilities as part of the Expired Permit Program.

### **Social Media**

- Increased followers:
  - Facebook – approximately 20 percent;

## **LEGISLATIVE & PUBLIC AFFAIRS/MEDIA OFFICE (cont.)**

- Twitter – approximately 36 percent; and
  - Instagram – over 75 percent.
- Began streaming community meetings on Facebook Live including all AB 617 meetings.
- Continued event coverage (Clean Air Awards, MLK Day of Service, Cesar Chavez Day of Remembrance Day, EJ Conference and other EJ events) utilizing live tweets/quotes, photo and video.
- Timely reaction to publishing news/advisories resulting in extended news media and outside government agency exposure.

### **Graphics**

- Created approximately 500 major graphics projects/assignments including:
  - 2017 Annual Report;
  - Collateral Brochures and Promotional Items;
  - Bi-Monthly Advisor Publication;
  - Quarterly Governing Board Member Newsletters;
  - Annual Clean Car Buying Guide;
  - Program Announcements;
  - Educational Materials;
  - Advertisements;
  - Signage;
  - Video projects;
  - Newspaper Advertorials; and,
  - Informational materials for Town Hall Meetings, Community Meetings and Events (including the Clean Air Awards, the Martin Luther King Jr. Day event, the Cesar Chavez Day event, the Environmental Justice Conference, multiple environmental justice workshops and senior events).

### **ANTICIPATED:**

#### **State Legislative**

- Sponsor Voter District Authorization Legislation for South Coast AQMD.
- Seek \$50 million statewide to continue implementation of the AB 617 program.
- Work to secure \$500 million statewide to accelerate turnover to cleaner vehicles & equipment.
- Strengthen our state legislative outreach and communication by increased engagement with the Governor's Office and state legislators and Capitol staff (members and committees), to promote South Coast AQMD's legislative priorities, sponsored legislation, and to support 2016 AQMP efforts.
- Strengthen our educational outreach related to legislation to build increased engagement with all stakeholders, including, but not limited to, government entities, business, environmental groups and the community, to promote South Coast AQMD's legislative priorities, sponsored legislation, and to support 2016 AQMP efforts.
- Continue to work with South Coast AQMD departments to improve efficiency and ease with which existing data can be extracted on a recurring basis for specified, approved



## **LEGISLATIVE & PUBLIC AFFAIRS/MEDIA OFFICE (cont.)**

purposes for the benefit of public outreach and governmental relations. (CLASS and PeopleSoft.)

### **Federal Legislative**

- Work with U.S. EPA, Members of Congress and stakeholders to ensure the rule-making process for the Ultra-Low NOx Emissions Standard is transparent with equitable stakeholder participation.
- Support and secure funding for air quality issues through existing and new opportunities – Infrastructure, Climate Change, and other types of incentives (tax benefits).
- Participate in the administrative and legislative process to educate policy-makers on climate change initiatives and other air quality related policies as they relate to and impact the South Coast region.
- Support legislation and/or administrative efforts to protect science-driven and health-based determinations of the National Ambient Air Quality Standards (NAAQS).
- Work to ensure that the federal government does its fair share to reduce air pollution by:
  - Providing funding or regulatory authority adequate for nonattainment areas to attain NAAQS by upcoming federal deadlines, and in particular, South Coast AQMD to implement the 2016 AQMP and attain federal ozone and particulate matter standards by upcoming federal deadlines;
  - Reauthorizing and expanding funding for Diesel Emission Reduction Act (DERA);
  - Increasing funding for the TAS program;
  - Authorizing and funding new programs which will reduce air pollution through the adoption and deployment of zero and near-zero emission technologies, fuels and recharging/refueling infrastructure;
  - Establishing programs or policies that incentivize the federal government to purchase and use advanced clean technologies and eliminate the use of technologies generating NOx and particulate matter emissions; and
  - Incentivizing individuals, businesses, states, and local governments to purchase and use advanced clean technologies and eliminate the use of technologies generating NOx and particulate matter emissions.
- Partner with stakeholders on educational outreach efforts, including, but not limited to, government entities, business, environmental groups and health advocacy groups, on federal legislation (such as the Transportation Infrastructure bill and the Energy bill) to support clean air and engage with regional issues related to clean air.

### **Local Government/Community Relations**

- Continue to build and maintain relationships with stakeholders to foster two-way flow of communication in support of South Coast AQMD's mission.
- Support with educational and informational outreach on regional, state and federal Initiatives, such as, but not limited to:
  - Voter District Authorization legislation;
  - U.S. EPA Rule for Ultra-Low NOx Emissions Standard for Heavy-Duty Trucks; and,
  - Funding & Policy Issues.

## **LEGISLATIVE & PUBLIC AFFAIRS/MEDIA OFFICE (cont.)**

- Elevate awareness on South Coast AQMD and air quality issues through participation in community events region wide, the Visiting Dignitaries and Speaker's Bureau program and hosting signature and major events.
- Oversee the contract for and implement the High School Air Quality Education program.
- Facilitate interaction with stakeholders on high profile issues such as Paramount, Torrance Refinery and coastal odors.
- Conduct outreach, issues management and community meetings on various South Coast AQMD programs and mission-centered efforts.
- Increase relationship building with all levels of government, community, health, environmental, business and other stakeholder groups. A focused subset of this outreach will be on environmental justice.
- Enhance database and list management to increase successful communications.
- Work with Small Business Assistance (SBA) to provide information on their programs and services. Support SBA efforts by facilitating relationships with cities/counties, business organizations, and community groups. Improve community access to SBA programs through outreach efforts as directed by the Public Advisor and SBA Supervisor.
- Collaborate and assist other South Coast AQMD Departments on major initiatives and projects including, but not limited to, Title V permits and other permits, compliance and enforcement issues, rule making process, AQMP, AB2588 Toxic Hot Spots program, AB2766 outreach to cities, incentive programs, "Check Before You Burn," and other projects.
- Partner with environmental education organizations, develop and implement an educational outreach program to reach children and their families. It is possible that South Coast AQMD can provide technical expertise to an existing educational program that is being implemented.
- Build relationships with organizations to expand air quality awareness among young adults and professionals.

### **Communications Center & Public Information**

- Increase role for Communications and Public Information staff to provide excellent customer service.
- Receive and process about 48,000 – 52,000 main line calls from the public in the form of Cut Smog calls, after hour calls, Spanish line calls, and Clean Air Connection calls. These calls also include air quality complaints, reports of equipment breakdowns, and emergency response requests.
- Assist the Small Business Assistance Unit by contacting about 1,400 businesses with expired permits to remind them about the expired status of the permits, and to encourage them to bring the permits current.
- Process 2,900-3,200 walk-up inquiries via the PIC in the South Coast AQMD Lobby.
- Assist in updating / publishing web pages, including specific web pages relating to various key issues/items, including ongoing air monitoring activities in various communities within the South Coast region.
- Implement TTY software system for the hearing impaired in the Communication Center.

**Environmental Justice**

- Further develop and implement the Los Angeles Inter-Agency Task Force and Task Force Steering Committee focused on EJ complaint issues including a complaint resource guide for stakeholders.
- Develop and implement the Environmental Justice Community Partnership Student Assembly Air Quality Educational Program targeting elementary schools.
- Environmental Justice Community Partnership Advisory Council: South Coast AQMD will host four Environmental Justice Community Partnership Advisory Council meetings to discuss how South Coast AQMD can better implement environmental justice efforts. Members of this group include community group leaders, scholars, lawyers, activists, residents, business owners, and public health professionals.
- Organize and hold four Environmental Justice Advisory Group meetings.
- Coordinate and implement two Environmental Justice Student Bus Tours for high school and college students.

**AB 617**

- Convene monthly Steering Committee meetings for each of the three communities which will include more than 30 meetings from January through October.
- Organize and implement additional AB 617 meetings including the Technical Advisory Group meetings and community updates.
- Implement Year 2 AB 617 Communities including the initial outreach process and formation of the Community Steering Committees.
- Assist with the process to support first year AB 617 plans presentation to South Coast AQMD Board in July and work related to submitting to CARB in September.

**Small Business Assistance**

- Expand the awareness of South Coast AQMD's Small Business Assistance Program by outreaching to trade organizations, municipalities, and other agencies to inform them about our services.
- Provide timely and accurate information to all persons seeking information from the Small Business Assistance Program.
- Provide easy to understand information about compliance, permit application requirements, and incentive programs offered to small businesses, to business in general and the general public.
- Develop, collect and coordinate information concerning air quality compliance methods and technologies for small businesses by actively participating in South Coast AQMD rulemaking workshops and hearings.
- Assist small businesses in determining applicable requirements, applying for permits, and petitioning for variances.
- Conduct more "no-fault" inspections to provide compliance audits on the operations of small businesses.

## **LEGISLATIVE & PUBLIC AFFAIRS/MEDIA OFFICE (cont.)**

- Assist small businesses with air pollution control and air pollution prevention by providing information concerning alternative technologies, process changes, products, and methods of operation that reduce air pollution.
- Conduct outreach for the dry-cleaner program and work with cities on permit issues.

### **Media**

- Develop a strategic communications plan for overall agency messaging and critical issues and crisis management communications.
- Provide media relations services and strategic counsel for high-profile media issues as well as ongoing South Coast AQMD programs and projects through press releases, media advisories, talking points, in-person and on-camera interviews, opinion pieces and letters to the editor.
- Review requests from partner agencies, organizations and firms for quotes from South Coast AQMD officials for articles and press releases.
- Continue the implementation of Google ad campaign for “The Right to Breathe.”
- Implement story maps on South Coast AQMD website and continue to update and maintain hot topics webpages.
- Produce videos for AB 617.
- Implement South Coast AQMD photo library.
- Design and implement the FY 2019-20 Check Before You Burn program.
- Continue to help focus/narrow Public Records Requests (PRR) from news media; review PRR documents provided to news media and advise management of potential news stories that could result from them.
- Write advertorials for newspapers as part of South Coast AQMD sponsorships.

### **Social Media**

- Continue follower growth (goal of 30% increase for 2019).
- Streamline the Advisory publishing process to ensure the public gets content in a timely manner.
- Utilize more original South Coast AQMD content, including new up-to-date photos and content from various South Coast AQMD departments.

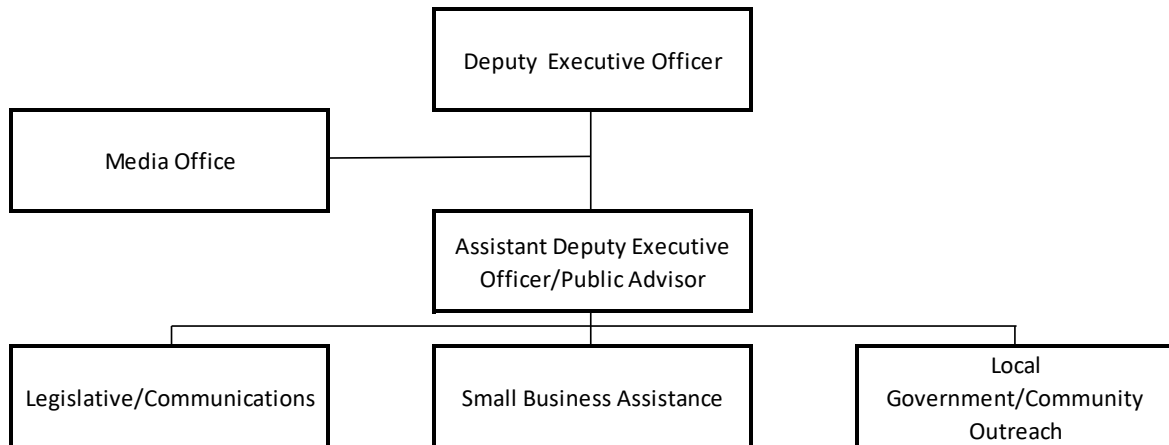
### **Graphics**

- Complete graphics projects/assignments, including: 1) collateral brochures and promotional items; 2) Bi-Monthly Advisor publication; 3) Quarterly Governing Board Member Newsletters; 4) Yearly Clean Car Buying Guide; 5) signage, and informational materials for Town Hall Meetings, community meetings and events, etc.; 6) educational materials; 7) advertisements; 8) Program Announcements; and 9) video projects.
- In coordination with a Director of Communications, redesign and redevelop South Coast AQMD core collaterals and electronic and social media content to ensure consistent themes and messaging and to create focused and clear branding of South Coast AQMD throughout all South Coast AQMD collateral materials and electronic content provided to

## LEGISLATIVE & PUBLIC AFFAIRS/MEDIA OFFICE (cont.)

elected officials, agency staff, stakeholders, impacted communities and the public at large.

### CURRENT ORGANIZATIONAL CHART:



### POSITION SUMMARY: 55 FTEs

Legislative & Public Affairs/Media Office Units	Amended FY 2018-19	Change	Budget FY 2019-20
Administration	6	1	7
Legislative & Public Affairs	42	1	43
Media Office	5	-	5
Total	53	2	55

## LEGISLATIVE & PUBLIC AFFAIRS/MEDIA OFFICE (cont.)

### POSITION DETAIL:

<u>FTEs</u>	<u>Title</u>
1	Administrative Secretary
2	Air Quality Engineer
2	Air Quality Inspector
1	Assistant Deputy Executive Officer
1	Community Relations Manager
1	Deputy Executive Officer
1	Director of Communications
3	Graphic Illustrator II
1	Legislative Assistant
1	Office Assistant
3	Public Affairs Manager
1	Program Supervisor
1	Public Affairs Specialist
7	Radio Telephone Operator
3	Secretary
2	Senior Administrative Secretary
2	Senior Office Assistant
1	Senior Public Affairs Manager
17	Senior Public Information Specialist
1	Senior Staff Specialist
1	Staff Assistant
1	Staff Specialist
<u>1</u>	Supervising Radio Telephone Operator
55	Total FTEs

Legislative & Public Affairs/Media Office Work Program by Office						
#	Program Code	Program Categories	Program	Activities	FTEs FY 2018-19 +/-	Revenue Categories
1	35 1037	Customer Service and Business Assistance	AB 617-Outreach	AB 617-Outreach	2.00	XX
2	35 1046	Customer Service and Business Assistance	Admin/Prog Mgmt	Admin Office/Units/SuppCoord Staff	4.02	5.00
3	35 111	Ensure Compliance	Call Center/CUT SMOG	Smoking Vehicle Complaints	8.00	5.02
4	35 126	Customer Service and Business Assistance	Clean Air Connections	Coord of region-wide community group	8.00	8.00
5	35 205	Customer Service and Business Assistance	Environmental Education	Curriculum Dev/Project Coord	1.00	1.00
6	35 240	Customer Service and Business Assistance	Environmental Justice	Impl Board's EJ Pgrms/Policies	0.25	0.25
7	35 260	Customer Service and Business Assistance	Fee Review	Cnte Mtg/Fee-Related Complaint	2.00	0.25
8	35 280	Policy Support	Advisory Group/Ethnic Comm	GB Ethnic Comm Advisory Group	0.50	0.50
9	35 281	Policy Support	Advisory Group/Small Business	SBA Advisory Group Staff Support	0.40	0.40
10	35 283	Policy Support	Governing Board Policy	Brd sup/Respond to GB req	0.50	0.50
11	35 345	Policy Support	Goods Mvmt&Financial Incentive	Goods Movement & Financial Incentives Progr	1.00	1.00
12	35 350	Operational Support	Graphic Arts	Graphic Arts	2.00	2.00
13	35 381	Customer Service and Business Assistance	Interagency Liaison	Interact Gov Agns/Promote SCAQMD	0.15	0.15
14	35 390	Customer Service and Business Assistance	Intergov/Geographic Deployment	Dev/Impl Local Govt Outreach	10.50	10.50
15	35 412	Policy Support	Legislation/Federal	Lobbying/Analyses/Tracking/Out	0.25	0.25
16	35 413	Policy Support	Legislation/Exec Office Support	Coord Legis w/ EO, EC, Mgmt	0.25	0.25
17	35 414	Policy Support	Legislation-Effects	Lobbying/Analyses/Tracking/Out	0.80	0.80
18	35 416	Policy Support	Legislative Activities	Supp/Promote/Influence Legis/Adm	0.50	0.50
19	35 491	Customer Service and Business Assistance	Outreach/Business	Chambers/Business Meetings	1.00	1.00
20	35 492	Customer Service and Business Assistance	Public Education/Public Events	Pub Events/Conf/Rideshare Fair	1.00	1.00
21	35 494	Policy Support	Outreach/Collateral/Media	Edits, Brds, Talk shows, Commercl	5.60	5.60
22	35 496	Customer Service and Business Assistance	Outreach/Visiting Dignitary	Tours/Briefings-Dignitary	0.25	0.25
23	35 514	Customer Service and Business Assistance	Permit: Expired Permit Program	Assist w Permit Reinstatement	0.30	0.30
24	35 555	Customer Service and Business Assistance	Public Information Center	Inform public of unhealthy air	1.00	1.00
25	35 560	Develop Programs	Public Notification	Public notif of rules/hearings	0.50	0.50
26	35 565	Customer Service and Business Assistance	Public Records Act	Comply w/ Public Req for Info	0.10	0.10
27	35 679	Customer Service and Business Assistance	Small Business Assistance	Small Business/Financial Assistance	1.00	1.00
28	35 680	Timely Review of Permits	Small Business/Permit Streamlin	Asst sm bus to comply/SCAQMD req	3.95	3.95
29	35 710	Customer Service and Business Assistance	Speakers Bureau	Coordinate/conduct speeches	0.10	0.10
30	35 717	Policy Support	Student Interns	Student Interns	0.10	0.10
31	35 791	Customer Service and Business Assistance	Toxics/AB2588	Outreach/AB 2588 Air Toxics	0.01	0.01
32	35 825	Operational Support	Union Negotiations	Official Labor/Mgmt Negotiate	0.01	0.01
33	35 826	Operational Support	Union Steward Activities	Union Steward Activities	0.01	0.01
34	35 855	Operational Support	Web Tasks	Create/edit/review web content	0.40	0.40

Total Legislative & Public Affairs/Media Office

50.00	5.00	55.00
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Legislative & Public Affairs/Media Office						
Line Item Expenditure						
Major Object / Account # / Account Description		FY 2017-18 Actuals	FY 2018-19 Adopted Budget	FY 2018-19 Amended Budget	FY 2018-19 Estimate *	FY 2019-20 Adopted Budget
Salary & Employee Benefits						
51000-52000	Salaries	\$ 4,138,322	\$ 4,535,475	\$ 4,615,263	\$ 4,444,281	\$ 4,915,612
53000-55000	Employee Benefits	2,285,220	2,845,044	2,845,045	2,718,194	3,087,636
Sub-total Salary & Employee Benefits		\$ 6,423,542	\$ 7,380,520	\$ 7,460,308	\$ 7,162,476	\$ 8,003,247
Services & Supplies						
67250	Insurance	\$ -	\$ -	\$ -	\$ -	\$ -
67300	Rents & Leases Equipment	2,843	7,000	19,781	19,781	7,000
67350	Rents & Leases Structure	12,332	9,000	11,100	11,100	9,000
67400	Household	-	-	-	-	-
67450	Professional & Special Services	2,164,661	1,515,851	2,220,464	2,220,464	1,515,851
67460	Temporary Agency Services	160,200	114,000	114,000	114,000	114,000
67500	Public Notice & Advertising	5,850	26,600	35,600	35,600	26,600
67550	Demurrage	959	-	-	-	-
67600	Maintenance of Equipment	-	9,000	6,000	6,000	9,000
67650	Building Maintenance	-	-	-	-	-
67700	Auto Mileage	17,053	24,800	24,800	24,800	24,800
67750	Auto Service	-	-	-	-	-
67800	Travel	51,380	45,200	45,200	45,200	45,200
67850	Utilities	-	-	-	-	-
67900	Communications	36,115	47,000	47,000	47,000	47,000
67950	Interest Expense	-	-	-	-	-
68000	Clothing	-	-	-	-	-
68050	Laboratory Supplies	-	-	-	-	-
68060	Postage	40,772	137,800	23,800	23,800	137,800
68100	Office Expense	56,193	45,300	55,980	55,980	45,300
68200	Office Furniture	-	-	-	-	-
68250	Subscriptions & Books	31,336	18,200	23,200	23,200	18,200
68300	Small Tools, Instruments, Equipment	-	-	-	-	-
68400	Gas and Oil	-	-	-	-	-
69500	Training/Conference/Tuition/ Board Exp.	2,071	8,500	8,500	8,500	8,500
69550	Memberships	22,170	26,250	29,250	29,250	26,250
69600	Taxes	-	-	-	-	-
69650	Awards	(2,549)	49,681	49,681	49,681	49,681
69700	Miscellaneous Expenses	34,651	43,100	43,100	43,100	43,100
69750	Prior Year Expense	(4,266)	-	-	-	-
69800	Uncollectable Accounts Receivable	-	-	-	-	-
89100	Principal Repayment	-	-	-	-	-
Sub-total Services & Supplies		\$ 2,631,773	\$ 2,127,282	\$ 2,757,456	\$ 2,757,456	\$ 2,127,282
77000	Capital Outlays	\$ -	\$ -	\$ -	\$ -	\$ -
79050	Building Remodeling	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures		\$ 9,055,315	\$ 9,507,802	\$ 10,217,764	\$ 9,919,932	\$ 10,130,529
* Estimates based on July 2018 through February 2019 actual expenditures and March 2019 budget amendments.						



## PLANNING, RULE DEVELOPMENT & AREA SOURCES

### PHILIP FINE DEPUTY EXECUTIVE OFFICER

<b>At a Glance:</b>	
FY 2018-19 Adopted	\$22.4M
FY 2019-20 Budget	\$24.6M
% of FY 2019-20 Budget	14.4%
Total FTEs FY 2019-20 Budget	148

#### DESCRIPTION OF MAJOR SERVICES:

Planning, Rule Development and Area Sources (PRDAS) is responsible for the majority of South Coast AQMD's air quality planning functions, including State Implementation Plan (SIP)-related activities, air quality management and maintenance plans, reporting requirements and other state and federal Clean Air Act requirements. Key functions include:

- Developing proposals for new rules and amendments to existing rules to implement the SIP obligations and to reduce air toxic emissions/exposures.
  - Conducts socioeconomic impact analyses and California Environmental Quality Act (CEQA) environmental assessments for rulemaking efforts.
  - Comments on CEQA projects throughout the air Basin and acts as the Lead or Responsible Agency for South Coast AQMD permitting projects.
- Developing and implementing mobile source policy.
  - Implements fleet rules to reduce emissions from public fleets.
  - Develops facility-based measures aimed at achieving emission reductions from the indirect mobile sources associated with ports, airports, railyards, and warehouses.
- Coordinating closely with Legislative & Public Affairs/Media Office and the Technology Advancement Office on state and federal legislative and regulatory issues and on avenues for funding for the air quality programs and grants.
- Conducting air quality evaluations and forecasting, inventories of area sources, and compliance activities related to area sources.
- Assisting in the implementation of AB 617 by establishing steering committees for the priority community locations and developing the emission reduction plans in coordination with the air monitoring plans in those communities.
- Leading the assessment, dissemination, and communication of air quality data.
  - Develops the Multiple Air Toxics Exposure Study (MATES).
  - Develops air quality forecasts, advisories, and alerts.
  - Provides input and guidance on health effects associated with air quality policies and other air quality-related issues that arise from individual facilities or communities.
- Implementing several programs, including the state Toxics "Hot Spots" program (AB 2588), Annual Emissions Reporting program (AER), Employee Commute Trip Reduction (Rule 2202) and the AB 2766 Subvention fund program.
- Developing District policy for climate change and energy.

## PLANNING, RULE DEVELOPMENT & AREA SOURCES (cont.)

### ACCOMPLISHMENTS:

#### RECENT:

##### AB 617

- Completed the community identification and selection process for the implementation of AB 617, with the Governing Board adoption of Year 1 communities. This process included hosting 10 dedicated community meetings, one technical workshop, two Environmental Justice Community Partnership (EJCP) meetings, and presenting at dozens of other community and agency meetings hosted by others. Submitted three reports to the California Air Resources Board (CARB), and received approval for the implementation of AB 617 community air monitoring and emissions reduction plans in three South Coast AQMD communities.
  - Convened Community Steering Committees for each of the three communities selected for Year 1 implementation, and conducted a kick-off meeting and the initial meeting for each of these committees in 2018. These steering committees will continue to work on AB 617 implementation in 2019 and beyond, until the community plans are adopted and implemented.
  - Participated in AB 617 conference calls and meetings with CARB, other air agencies and stakeholders.

##### AB 2588

- Completed the review of Air Toxic Inventory Reports (ATIR), and Health Risk Assessments (HRA) for the two Potentially High-Risk Level facilities (Anaplex & Aerocraft) in Paramount.
  - Conducted a Public Notification meeting (70,000 notices sent) for both facilities.
  - Completed review of Risk Reduction Plans for both facilities.
- Completed 2017 Annual Report (September 7, 2018).
- Revised and updated the following Procedures and Guidelines (September 7, 2018)
  - Facility Prioritization Procedure;
  - AB 2588 and Rule 1402 Supplemental Guidelines; and
  - Guidelines for Participating in the Rule 1402 Voluntary Risk Reduction Program (VRRP).
- Conducted 130 facility audits of quadrennial emissions inventories.
- Calculated priority scores for 260 facilities, which is also in support of AB 617.
- Reviews of the following documents:
  - Air Toxic Inventory Reports: Reviewed 19 and approved 13;
  - Health Risk Assessments: Reviewed 11 and approved six;
  - Risk Reduction Plans: Reviewed and approved two;
  - Voluntary Risk Reduction Plans: Reviewed 11 and approved two; and
  - Public Notices: Conducted four.

##### Air Quality Assessment

- Implemented software enhancements to improve the efficacy and streamline implementation for:

## PLANNING, RULE DEVELOPMENT & AREA SOURCES (cont.)

- Air quality forecasting, allowing for more accurate forecasts to be issued in less time; Weekly summaries of ozone concentrations allowing with a single click to notify staff of exceedances, and produce the air quality summary card; and
  - Issuing air quality advisories including automation of Check Before You Burn advisories.
  - Transferred all operational forecasts and data to a modern Linux server and modern PCs from the recently-retired FORTRAN computer machine.
  - Incorporated prognostic bias-corrected PM2.5 predictions from National Oceanic Atmospheric Administration (NOAA) into our forecasting system to improve accuracy.
  - Wrote software to calculate PM2.5 design values with and without potential exceptional events to aid in the preparation of U.S. EPA Initial Notification Forms and evaluate the effect of exceptional events on air quality.
  - Worked with Sonoma Tech, Inc. to implement the Hydrogen Sulfide (H2S) monitoring and public website in the Salton Sea area.
  - Provided programmatic support (meteorology), including daily air quality forecasting, issuing no-burn alerts for the Check Before You Burn program (22 days in 2018), issuing Smoke Advisories (32 days in 2018), issuing H2S odor advisories (one day in 2018), issuing special advisories (10 days in 2018) and windblown dust and ash advisories (six days in 2018).
  - Provided programmatic support (point source modeling), including completing 24 permit modeling requests. Six of the 24 permit modeling requests were completed by an outside contractor.
  - Worked with Information Management (IM) to implement NowCast on the Air Quality Index (AQI) map and enhance other areas of the South Coast AQMD website to better communicate air quality data to the public.
  - Answered over 100 air quality related emails and phone calls in 2018.
  - Created community-facing interactive maps to support AB 617 efforts.
- Air Quality Modeling/Emissions Inventory*
- Continued developing the Net Emissions Analysis Tool (NEAT) to estimate NOx and Green House Gas (GHG) emission reductions from implementing zero to near-zero residential appliances and the cost effectiveness associated with the conversion.
  - Developed emissions inventory of Toxic Air Contaminants to estimate cancer exposure risk.
  - Analyzed community-level data for use in the AB 617 program, such as cancer risk, socio-economic data and other demographic factors.
  - Developed AB 617 community-based emissions inventory and preliminary source apportionment.
  - Continued collaboration with NASA and other academic and research agencies to utilize satellite retrieved data in air quality modeling and analysis.
  - Continued improving air quality model predictability to be the state-of-the-science and appropriate for Air Quality Management Plan (AQMP) attainment demonstrations.
  - Continued refining AQMP/SIP emissions inventory to assist the implementation of AQMP control measures.

## PLANNING, RULE DEVELOPMENT & AREA SOURCES (cont.)

- Reviewed General Conformity requirements for the projects submitted to South Coast AQMD to be accommodated by the SIP set aside account.
- Continued assisting inter- and intra- divisional projects that utilize Geographical Information Systems.

### Annual Emissions Reporting

- Updated the Annual Emissions Reporting (AER) web tool software.
- Identified and notified 2,400 facilities subject to South Coast AQMD's AER program out of approximately 26,000 facilities with active permits within the South Coast AQMD jurisdiction.
- Reviewed submitted AER reports which ultimately generated \$16.3 million in annual emission fees.
- Audited 300+ Emission Reports (including a five-year audit of a local cement plant resulting in \$2.5 million in under-reported emission fees and surcharges).
- Assisted facilities with emission reporting process through three multi-hour workshops and AER hotline during the first quarter of 2018.
- Compiled and submitted 2018 device level emission data to CARB.
- Continued providing input to CARB and coordinating with CAPCOA regarding drafting their Criteria Pollutant and Toxics Emissions Reporting (CTR) regulation section of AB 617.

### AQMP/SIP

- Updated 1979 1-hour ozone standard attainment demonstration for U.S. EPA without relying on CAA 182(e)5 measures (so-called 'Black Box' measures).
- Continued the implementation of the 2016 AQMP to assist in the attainment of the 8-hour and 1-hour ozone federal standards as well as the 24 hour and annual PM2.5 federal standards for both the South Coast Air Basin and Coachella Valley.
- Submitted a quantitative milestone report for year 2017, demonstrating that all measures in the PM2.5 serious area plan are being implemented.
- Issued a Request for Proposals (RFP) to solicit stationary and mobile source incentive projects for reducing emission/toxic exposure and technology demonstration and deployment, evaluated 80 proposals received and provided recommendations to fund 26 emission reduction projects.

### CEQA

- Conducted environmental assessments for 12 South Coast AQMD rule projects and oversaw the preparation of the environmental assessments for seven ongoing permit projects.
- Reviewed and commented on over 1,000 CEQA documents prepared by other lead agencies.
- Provided technical consultation for local ongoing development projects including the I-710 corridor, Inglewood Basketball and Entertainment Center, Santa Susana Laboratory and California High Speed Rail.

### Facility Based Mobile Source Measures

- Conducted 17 working group meetings covering airports, marine ports, new and redevelopment projects, rail yards, and warehouses as part of the implementation of several 2016 AQMP control measures.
- Worked closely with the Ports of Los Angeles (LA) and Long Beach (LB) through conference calls and meetings to develop the Memorandum of Understanding (MOU) principles and framework as

## PLANNING, RULE DEVELOPMENT & AREA SOURCES (cont.)

well as the MOU development process, including establishment of a technical work group to develop methodologies to quantify baseline inventories and emissions reductions benefits and forecast through implementation of Clean Air Action Plan measures.

- Hosted a technology forum on retrofit technologies for ocean going vessels (OGVs) in collaboration with U.S. EPA, CARB, Ports of LA and LB, shipping lines, engine manufacturers as well as Chinese port authorities. The forum focused on promising OGV retrofit technologies and to discuss strategies to develop incentive-based programs to accelerate deployment and re-routing of Tier 3 vessels and upgrading OGVs to Tier 2+ standards.
- Worked closely with the five commercial airports and their consultants through conference calls and meetings to develop the emissions inventory protocol and MOU framework as part of the airports MOU development which will be based on each airport's Air Quality Improvement Plan.
- Initiated an economic impacts study to evaluate potential impacts of different rule scenarios for warehouses.
- Initiated the Pacific Rim Initiative for Maritime Emission Reductions to partner with Asian ports to incentivize cleaner vessels that will call at the Ports of LA and LB.

### Health Effects

- Established the groundwork for the Aliso Canyon Health Study by conducting public outreach and convening the Health Study Technical Advisory Group. The RFP for the study was released in November 2018.
- Participated in inter-agency environmental justice efforts, including the LA County Public Health Industrial Use Task Force and Green Zones initiatives, the Southern California Association of Governments (SCAG), Environmental Justice Working Group, and the Department of Toxics and Substances Control (DTSC) working group, for implementation of SB 673.
- Continued implementation of the MATES V study including an extensive advanced monitoring component.
- Provided input and support for the Community Air Toxics Initiative projects in Paramount and Compton, including presenting at public meetings, participating on update phone calls with the city, agencies, elected officials and the public, addressing public inquiries, coordinating closely with other agencies to ensure appropriate follow-up, and providing input and support for the investigation and reporting of results.
- Completed more than 14 public presentations or panel presentations for the Environmental Justice Community Partnership, and other academic, professional, and community audiences.
- Completed 11 media interviews on air pollution and health-related topics.

### Fleet Rules

- Completed a comprehensive fleet survey of all public entities within our jurisdiction to better understand the type, age and number of vehicles owned and operated by public fleets and their contractors in order to support future rule-making efforts.

## PLANNING, RULE DEVELOPMENT & AREA SOURCES (cont.)

### Rule Development

- Adopted Rule 1118.1 to implement the Best Available Retrofit Control Technology (BARCT) emission limits for non-refinery flares, achieving 0.18 tpd of NO<sub>x</sub> and 0.014 tpd of VOC reductions.
- Amended Rule 1325 to correct a SIP deficiency requested by the U.S. EPA by clarifying PM<sub>2.5</sub> precursors in a definition.
- Amended Rules 1146, 1146.1 and 1146.2 to implement BARCT emission limits for applicable boilers, steam generators, and process heaters, achieving 0.27 tpd of NO<sub>x</sub> reductions by 2023.
- Adopted Rule 1100 to establish a compliance schedule for transitioning NO<sub>x</sub> Regional Clean Air Incentives Market (RECLAIM) facilities.
- Amended Rule 1469 to require air pollution controls for tanks that are currently unregulated and require periodic source testing, require building enclosures, and to enhance housekeeping and best management practices to better control point and fugitive hexavalent chromium emissions from for hexavalent chromium plating and anodizing facilities.
- Amended Rule 1135 to implement BARCT NO<sub>x</sub> and ammonia emission limits for electricity generating facilities achieving 1.7 tpd of NO<sub>x</sub> reductions.
- Amended Rules 2001 and 2002 to provide RECLAIM facilities the option to exit the program if they meet certain criteria and to provide the option to remain in RECLAIM for a limited time upon receiving an initial determination notification.
- Amended Rule 1111 to extend and increase the mitigation fee period end dates for condensing furnaces, non-condensing furnaces, weatherized furnaces, and mobile home furnaces.
- Amended Rule 1178 to allow the use of a flexible enclosure for slotted guidepoles for petroleum storage tanks under certain conditions. Amended Rule 219 to exempt from permitting slotted guidepoles that meet specific emission control configurations specified in Rule 1178.
- The following rule development projects were initiated before or during the fiscal year and are expected to be adopted or amended in the next fiscal year:
  - Proposed Amended Rule 1134 (gas turbines),
  - Proposed Amended Rule 1110.2 (Emissions from IC Engines)
  - Proposed Rule 1109.1 (refinery equipment)
  - Proposed Rule 1410 (HF use at refineries)
  - Proposed Rule 1480 (ambient monitoring of toxic metals)
  - Proposed Amended Rule 1407 (non-chromium metal melting)
  - Proposed Rule 1407.1 (chromium metal melting)
- Conducted monthly RECLAIM meetings and held over 50 individual facility or industry-specific meetings. The RECLAIM general working group meetings have shifted focus to address New Source Review issues for the transition.
- Other rule-related projects
  - Issued an RFP for a third party independent engineering consultant to assist in reviewing BARCT analysis for Proposed Rule 1109.1 development.
  - Initiated Request for Proposals for Proposed Rule 1407.1 (Toxic Air Contaminants from Chromium Alloy Melting Operations) source testing laboratories.

## PLANNING, RULE DEVELOPMENT & AREA SOURCES (cont.)

- Finalized Rule 1168 Guidance Document which provides the test methods required for specific adhesives or sealants.

### Socioeconomic Impacts

- Completed eight Socioeconomic Impact Assessments for amendments to Rules 2001/2002 (twice; January & October), 1111 (twice; March & July), 408, 1135, 1469, 1146/1146.1/1146.2 (amended) plus 1100 (new rule).
- Continued managing two Requests for Proposals to implement recommendations by Abt Associates to enhance evaluating public welfare benefits of clean air for future AQMPs. Such benefits include recreational visibility, agriculture, ecology, and materials benefits.
- Expanded small-business analysis in proposed amendments to Rule 1469, which was subsequently reviewed and approved by independent contractor, Industrial Economics, Incorporated.
- Updated Reg III, the South Coast AQMD's fee rule.
- Received training on disaggregated input/output Economic Modeling (EMSI) model, which provides economic detail of industries at a more granular level than previously considered by the Socioeconomic Team.
- Received and implemented training on updated Regional Economic Modeling Inc. (REMI) model, providing greater clarity in Socioeconomic Impact Assessments of economic results predicted by REMI model.
- Developed beta version of cost database of common compliance costs for rule staff reference.

### Transportation Programs

- Assisted local governments with the implementation of AB 2766 funds to reduce mobile source emissions. Staff worked with 162 eligible cities, and provided guidance on projects with quantified mobile emission reductions.
- Assisted regulated employers in the development of their Rule 2202 plans. Evaluated and processed over 1,350 Rule 2202 plan submittals.
- Conducted 24 Rule 2202 Employee Transportation Coordinator (ETC) certification classes.

### Other

- Developed comment letters on key U.S. EPA initiatives, including the proposed glider kits, Corporate Average Fuel Economy (CAFE) standards, and transparency in regulatory science rules, as well as successfully advised U.S. EPA to take action on revising the heavy-duty NOx emission standard.
- Completed contract management for three PM control related projects funded by AB 1318.
- Continued working with stakeholders to develop protocols and conduct NOx characterization study of residential and commercial food service equipment (ovens, fryers, griddles, etc.).
- Completed underfired charbroiler PM control testing at UCR CE-CERT.
- Continued inventory, implementation and enforcement of rules for area sources of emissions.
- Initiated audits for approved Rule 1111 alternate compliance plans.

## ANTICIPATED:

### AB 617

- Conduct public outreach and develop recommendations for the selection and prioritization of communities for AB 617 community emissions reduction plans and/or community air monitoring for Year 2 implementation.
- Complete AB 617 Community identification process and begin development of Community Emission Reduction Plans where appropriate.
- Adopt and begin implementation of community emission reduction plans for Year 1 communities.
- Launch Technical Advisory Group meetings to discuss modeling approaches, emissions data and numerical methodologies in depth.
- Participate in AB 617 conference calls and meetings with CARB, other air agencies and stakeholders.

### AB 2588

- Update the Industry-Wide AB 2588 Health Risk Assessments for gas stations using new health risk guidelines from Office of Environmental Health Hazard Assessment (OEHHA) (pending adoption) and revised emission factors and Industry-Wide HRA Guidelines from CARB. The CARB Industry-Wide HRA Guidelines is estimated to be released mid-2019.
- Work with consultants to allow quicker verification of priority scores, approval of ATIRs, HRAs, and VRRPs.
- Continue updating the Rule 1402 & AB 2588 Guidelines as necessary.

### Air Quality Assessment

- Prepare exceptional events demonstrations for PM2.5 and PM10 in the South Coast Air Basin and PM10 in the Coachella Valley portion of the Salton Sea Air Basin.
- Continue to improve the dissemination of forecasts and advisories thorough the South Coast AQMD website, AirNOW, Enviroflash, and the South Coast AQMD app.
- If feasible, develop and provide the public with hourly and higher-spatial resolution predictions of PM2.5, PM10, and O3 throughout South Coast AQMD's jurisdiction.
- Improve forecast products with the integration of bias-corrected chemical transport models and machine learning techniques.
- Develop software to preemptively notify South Coast AQMD staff of PM10 dust events and to notify staff of wildfire smoke impacts to allow for more timely and accurate advisories.
- Provide more detailed air quality advisories to the public. Investigate the use of graphics or videos to convey additional information.
- Continue to pursue efforts to increase awareness of Check Before You Burn Advisories by establishing partnerships with the Weather Company and the National Weather Service.
- Continue the development of interactive maps and GIS data analysis to support AB 617 efforts.
- Continue supporting program functions through air quality forecasting, issuing advisories, calculating air quality trends, responding to public inquiries via phone and email, and conducting point-source permit modeling.

### Air Quality Modeling/Emissions Inventory

- Complete the development of the Net Emissions Analysis Tool (NEAT) for residential applications.
- Continue to develop detailed Toxic Air Contaminant emissions inventory to estimate cancer exposure risk.
- Continue technical assistance to the AB 617 program, especially to identify the sources of major air contaminants for each community.



## PLANNING, RULE DEVELOPMENT & AREA SOURCES (cont.)

- Continue collaboration with regulatory agencies, academic institutes and research laboratories to improve air quality model's predictability to be the state-of-the-science and appropriate for AQMP attainment demonstrations.
- Continue refining AQMP/SIP emissions inventory to assist the implementation of AQMP control measures.
- Continue reviewing General Conformity requirements of the projects submitted to South Coast AQMD to be accommodated in the SIP set aside account and tacking the usage of SIP/ South Coast AQMD General Conformity account.
- Continue assisting inter and intra divisional projects that require regional modeling, SIP emissions inventory and Geographical Information System (GIS) based geospatial analysis.

### Annual Emissions Reporting

- Continue evaluating submissions of emissions inventories and annual emissions fees.
- Conduct AER audits.
- Improve AER on-line reporting system to facilitate data entry for users and incorporate changes to facilitate emission reporting required under AB 617.
- Continue to work with CARB and CAPCOA on the development and implementation of the Criteria Pollutant and Toxics Emissions Reporting (CTR) regulation section of AB 617.
- Improve AER mailing list generator program to facilitate inclusion of facilities subject to AB 617 for emissions reporting.
- Conduct training for new and existing staff, inclusive of the new AB 617 requirements and emissions reporting regulation.

### AQMP/SIP

- Begin Preparation of 2022 AQMP to address 2015 8-hour ozone standard.
- Begin Preparation of emissions inventory and Reasonably Available Control Technology/ Reasonably Available Control Measures for the 2022 AQMP.
- Prepare a SIP update for the 1997 8-hr ozone standard for Coachella Valley.
- Prepare a SIP update to define CAA § 182 (e)(5) measures for the 1997 8-hr ozone standard for the South Coast Air Basin.
- Evaluate PM2.5 design values for attainment status of the 2006 24-hr PM2.5 standard for the South Coast Air Basin.
- Continue working on developing funding to implement the incentive control measures in the 2016 AQMP.
- Execute contracts for stationary source projects that reduce emissions and toxic exposure.
- Develop a tracking system for emission reductions achieved as a co-benefit to existing climate change programs.
- Develop a webpage for the solar initiative.

### CEQA

- Initiate working group process to establish guidelines to reflect the 2015 Revised OEHA Guidelines for estimating health risk and current air quality standards.

## PLANNING, RULE DEVELOPMENT & AREA SOURCES (cont.)

- Revisit how greenhouse gas (GHG) impacts are analyzed and mitigated under CEQA; and revise how transportation impacts are evaluated for determining significance based on the newly adopted vehicle miles traveled (VMT) metric, in lieu of the previous level of service (LOS) metric.
- Update air quality mitigation measures for stationary sources, mobile on-road vehicles and off-road equipment.
- Update South Coast AQMD's localized significance thresholds (LSTs) to reflect the latest vehicle emissions factor model (EMFAC) and health data.
- Establish guidance as to how to address and disclose the health effects from significant adverse air quality impacts pursuant to the court decision in the Friant Ranch CEQA case.
- Continue developing and reviewing CEQA lead agency projects (rules and permitting projects) and commenting on CEQA documents through the South Coast AQMD's Intergovernmental Review program.
- Issue RFPs for CEQA assistance in preparing the required CEQA documents for AB 617.

### Facility-Based Mobile Source Measures

- Continue work to develop voluntary and regulatory approaches for achieving further emission reductions from airports, marine ports, new and redevelopment projects, rail yards, and warehouses.
- Continue working with Commercial Airports to develop airport specific Air Quality Improvement Plans (AQIP) and MOUs.
- Estimate SIP credits that can be achieved from the AQIP and MOU with airports.
- Continue working with the Ports of Los Angeles and Long Beach to develop an MOU and estimate SIP credits that can be achieved through its implementation.
- Continue collaborations with international ports, including Chinese ports, to develop incentive-based programs to accelerate deployment of cleaner vessel technologies.
- Continue collaborations with engine manufacturers and shipping lines to identify and demonstrate promising retrofit technologies for ocean going vessels.

### Health Effects

- Work with Monitoring and Analysis staff to complete MATES V, with deployment of fixed site monitors in January 2018, and the planning and implementation of the Advanced Monitoring and community outreach components.
- Perform health risk modeling to estimate long-term cancer risks based on toxics inventory data.

### Mobile Source

- Continue working on implementation of existing fleet rules including compliance verification activities, implement mobile source 2016 AQMP measures, such as facility-based measures and fleet rule amendments.
- Secure SIP credits for mobile source incentive projects working with CARB and U.S. EPA.

### Rule Development

- Continue monthly RECLAIM Working Group Meetings to discuss the transition of RECLAIM facilities to a command and control regulatory structure consistent with the 2016 AQMP control measure CMB-05 and AB 617, as well as New Source Review issues pertaining to the transition and adopt/amend the following proposed or proposed amended rules for the RECLAIM transition:

## PLANNING, RULE DEVELOPMENT & AREA SOURCES (cont.)

- Amend Rule 1134 to establish NO<sub>x</sub> Best Available Retrofit Control Technology requirements for stationary turbines.
- Rule 1110.2 (Emissions from IC Engines) will be amended to incorporate provisions for facilities that are transitioning from NO<sub>x</sub> RECLAIM to command and control.
- Develop Proposed Rule 113 to establish monitoring, reporting, and recordkeeping requirements for facilities with Continuous Emissions Monitoring (CEMS) exiting RECLAIM and transitioning to a command-and-control regulatory structure.
- Adopt Proposed Rule 1109.1 that will establish BARCT requirements for refineries that are transitioning from RECLAIM to command and control.
- Amend Rule 1147 to implement BARCT for miscellaneous combustion sources at RECLAIM facilities that will transition to command-and-control.
- Adopt Proposed Rules 1147.1 (large miscellaneous combustion sources) that will establish requirements for facilities that are transitioning from RECLAIM to command and control.
- Amend Rule 1117 to update the emission standard to incorporate Best Available Retrofit Control Technology for glass melting equipment and incorporate provisions for facilities that are transitioning from NO<sub>x</sub> RECLAIM to command and control.
- Amend Rule 1100 that will establish the implementation schedule for specific NO<sub>x</sub> RECLAIM facilities that are transitioning to command and control.
- Amend Regulation XIII (New Source Review) and Regulation XX (RECLAIM) to revise New Source Review provisions to address facilities that are transitioning from RECLAIM to command-and-control. Proposed amendments to Regulation XX also are needed to coordinate amendments to Regulation XIII.
- Adopt/Amend the following Proposed or Proposed Amended Rules:
  - Proposed Amended Rule 1403 includes specific requirements when conducting asbestos-emitting demolition/renovation activities at schools, daycare centers, and possibly establishments that have sensitive populations. Amendments may include other provisions to improve the implementation of the rule.
  - Proposed Amended Rules 110, 212, 301, 303, 306, 307.1, 309, 315, 510, 515, 518.2, 812, 1309, 1310, 1605, 1610, 1612, 1620, 1623, 1710, 1714, and 3006 to expand noticing options to include email and webpage display for public notices for Title V permit programs, rulemaking activities, and hearing board cases and to also include the option to deliver invoices to permit holders by email.
  - Proposed Amended Rule 1407 will reduce toxic air contaminants emissions from non-chromium alloy melting operations for Rule 1407.
  - Proposed Rule 1407.1 to reduce toxic air contaminant emissions from chromium alloy melting operations.
  - Proposed Amended Rule 1106 to revise VOC content limits for Marine Coating operations.
  - Proposed Rule 1410 or develop an MOU to address hydrogen fluoride use at refineries.
  - Proposed Amended Regulation III-Fees to incorporate the CPI adjustment to keep pace with inflation pursuant to Rule 320 and make any other needed adjustments.
  - Proposed Amended Regulations IX and X to incorporate by reference new and amended federal performance standards enacted by U.S. EPA for stationary sources.

## PLANNING, RULE DEVELOPMENT & AREA SOURCES (cont.)

- Proposed Rule 1480 to address ambient air monitoring requirements for toxics.
- Proposed Amended Rule 461 to address provisions from CARB for gasoline dispensing facilities.
- Proposed Rules 1150.3 (landfills) and 1179.1 (Publicly Owned Treatment Works) to establish NOx emission requirements for facility-specific combustion equipment.
- Initiate rulemaking on the following rule projects:
  - Proposed Rule 1138 to regulate emissions from restaurant operations.
  - Proposed Rule 1450 to reduce exposure to methylene chloride from furniture stripping.
  - Proposed Amended Rule 1426 to reduce toxic air contaminants from metal finishing operations.
  - Proposed Rule 1147.2 (Metal Melting and Heat-Treating Furnaces) and 1147.3 (Aggregate Facilities) to establish NOx BARCT requirements for the RECLAIM transition.
  - Proposed Amended Rule 1142 for VOC emissions from marine vessel operations.

- Continue working with stakeholders to assess implementation of Rule 1111.

### Socioeconomic Impacts

- Begin enhancing Socioeconomic Impact Assessments by utilizing more granular industry detail as made available by the disaggregated input/output EMSI model and updated REMI model.
- Continue managing contract with University of California, Riverside, on distributional impacts and fund generation of potential 0.25%-0.50% sales-tax increase.
- Issue two Request for Proposals (RFPs) or sole-source contracts to update South Coast AQMD understanding of health-benefit valuation and environmental-justice analysis continuing Abt recommendations in preparation for 2022 AQMP.
- Continue managing two RFPs to implement recommendations by Abt Associates to enhance evaluating public welfare benefits of clean air for future AQMPs. Such benefits include recreational visibility, agriculture, ecology, and materials benefits.
- Improve compliance-cost database through rule staff internal review.
- Conduct socioeconomic analyses for rules and other special projects.

### Transportation Programs

- Continue conducting Employee Transportation Coordinator training sessions and review and analyze Rule 2202 annual program submittals.
- Work towards the development of an on-line Rule 2202 plan submittal process.
- Continue compliance verification activities.

### Other

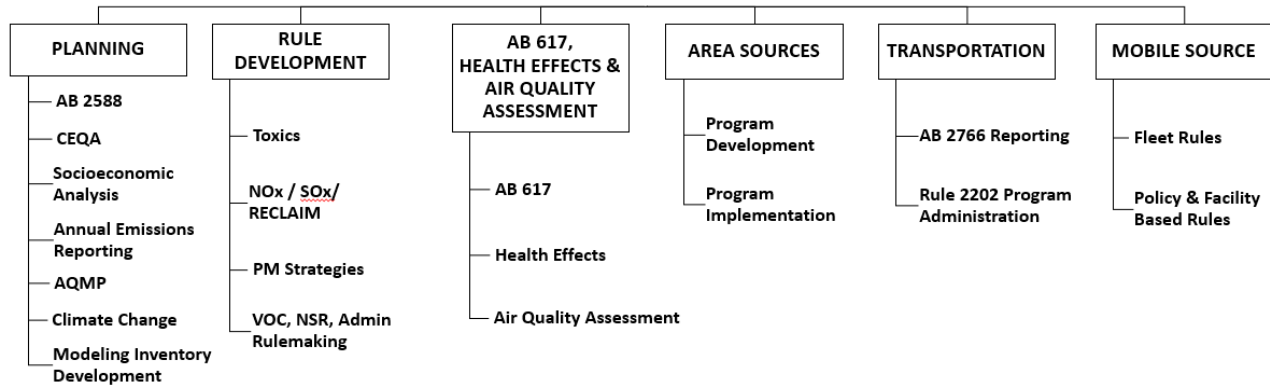
- Continue implementation of rules and compliance verification activities, inclusive of Rule 317 accounting.
- Establish two technical assessments for Rule 1118.1 (beneficial use of gas handling and impacts from food waste diversion) and others as needed.
- Continue development of the new web-based Flare Event Notification System (FENS) to assist refineries in complying with Rule 1118 and provide new public portal regarding current, upcoming and past flaring events.
- Develop incentive program guidelines for SIP credit.

## **PLANNING, RULE DEVELOPMENT & AREA SOURCES (cont.)**

- Complete development and launch on-line Rule 1415 registration.
- Continue compliance verification and rule development for area sources of emissions.
- Work with the Science & Technology Advancement Office to develop process and review Rule 1180 refinery monitoring plans, conduct outreach and develop process for data evaluation.
- Finalize scope and initiate contract for the health study of the Aliso Canyon gas leak.

## PLANNING, RULE DEVELOPMENT & AREA SOURCES (cont.)

### ORGANIZATIONAL CHART:



### POSITION SUMMARY: 148 FTEs

Planning, Rule Development and Area Sources Units	Amended FY 2018-19	Change	Budget FY 2019-20
Office Administration	9	-	9
Planning	60	-	60
Rule Development	21	-	21
Area Sources	8	-	8
Transportation Programs	11	-	11
Health Effects	3	-	3
Mobile Source	9	-	9
AB 617	27	-	27
Total	148	-	148

## PLANNING, RULE DEVELOPMENT & AREA SOURCES (cont.)

### POSITION DETAIL:

<u>FTEs</u>	<u>Title</u>
2	Administrative Secretary
10	Air Quality Engineer II
4	Air Quality Inspector II
1	Air Quality Inspector III
63	Air Quality Specialist
2	Assistant Deputy Executive Officer
1	Contracts Assistant
1	Deputy Executive Officer - Planning, Rule Development & Area Sources
1	Director of Strategic Initiatives
1	Director of Community Air Programs/Health Effects Officer
4	Office Assistant
8	Planning and Rules Manager
26	Program Supervisor
9	Secretary
3	Senior Administrative Secretary
4	Senior Air Quality Engineer
1	Senior Meteorologist
4	Senior Office Assistant
<u>3</u>	Senior Staff Specialist
148	Total FTEs

Planning, Rule Development & Area Sources  
Work Program by Office

#	Program Code	Program Categories	Program	Activities	FTEs FY 2018-19	+/-	FTEs FY 2019-20	Revenue Categories
1	26 002	Develop Programs	AB2766/Mobile Source	AB2766 Mobile Source Outreach	1.05	1.65	2.70	IX
2	26 007	Customer Service and Business Assistance	AB2766/MSRC	AB2766 Prov Tech Asst to Cities	1.20	-1.20	0.00	IX
3	26 010	Develop Programs	AQMP	AQMP Special Studies	0.10	1.50	1.60	IV,V,IX,XV
4	26 031	Develop Rules	AB 617-BARCT Rules	AB 617-BARCT Rules	11.40	4.80	16.20	XX
5	26 033	Develop Programs	AB 617-Em Inventory	AB 617-Em Inventory	0.50	2.50	3.00	XX
6	26 034	Develop Programs	AB 617-Em Reduc Plns	AB 617-Em Reduc Plns	0.50	9.65	10.15	XX
7	26 035	Develop Rules	AB 617-General	AB 617-General	1.60	2.55	4.15	XX
8	26 038	Develop Programs	Admin/Office Management	Coordinate Off/Admin Activities	4.55	0.00	4.55	Ib
9	26 050	Develop Rules	Admin/Rule Dev/PRA	Admin: Rule Development	1.10	0.00	1.10	Ib
10	26 061	Monitoring Air Quality	Air Quality Evaluation	Air Quality Evaluation	2.25	0.25	2.50	IX
11	26 068	Develop Programs	SCAQMD Projects	Prepare Environmental Assessments	3.35	0.00	3.35	II,IV,IX
12	26 071	Develop Rules	Arch Ctgs - Admin	Rdev/Aud/DB/TA/SCAQMD/Rpts/AER	1.00	-0.50	0.50	XVIII
13	26 072	Ensure Compliance	Arch Ctgs - End User	Compliance/Rpts/Rule Implementation	0.80	0.20	1.00	XVIII
14	26 073	Ensure Compliance	Arch Ctgs - Other	Compliance/Rpts/Rule Implementation	0.80	0.20	1.00	XVIII
15	26 076	Ensure Compliance	Area Sources/Compliance	Area Source Compliance	4.50	0.00	4.50	III,IV,V,IX,XV
16	26 077	Develop Rules	Area Sources/Rulemaking	Dev/Eval/Impl Area Source Prog	2.00	-1.50	0.50	II,IX
17	26 083	Policy Support	Hlth Effects Air Pollution Fou	Health Effects Air Poll Foundation Support	0.10	0.00	0.10	Ia,II,IV
18	26 102	Develop Programs	CEQA Document Projects	Review/Prepare CEQA Comments	3.75	0.00	3.75	II,IX
19	26 104	Develop Programs	CEQA Policy Development	ID/Develop/Impl CEQA Policy	0.50	0.00	0.50	IV,IX
20	26 121	Develop Programs	China Cln Shipping	China Partnership Cleaner Shpng	0.00	1.00	1.00	IX
21	26 128	Develop Programs	Cin Communities Pln	Cin Communities Plan Admn/Impl	0.25	-0.25	0.00	II,IX
22	26 148	Policy Support	Climate Change	GHG/Climate Change Policy Development	3.35	-1.35	2.00	IV,XVII
23	26 165	Develop Rules	Conformity	Monitor Transp. Conformity	0.25	0.00	0.25	V,IX
24	26 215	Ensure Compliance	Annual Emission Reporting	Annl Des/Impl/Emiss Monitor Sys	11.00	0.00	11.00	II,V
25	26 217	Develop Programs	Emissions Inventory Studies	Dev Emiss DB/Dev/Update Emiss	0.50	0.25	0.75	II,V,IX,XV
26	26 218	Develop Programs	AQMP/Emissions Inventory	Dev Emiss Inv: Forecasts/RFPs	0.74	0.51	1.25	II,IX
27	26 240	Policy Support	EJ-AQ Guidance Document	AQ Guidance Document	0.10	0.00	0.10	II,IX
28	26 257	Develop Rules	Fac Based Mob Src	Facility Based Mobile Src Meas	5.00	1.25	6.25	IX
29	26 276	Policy Support	Advisory Group/Home Rule	Governing Board Advisory Group	0.30	0.20	0.50	Ia
30	26 277	Policy Support	Advisory Group/AQMP	Governing Board AQMP Advisory Group	0.05	0.00	0.05	II,IX
31	26 278	Policy Support	Advisory Group/Sci,Tech,Model	Scientific/Tech/Model Peer Rev	0.15	-0.05	0.10	II,IX
32	26 358	Ensure Compliance	GHG Rules-Compl	Green House Gas Rules-Compliance	0.70	0.30	1.00	IV
33	26 362	Develop Rules	Health Effects	Study Health Effect/Toxicology	2.25	-1.55	0.70	II,III,IX
34	26 368	Develop Programs	Incentive RFP Emiss Red Projs	Incentive Projects Admin	0.00	1.00	1.00	XVII
35	26 385	Develop Rules	Criteria Pollutants/Mob Srcs	Dev/Impl Intercredit Trading	0.75	0.00	0.75	IV,IX
36	26 397	Develop Programs	Lead Agency Projects	Prep Envrmt Assmts/Perm Proj	2.50	0.00	2.50	III
37	26 416	Policy Support	Legislative Activities	Supp/Promote/Influence Legis/Adm	0.50	0.00	0.50	Ia
38	26 443	Monitoring Air Quality	MATES V	MATES V	0.30	0.00	0.30	XVII
39	26 444	Monitoring Air Quality	MATES V Refinery	MATES V Refinery	0.00	0.10	0.10	XVII
40	26 445	Monitoring Air Quality	Meteorology	ModelDev/Data Analysis/Forecast	2.45	0.05	2.50	II,V,IX

Revised 4/25/2019



**Planning, Rule Development & Area Sources (Cont.)**  
**Work Program by Office**

#	Program Code	Program Categories		Program	Activities	FTEs FY 2018-19	+/-	FTEs FY 2019-20	Revenue Categories
41	26	449	Develop Rules	Mob Src/SCAQMD Rulemaking	Prepare SCAQMD Mob Src rulemaking proposals	2.30	1.30	3.60	IX
42	26	451	Develop Programs	Mob Src/CARB/EPA Monitoring	CARB/US EPA Mob Src Fuel Policies	0.50	0.00	0.50	IX
43	26	452	Develop Programs	Mob Src/CEC/US DOE Monitoring	CEC/US DOE Mob Src rulemaking proposals	0.50	-0.30	0.20	IX,XVII
44	26	460	Develop Rules	Regional Modeling	Rule Impact/Analyses/Model Dev	4.40	0.60	5.00	II,V,IX
45	26	461	Timely Review of Permits	Permit & CEQA Modeling Review	Review Model Permit/Risk Assmt	1.30	-0.30	1.00	III
46	26	503	Develop Programs	PM Strategies	PM10 Plan/Analyze/Strategy Dev	3.40	-2.40	1.00	II,V,XV
47	26	530	Monitoring Air Quality	Photochemical Assessment	Photochemical Assessment	0.25	-0.25	0.00	II,V
48	26	565	Customer Service and Business Assistance	Public Records Act	Comply w/ Public Rec Requests	0.82	-0.03	0.79	la
49	26	620	Ensure Compliance	Refinery Pilot Project	Refinery Pilot Project	0.00	1.80	1.80	II
50	26	643	Timely Review of Permits	Rule 222 Filing Program	Rule 222 Filing Program	0.00	0.00	0.00	IV
51	26	645	Ensure Compliance	Rule 1610 Plan Verification	Rule 1610 Plan Verification	0.75	-0.25	0.50	V,IX
52	26	646	Develop Rules	R1180 Community Mon	R1180 Comm Monitoring Refinery	0.00	0.20	0.20	XVII
53	26	654	Develop Rules	Rulemaking/NOX	Rulemaking/NOX	2.50	-1.60	0.90	II,IV,XV
54	26	655	Develop Rules	NSR/Adm Rulemaking	Amend/Develop NSR & Admin Rules	2.50	-1.60	0.90	II,IV,V,XV
55	26	656	Develop Rules	Rulemaking/VOC	Dev/Amend VOC Rules	3.25	-0.25	3.00	II,IV,XV
56	26	659	Develop Rules	Rulemaking/Toxics	Develop/Amend Air Toxic Rules	11.00	-2.25	8.75	II,XV
57	26	661	Develop Rules	Rulemaking/RECLAIM	RECLAIM Amend Rules/Related Is	2.50	-1.00	1.50	II
58	26	685	Develop Programs	Socio-Economic	Apply econ models/Socio-econ	4.50	-0.50	4.00	II,IV
59	26	717	Policy Support	Student Interns	Gov Bd/Student Intern Program	0.25	0.25	0.50	la
60	26	745	Develop Programs	Rideshare	Dist Rideshare/Telecommute Prog	0.68	-0.13	0.55	IX
61	26	788	Customer Service and Business Assistance	AB2588 Mailing/Venue	AB2588 Mailing/Venue	0.00	0.05	0.05	XVII
62	26	794	Ensure Compliance	Toxics/AB2588	AB2588 Core, Tracking, IWS	13.00	0.00	13.00	X
63	26	805	Operational Support	Training	Training	0.25	0.29	0.54	Ib
64	26	816	Develop Programs	Transportation Regional Progs	Dev AQMP Meas/Coord w/Reg Agn	0.35	0.05	0.40	V,IX
65	26	825	Operational Support	Union Negotiations	Official Labor/Mgmt Negotiate	0.02	0.02	0.04	la
66	26	826	Operational Support	Union Steward Activities	Rep Employees in Grievance Act	0.02	0.06	0.08	la
67	26	833	Customer Service and Business Assistance	Rule 2202 ETC Training	Rule 2202 ETC Training	0.95	0.20	1.15	XI
68	26	834	Develop Programs	Rule 2202 Implement	Rule 2202 Proc/Sub Plans/Tech Eval	2.67	-0.52	2.15	XI
69	26	836	Develop Programs	Rule 2202 Support	R2202 Supt/CmptMaint/WebSubmt	2.65	-0.60	2.05	V,XI
70	26	855	Operational Support	Web Tasks	Create/edit/review web content	0.50	-0.40	0.10	la

**Total Planning, Rule Development, and Area Sources**

134.00	14.00	148.00
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Planning, Rule Development & Area Sources Line Item Expenditure						
Major Object / Account # / Account Description		FY 2017-18 Actuals	FY 2018-19 Adopted Budget	FY 2018-19 Amended Budget	FY 2018-19 Estimate *	FY 2019-20 Adopted Budget
Salary & Employee Benefits						
51000-52000	Salaries	\$ 10,966,947	\$ 13,374,271	\$ 13,694,528	\$ 13,017,088	\$ 14,726,917
53000-55000	Employee Benefits	5,372,228	7,350,375	7,350,375	7,083,251	8,299,872
Sub-total Salary & Employee Benefits		\$ 16,339,175	\$ 20,724,646	\$ 21,044,903	\$ 20,100,340	\$ 23,026,789
Services & Supplies						
67250	Insurance	\$ -	\$ -	\$ -	\$ -	\$ -
67300	Rents & Leases Equipment	-	-	-	-	-
67350	Rents & Leases Structure	3,547	2,000	2,000	2,000	2,000
67400	Household	-	-	-	-	-
67450	Professional & Special Services	931,212	974,300	1,360,672	1,360,672	894,000
67460	Temporary Agency Services	139,598	100,000	73,013	73,013	20,000
67500	Public Notice & Advertising	107,837	125,000	125,000	125,000	105,300
67550	Demurrage	1,505	1,000	1,000	1,000	1,000
67600	Maintenance of Equipment	(1,633)	5,000	5,000	5,000	5,000
67650	Building Maintenance	2,090	1,000	1,000	1,000	1,000
67700	Auto Mileage	5,237	3,500	5,500	5,500	8,500
67750	Auto Service	-	-	-	-	-
67800	Travel	36,510	45,000	60,000	60,000	70,000
67850	Utilities	-	-	-	-	-
67900	Communications	46,969	50,000	50,000	50,000	50,000
67950	Interest Expense	-	-	-	-	-
68000	Clothing	1,341	1,500	2,968	2,968	1,500
68050	Laboratory Supplies	-	-	-	-	-
68060	Postage	99,988	100,000	100,000	100,000	100,000
68100	Office Expense	161,608	61,484	95,934	95,934	161,484
68200	Office Furniture	-	-	-	-	-
68250	Subscriptions & Books	10,130	2,000	2,000	2,000	2,000
68300	Small Tools, Instruments, Equipment	-	-	-	-	-
68400	Gas and Oil	-	-	-	-	-
69500	Training/Conference/Tuition/ Board Exp.	11,862	25,000	25,000	25,000	25,000
69550	Memberships	398	4,000	4,000	4,000	4,000
69600	Taxes	-	-	-	-	-
69650	Awards	-	-	-	-	-
69700	Miscellaneous Expenses	44,193	75,000	75,000	75,000	125,000
69750	Prior Year Expense	(1,589)	-	-	-	-
69800	Uncollectable Accounts Receivable	-	-	-	-	-
89100	Principal Repayment	-	-	-	-	-
Sub-total Services & Supplies		\$ 1,600,802	\$ 1,575,784	\$ 1,988,087	\$ 1,988,087	\$ 1,575,784
77000	Capital Outlays	\$ 15,971	\$ 110,000	\$ 110,000	\$ 110,000	\$ -
79050	Building Remodeling	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures		\$ 17,955,948	\$ 22,410,430	\$ 23,142,990	\$ 22,198,427	\$ 24,602,573
* Estimates based on July 2018 through February 2019 actual expenditures and March 2019 budget amendments.						

## SCIENCE & TECHNOLOGY ADVANCEMENT

### MATT MIYASATO DEPUTY EXECUTIVE OFFICER

At a Glance:	
FY 2018-19 Adopted	\$32.3
FY 2019-20 Budget	\$35.4M
% of FY 2019-20 Budget	20.7%
Total FTEs FY 2019-20 Budget	226

#### DESCRIPTION OF MAJOR SERVICES:

Science & Technology Advancement is responsible for three key areas of operation: monitoring and analysis; technology research and development; and technology implementation. The Monitoring & Analysis Division maintains the South Coast AQMD's air monitoring network, operates the analytical laboratory and conducts source tests and evaluation, responds to local community monitoring requests, implements quality assurance programs, evaluates low cost sensors, evaluates and implements optical remote sensing (ORS) technologies for emission measurements, and provides meteorological, sampling and analytical support as part of the South Coast AQMD's emergency response program and special monitoring projects for the agency. The Technology Advancement Office (TAO) implements the Clean Fuels Program to commercialize advanced low- and zero-emission technologies and fund incentive programs such as the Carl Moyer, Lower-Emission School Bus, and Proposition 1B-Goods Movement programs. TAO will also provide support for the Enhanced Fleet Modernization Program (EFMP) and the Mobile Source Air Pollution Reduction Review Committee (MSRC).

#### ACCOMPLISHMENTS:

##### RECENT:

- Continued the implementation of the Carl Moyer, Surplus Off-Road Opt-In for NOx (SOON), Lower-emission School Bus, AB 134 Community Air Protection Funds, Enhanced Fleet Modernization Program and the Proposition 1B-Goods Movement programs with total funding exceeding \$185 million. Implemented the Voucher Incentive Program (VIP) for replacement of on-road trucks on a first-come-first-served basis.
- Continued the Clean Fuels program, which is the research, development, demonstration and early deployment program for the South Coast AQMD. Executed over \$25 million in contracts, comprising \$13 million in Clean Fuels funds and \$12 million in awards from federal and state solicitations recognized into the Clean Fuels fund, with \$70 million in total project costs (1:5 leveraging). Projects in key technical areas include heavy-duty electric drive technologies, near-zero emission heavy-duty engines, in-use emissions testing of heavy-duty trucks, local renewable natural gas production, and refueling infrastructure for alternative fuels (natural gas, electricity and hydrogen).

## SCIENCE & TECHNOLOGY ADVANCEMENT (cont.)

- Continued implementation of incentive programs for old vehicle scrapping, off-road equipment repowers and replacement of Tier 0 locomotives with Tier 4 locomotives.
- Updated Best Available Control Technology (BACT) Guidelines in 12/2/16, 2/2/18 and 2/1/19. These amendments included updates to major and minor source policy and procedures in addition to Lowest Achievable Emission Rate (LAER)/BACT determinations.
- Participated and provided input in the development of CARB's AB 617 BACT/Best Available Retrofit Control Technology (BARCT) Clearinghouse web-based portal.
- Continued research, development, demonstration and deployment of in-basin renewable energy projects such as fuel cells, solar photovoltaic, energy storage and low NOx combustion technologies.
- Provide database support to Enhance Fleet Modernization Program and Source Testing Engineering, and provide support to rule development staff.
- Continued to assess ambient air quality in the Basin, operated and maintained approximately 43 air monitoring sites resulting in 70,000 valid pollutant data points per month, collected and analyzed of 3,800 canisters for ambient Volatile Organic Compounds (VOCs) and toxics and over 15,000 filters for components including mass, ions, carbon and metals. The monitoring network and analysis is in support of federal programs including those for National Air Toxics Trends Stations (NATTS), Photochemical Assessment Monitoring Stations (PAMS), National Core (NCORE) PM2.5 Speciation, and Near-Road Monitoring. Data from this monitoring and analysis provides the basis for the compliance with the national ambient air quality standards (NAAQS) along with verifying emission models and understanding source contributions for future control measures.
- Continued special monitoring efforts to respond to community concerns and better characterize emissions from oil reclamation activities, metal finishing, metal forging and recycling, battery recycling facilities, oil and gas operations, and metals from various forging, grinding, and heat treating operations. Continued PM2.5 monitoring to assess potential impacts from mining operations in the City of Duarte. Also maintained monitoring efforts near the Salton Sea measuring hydrogen sulfide and PM10 to provide information to alert the public of potential dust and/or odor events.
- Performed technology demonstration study to conduct real-time mobile monitoring for toxic metals, including Cr (VI) using novel advanced monitoring techniques. Supported and verified compliance with current rules and regulations, analyzed over 2,100 samples for asbestos from demolition sites based on complaints and concerns about fallout (deposition), analyzed approximately 500 products for VOC and Hazardous Air Pollutants (HAP) content; and conducted over 1,800 Source Test (ST) protocol and report evaluations, Continuous Emissions Monitoring System (CEMS) certifications, Laboratory Approval Program (LAP) application reviews and ST observations.
- Performed audit of laboratory test methods in support of federal programs including those for NATTS, PAMS and PM2.5 Speciation; performed field audits of monitoring stations in support of federal programs including those for NCORE, NATTS, PAMS, Criteria Pollutants, and PM2.5 Speciation; Performed 2017 data certification and review.
- Continued South Coast AQMD's audit program to improve quality assurance by including "in-house" audits for air toxics, Total Suspended Particulate (TSP), PM10 and PM2.5 performed by South Coast AQMD staff.

## SCIENCE & TECHNOLOGY ADVANCEMENT (cont.)

- Conducted air toxic monitoring for the Multiple Air Toxics Exposure Study (MATES V) at ten fixed locations to characterize and spatially identify hazardous air pollutant exposure in the Basin. Developed plan for air monitoring in and around communities neighboring refineries using a combination of standardized, advanced and low cost methods to assess air pollution levels that may be related to refinery emissions.
- Evaluated approximately 55 "low-cost" air quality sensors in the field and laboratory within the AQ-SPEC program since the July 2014 inception. Substantially enhanced the AQ-SPEC website ([www.aqmd.gov/aq-spec](http://www.aqmd.gov/aq-spec)) which now includes detailed information about the sensor testing program, technical information on the use of commercially available air quality sensors, reports and tables summarizing all available testing results, and other useful information for people interested in the use and applications of air quality sensors.
- Deployed different particle and gas sensors in small networks for specific applications. A network of nine particle sensors has been operating at the fenceline of Rainbow Environmental in Huntington Beach to monitor fugitive emissions of PM<sub>2.5</sub> and PM<sub>10</sub> from this facility in real time. Also, a network of 24 particle sensors has been maintained in the Redlands/Mentone/Highland/Yucaipa region to test the performance and durability of these devices, increase the spatial distribution of PM measurements in that area, and test cloud platform data management service. An additional 68 sensors have been installed throughout the Los Angeles Air Basin for the NASA Citizen Science project. Data collected by these sensors will assist NASA scientists to improve our understanding of relationship between satellite aerosol optical depth (AOD) and surface PM, ultimately leading to better observations of air quality from space. As part of the U.S. EPA Science to Achieve Results (STAR) Grant project, approximately 300 sensors have already been installed to monitor and measure particulate matter at the community level in West Los Angeles, Alhambra, El Monte USD, Seal Beach, South Gate, Temescal Valley, Sycamore Canyon, Redlands, Riverside USD, Brawley, Nipomo, Paso Robles, Oakland, Richmond. In addition, a network of more than 100 multi-sensor units measuring ozone, nitrogen dioxide, and particulate matter have been installed in the South Coast Basin. The community recruitment and sensor deployment phases have been completed.
- Supported AB 617 community outreach efforts and community steering group orientation by participating in over 10 community meetings. Provided input to the CARB AB 617 air monitoring guidelines.
- Continued quarterly implementation of optical remote sensing technologies for emission measurements and community monitoring, specifically in Carson/Wilmington/Long Beach areas to characterize and quantify emissions from refineries and to assess their impact on surrounding communities.
- Continued federal programs efforts to maintain a network of 31 samplers for the Department of Homeland Security operating 7 days a week 24 hours a day. Approximately 12,000 samples were delivered to the LA County Department of Public Health in support of the program.
- Continued to provide sampling, monitoring, and laboratory analyses in support of South Coast AQMD Incident and Nuisance Response efforts, including recent wildfire smoke incidents and coastal odor investigations. This involved the use of state-of-the-science

## SCIENCE & TECHNOLOGY ADVANCEMENT (cont.)

conventional sampling and analysis techniques and low-cost sensors, as well as advanced optical remote sensing as part of the coastal odor investigation.

- Conducted survey PM measurements of a pilot agricultural burn method to assess how it compares to traditional burning.
- Developed advanced platform for conducting mobile surveys of PM, BC, Ultrafine PM, NO<sub>x</sub>.
- Reviewed and provided initial feedback to Rule 1180 Refinery Fenceline monitoring plans.

### ANTICIPATED:

- Continue the development and demonstration of heavy-duty zero emission cargo transport trucks and off-road equipment, and initiate the development and demonstration of a zero emission goods movement corridors.
- Continue the implementation of the VIP on a first-come-first-served basis; solicit and complete contracting on- and off-road projects, including marine vessel engine repowering projects, under the Carl Moyer Program, identify and obtain community support for eligible projects to be funded by AB 134 and SB 586 and initiate contracting for these projects, and obligate all remaining Proposition 1B-Goods Movement Program funds awarded to South Coast AQMD. Also, issue grants for the replacement of school buses with lower emission buses under the Lower Emission School Bus Program. Develop and implement the Zero-Emissions Class 8 Truck and Combustion categories under CARB's VW Beneficiary Mitigation Plan.
- Continue periodic updates to the BACT Guidelines specifically major and minor source policy and procedures and LAER/BACT determinations.
- Conduct a BACT technical assessment for flares receiving biogas derived from advanced digestion and/or organic waste digestion or codigestion that considers costs, review of the current scientific literature, existing measurement methods, technology achieved in-practice, reliability issues, and if necessary, field testing. Report back to the Stationary Source Committee within 12 months of rule adoption to present findings; potential recommendations; and amend the BACT Guidelines and Rule 1118.1, if necessary.
- Continue to participate in the development of CARB's AB 617 BACT/BARCT Clearinghouse web-based portal.
- Continue research, development, demonstration and deployment of low NO<sub>x</sub> combustion technologies and renewable energy projects.
- Continue database support to Enhance Fleet Modernization Program and Source Testing Engineering, and support to rule development staff.
- Increase deployment of cleaner construction equipment, locomotives, marine, and on-road heavy-duty vehicles through the continued implementation of funding incentive programs, compliance with South Coast AQMD Clean Fleet Vehicle Rules, and identification of future mobile source strategies for implementing the 2016 AQMP.
- Provide monitoring, source testing, and analysis for rule development related to upcoming amendments for Rules 1407 and 1420.2.
- Conduct source test evaluation of polyfluoroalkyl substances (PFAS) as a follow up to Rule 1469.
- Continue source test protocol and report evaluations, CEMS certifications, LAP application reviews and source test observations. Increase throughput on source test

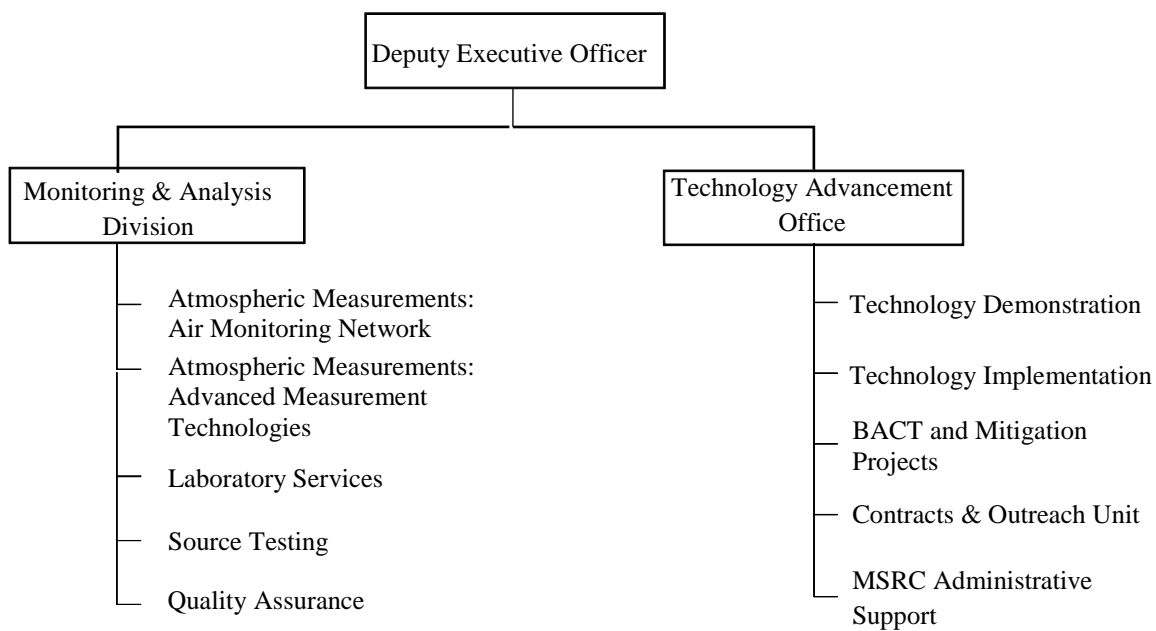
## SCIENCE & TECHNOLOGY ADVANCEMENT (cont.)

evaluations anticipated due to RECLAIM (Regional Clean Air Incentives Market) sunset and permit streamlining efforts.

- Develop air monitoring plans for the three approved communities of AB 617 and begin implementation of those plans by July. Participate in outreach meetings for the “Year Two” communities.
- Continue to evaluate refinery fenceline air monitoring plans, and develop and implement refinery-related community air monitoring as required under Rule 1180.
- Continue with the implementation of air monitoring network and special monitoring and analysis efforts critical to the South Coast AQMD operations, including compliance verification efforts and rule development, including Paramount and Compton. Survey other industrialized areas to assess toxic metal levels.
- Implement enhanced ozone monitoring strategy for the U.S. EPA Photochemical Assessment Monitoring Station program to provide more relevant and robust data sets for VOCs that are ozone precursors. Develop concepts for additional specialized studies or ongoing measurements that would provide information to guide future pollution reduction efforts.
- Continue to enhance and modernize the laboratory instrumentation, methodologies, and analysis capabilities to help with special monitoring projects, incident and wildfire response. Continue operational efficiency improvement by investing in latest software, automated instruments and equipment and other workflow streamlining efforts.
- Continue to enhance and modernize South Coast AQMD’s telemetry system and data management system that receives and validates the incoming data from the air monitoring stations and special monitoring locations to additionally include AB 617 data.
- Continue to assess and oversee operational integrity, efficiency and quality assurance through monthly internal audits of laboratory and field monitoring stations. Participate in the U.S. EPA Technical System Audit being conducted this year.
- Continue with full-scale testing of air quality sensors in AQ-SPEC and share testing results with the public. Develop concept for certification program of low-cost particle and gaseous sensors.
- Deploy and pilot several air quality sensor networks for the purposes of developing new low-cost monitoring capabilities for South Coast AQMD, regulated entities, and the public. Continue to implement the goals and objectives of the U.S. EPA STAR grant to engage, educate, and empower California communities on the use and applications of “low-cost” air monitoring sensors and complete the deployment of sensor networks throughout California in collaboration with CAPCOA agencies and environmental justice groups and communities.
- Continue and expand the operation and development of the PM sensor network around/near Rainbow Environmental to study the correlation between fugitive PM emissions and activity information at the facility (e.g., truck traffic, recycling operations).
- Continue with the implementation of the remote sensing technology projects and experimentation with other next generation monitoring technologies and formulate appropriate recommendations to best integrate into the South Coast AQMD’s current measurement toolbox.

## SCIENCE & TECHNOLOGY ADVANCEMENT (cont.)

### ORGANIZATIONAL CHART:



### POSITION SUMMARY: 226 FTEs

Science & Technology Advancement Units	Amended FY 2018-19	Change	Budget FY 2019-20
Office Administration	14	-	14
Monitoring & Analysis	155	-	155
Technology Advancement	57	-	57
Total	226	-	226



## SCIENCE & TECHNOLOGY ADVANCEMENT (cont.)

### POSITION DETAIL:

<u>FTEs</u>	<u>Title</u>
27	Air Quality Chemist
10	Air Quality Engineer II
3	Air Quality Inspector II
22	Air Quality Instrument Specialist I
27	Air Quality Instrument Specialist II
29	Air Quality Specialist
2	Assistant Deputy Executive Officer/Science & Technology Advancement
3	Atmospheric Measurement Manager
14	Contracts Assistant
1	Deputy Executive Officer/Science & Technology Advancement
6	Laboratory Technician
1	Meteorologist Technician
1	Monitoring Operations Manager
5	Office Assistant
2	Planning and Rules Manager
4	Principal Air Quality Chemist
2	Principal Air Quality Instrument Specialist
18	Program Supervisor
6	Secretary
3	Senior Administrative Secretary
11	Senior Air Quality Chemist
4	Senior Air Quality Engineer
11	Senior Air Quality Instrument Specialist
1	Senior Enforcement Manager
3	Senior Office Assistant
1	Senior Public Information Specialist
2	Senior Staff Specialist
1	Source Test Manager
2	Staff Assistant
2	Staff Specialist
1	Supervising Air Quality Engineer
<u>1</u>	Technology Implementation Manager
226	Total FTEs

Science & Technology Advancement Work Program by Office								
	Program Code	Program Categories	Program	Activities	FTEs FY 2018-19	+/-	FTEs FY 2019-20	Revenue Categories
	1 44 003	Advance Clean Air Technology	Advisory Group/Small Business	Mob Src Review Comm Prog Admin	0.50	0.00	0.50	IX
	2 44 004	Advance Clean Air Technology	AB2766/MSRC/Contract Admin	AB2766 Admin Discretionary Prog	3.00	0.00	3.00	IX
	3 44 009	Develop Programs	AB 1318 Mitigation	AB 1318 Projects Admin/Impl	0.75	-0.50	0.25	XVII
	4 44 012	Advance Clean Air Technology	AQMP/Control Tech Assessment	Tech Supp: Quantify Cost Effec	1.00	0.00	1.00	VIII
	5 44 015	Ensure Compliance	Acid Rain Program	Acid Rain CEMS Eval/Cert	0.50	0.00	0.50	II,IV
	6 44 030	Advance Clean Air Technology	AB 134	AB 134	6.00	-1.00	5.00	IX
	7 44 036	Monitoring Air Quality	AB 617-Monitoring	AB 617-Monitoring	12.00	27.00	39.00	XX
	8 44 038	Monitoring Air Quality	Admin/Office Mgmt/Monitoring	Overall Program Mgmt/Coord	1.40	0.00	1.40	Ib
	9 44 039	Advance Clean Air Technology	Admin/Office Mgt/Tech Adv	Admin Support/Coordination	0.77	0.00	0.77	VIII
	10 44 041	Policy Support	Admin/Office Mgmt/Policy Supp	Overall Policy Supp/Mgmt/Coord	0.49	0.00	0.49	Ib
	11 44 042	Ensure Compliance	Admin/Office Mgmt/Compliance	Compliance: Assign/Manage/Supp	0.37	0.00	0.37	Ib
	12 44 043	Develop Rules	Admin/Office Mgmt/Rules	Rules: Assign/Manage/Supp	0.15	0.00	0.15	Ib
	13 44 046	Monitoring Air Quality	Admin/Program Management	STA Program Administration	2.00	0.00	2.00	Ib
	14 44 048	Advance Clean Air Technology	Admin/Prog Mgmt/Tech Advance	Overall TA Program Mgmt/Coord	1.55	0.00	1.55	VIII
	15 44 063	Monitoring Air Quality	Ambient Air Analysis	Analyze Criteria/Tox/Pollutants	8.91	0.00	8.91	II,V,IX
	16 44 064	Monitoring Air Quality	Ambient Network	Air Monitoring/Toxics Network	19.05	-1.00	18.05	II,IV,V,IX
	17 44 065	Monitoring Air Quality	Air Quality Data Management	AM Audit/Validation/Reporting	1.00	0.00	1.00	II,V,IX
	18 44 066	Advance Clean Air Technology	AQIP Marine SCR DPF	AQIP Marine SCR DPF/Admin/Impl	0.00	0.00	0.00	IX
	19 44 067	Monitoring Air Quality	Ambient Lead Monitoring	Lead Monitoring/Analysis/Reporting	0.50	0.00	0.50	IV
	20 44 069	Develop Programs	AQIP Evaluation	AQIP Contract Admin/Evaluation	0.50	0.00	0.50	IX
	21 44 072	Ensure Compliance	Arch Ctgs - End User	Sample Analysis/Rpts	2.00	0.00	2.00	XVIII
	22 44 073	Monitoring Air Quality	Arch Ctgs - Other	Sample Analysis/Rpts	2.00	0.00	2.00	XVIII
	23 44 079	Monitoring Air Quality	AQ SPEC	AQ SPEC	3.00	3.19	6.19	XVII
	24 44 081	Monitoring Air Quality	Air Filtration EPA	Air Filtration EPA/Admin/Impl	0.10	0.05	0.15	V
	25 44 082	Monitoring Air Quality	Air Filtration Other	Air Filtration Other/Admin/Impl	0.48	-0.38	0.10	XVII
	26 44 095	Advance Clean Air Technology	CA Natural Gas Veh Partnership	CA Natural Gas Veh Partnership	0.10	0.00	0.10	VIII
	27 44 105	Ensure Compliance	CEMS Certification	CEMS Review/Approval	6.15	0.00	6.15	II,III,VI
	28 44 121	Advance Clean Air Technology	China Cln Shipping	China Partnership Cleaner Shpng	0.00	0.90	0.90	IX
	29 44 130	Advance Clean Air Technology	Clean Fuels/Contract Admin	Admin/Project Supp for TA Cont	4.40	-0.50	3.90	VIII
	30 44 132	Advance Clean Air Technology	Clean Fuels/Mobile Sources	Dev/Impl Mobile Src Proj/Demo	1.50	-0.50	1.00	VIII
	31 44 134	Advance Clean Air Technology	Clean Fuels/Stationary Combust	Dev/Demo Clean Combustion Tech	0.30	0.00	0.30	VIII
	32 44 135	Advance Clean Air Technology	Clean Fuels/Stationary Energy	Dev/Demo Alt Clean Energy	0.55	0.00	0.55	VIII
	33 44 136	Advance Clean Air Technology	Clean Fuels/Tech Transfer	Disseminate Low Emiss CF Tech	2.31	-0.51	1.80	VIII
	34 44 161	Monitoring Air Quality	Comm Air Tox Init	Community Air Toxics Initiative	2.19	-2.19	0.00	XVII
	35 44 175	Ensure Compliance	DB/Computerization	Develop Systems/Database	0.44	0.00	0.44	II,IV,VI
	36 44 187	Advance Clean Air Technology	DERA Sch Bus Repl	DERA Sch Bus Repl Admin/Impl	0.03	0.07	0.10	V
	37 44 188	Advance Clean Air Technology	DERA FY 13 Veh Repl	DERA Vehicle Repl Admin/Impl	0.10	0.00	0.10	XVII
	38 44 190	Advance Clean Air Technology	Diesel Projects EPA	Diesel Projects EPA/Admin/Impl	0.11	0.09	0.20	V
	39 44 203	Advance Clean Air Technology	EFMP Program Support	EFMP Program Support	5.00	0.00	5.00	XVII
	40 44 240	Monitoring Air Quality	Environmental Justice	Implement Environmental Justice	0.45	0.00	0.45	II,IX

Science & Technology Advancement (Cont.) Work Program by Office									
	Program Code	Program Categories	Program	Activities	FTEs FY 2018-19	+/-	FTEs FY 2019-20	Revenue Categories	
41	44	248	Monitoring Air Quality	EPA Community Scale AQ-SPEC	EPA Community Scale AQ-SPEC	1.00	0.00	1.00	V,XVII
42	44	258	Advance Clean Air Technology	FARMER Grant	Fund Ag Replacement Measures	0.00	2.50	2.50	XVII
43	44	276	Policy Support	Advisory Group/Technology Adva	Tech Adv Advisory Group Supp	0.10	0.00	0.10	VIII
44	44	356	Advance Clean Air Technology	GGRF ZEDT Demo	GGRF ZEDT Demo Admin	1.00	0.10	1.10	XVII
45	44	368	Develop Programs	Incentive RFP Emis Red Projs	Incentive Projects Admin	0.00	3.00	3.00	XVII
46	44	396	Develop Programs	Lawnmower Exchange	Lawn Mower Admin/Impl/Outreach	0.30	0.00	0.30	XVII
47	44	410	Policy Support	Legislation	Support Pollution Reduction thru Legislatio	0.50	0.00	0.50	IX
48	44	450	Ensure Compliance	Microscopic Analysis	Asbestos/PM/Metals Analysis	2.00	0.00	2.00	VI
49	44	453	Advance Clean Air Technology	Mob Src: Emiss Inven Method	Rww CARB/US EPA emissions inven methodology	1.50	0.00	1.50	VIII,IX
50	44	456	Develop Rules	MS & AQMP Control Strategies	AQMP Control Strategies	0.30	0.00	0.30	VIII
51	44	457	Advance Clean Air Technology	Mob Src/C Moyer Adm/Outreach	Carl Moyer: Impl/Admin Grant	12.15	0.95	13.10	IX
52	44	458	Develop Programs	Mobile Source Strategies	Implement Fleet Rules	1.00	0.00	1.00	VIII
53	44	459	Advance Clean Air Technology	Mob Src/C Moyer/Impl/Prg Dev	Moyer/Implem/Program Dev	3.00	0.00	3.00	IX
54	44	460	Advance Clean Air Technology	VIP Admin	VIP Admin/Outreach/Impl	0.50	0.00	0.50	IX
55	44	468	Monitoring Air Quality	NATTS(Natl Air Tox Trends Sta)	NATTS (Natl Air Tox Trends)	1.50	-0.50	1.00	II,V,IX
56	44	469	Monitoring Air Quality	Near Roadway Mon	Near Roadway Monitoring	1.50	0.00	1.50	IV,V,IX
57	44	500	Ensure Compliance	PM2.5 Program	Est/Operate/Maint PM2.5 Network	11.30	-1.00	10.30	II,V,IX
58	44	505	Monitoring Air Quality	PM Sampling Program (EPA)	PM Sampling Program - Addition	8.41	0.00	8.41	V
59	44	507	Monitoring Air Quality	PM Sampling Spec	PM Sampling Special Events	0.10	0.00	0.10	V
60	44	530	Monitoring Air Quality	Photochemical Assessment	Photochemical Assess & Monitor	3.00	0.00	3.00	V,IX
61	44	533	Advance Clean Air Technology	POLB AMECS Demo	POLB AMECS Demo-Admin/Impl	0.47	-0.37	0.10	XVII
62	44	542	Develop Programs	Prop 18:Goods Movement	Prop 18:Goods Movement	9.00	-7.00	2.00	IX
63	44	545	Timely Review of Permits	Protocols/Reports/Plans	Eval Test Protocols/Cust Svc	0.10	0.00	0.10	III,IV
64	44	546	Timely Review of Permits	Protocols/Reports/Plans	Eval Test Protocols/Compliance	6.15	0.00	6.15	IV,VI
65	44	565	Customer Service and Business Assistance	Public Records Act	Comply w/ Public Req for Info	0.17	0.00	0.17	Ia
66	44	585	Monitoring Air Quality	Quality Assurance	Quality Assurance Branch	4.00	3.00	7.00	II,V,IX
67	44	646	Monitoring Air Quality	R1180 Community Mon	R1180 Comm Monitoring Refinery	5.00	4.00	9.00	XVII
68	44	653	Develop Rules	Rulemaking/BACT	Dev/Amend BACT Guidelines	2.00	-0.50	1.50	II
69	44	657	Develop Rules	Rulemaking/Support PRA	Assist PRA w/ Rulemaking	0.05	0.00	0.05	II
70	44	663	Monitoring Air Quality	Salton Sea Monit	Mon/Analyze Hydrogen Sulfide	0.25	0.00	0.25	XVII
71	44	677	Advance Clean Air Technology	School Bus/Lower Emission Prog	School Bus Program Oversight	1.50	0.50	2.00	IX
72	44	700	Ensure Compliance	Source Testing/Compliance	Conduct ST/Prov Data/Compl	2.25	0.00	2.25	VI
73	44	701	Customer Service and Business Assistance	Source Testing/Customer Svc	Conduct ST/Prov Data/Cust Svc	0.05	0.00	0.05	VI
74	44	702	Develop Programs	ST Methods Development	Eval ST Methods/Validate	0.95	0.00	0.95	II
75	44	704	Ensure Compliance	ST/Sample Analysis/Compliance	Analyze ST Samples/Compliance	4.00	0.00	4.00	VI
76	44	705	Develop Programs	ST Sample Analysis/Air Program	Analyze ST Samples/Air Prgms	0.25	0.00	0.25	II
77	44	706	Develop Rules	ST Sample Analysis/Air Program	Analyze ST Samples/Rules	0.25	0.00	0.25	II
78	44	707	Ensure Compliance	VOC Sample Analysis/Compliance	VOC Analysis & Rptg/Compliance	7.00	0.00	7.00	IV,XV
79	44	708	Develop Rules	VOC Sample Analysis/Rules	VOC Analysis & Rptg/Rules	0.25	0.00	0.25	II,XV
80	44	709	Customer Service and Business Assistance	VOC Sample Analysis/SBA/Other	VOC Analysis & Reptg/Cust Svc	0.50	0.00	0.50	VI
81	44	715	Monitoring Air Quality	Spec Monitoring/Emerg Response	Emergency Response	0.50	0.00	0.50	II

Science & Technology Advancement (Cont.) Work Program by Office								
	Program Code	Program Categories	Program	Activities	FTEs FY 2018-19	+/-	FTEs FY 2019-20	Revenue Categories
82	44	716	Ensure Compliance	Special Monitoring	Rule 403 Compliance Monitoring	2.20	0.00	2.20
83	44	725	Timely Review of Permits	Permit Processing/Support E&C	Assist EAC w/ Permit Process	0.05	0.00	0.05
84	44	738	Advance Clean Air Technology	Target Air Shed EPA	Targeted Air Shed Admin/Impl	0.50	0.00	0.50
85	44	740	Advance Clean Air Technology	Tech Adv/Commercialization	Assess CFs/Adv Tech Potential	0.25	0.00	0.25
86	44	741	Advance Clean Air Technology	Tech Adv/Non-Combustion	Dev/Demo Non-Combustion Tech	1.00	-0.40	0.60
87	44	794	Ensure Compliance	Toxics/AB2588	Eval Protocols/Methods/ST	4.25	-1.00	3.25
88	44	795	Ensure Compliance	Toxics/Engineering	R1401 Toxics/HRA Prot/Rpt Eval	0.05	0.00	0.05
89	44	816	Advance Clean Air Technology	Transportation Research	Transport Research/Adv Systems	0.50	-0.40	0.10
90	44	825	Operational Support	Union Negotiations	Labor/Mgmt Negotiations	0.05	0.00	0.05
91	44	826	Operational Support	Union Steward Activities	Rep Employees in Grievance Act	0.05	0.00	0.05
92	44	827	Advance Clean Air Technology	VW-Program Development	VW-Program Development	0.00	4.00	4.00

**Total Science & Technology Advancement**

194.40	31.60	226.00
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Science & Technology Advancement Line Item Expenditure						
Major Object / Account # / Account Description		FY 2017-18 Actuals	FY 2018-19 Adopted Budget	FY 2018-19 Amended Budget	FY 2018-19 Estimate *	FY 2019-20 Adopted Budget
<b>Salary &amp; Employee Benefits</b>						
51000-52000	Salaries	\$ 15,353,894	\$ 18,016,014	\$ 18,444,427	\$ 17,504,272	\$ 20,252,169
53000-55000	Employee Benefits	7,944,743	9,914,647	9,914,647	9,641,976	11,778,087
Sub-total Salary & Employee Benefits		\$ 23,298,636	\$ 27,930,661	\$ 28,359,074	\$ 27,146,248	\$ 32,030,256
<b>Services &amp; Supplies</b>						
67250	Insurance	\$ -	\$ -	\$ -	\$ -	\$ -
67300	Rents & Leases Equipment	99,589	36,800	63,878	63,878	36,800
67350	Rents & Leases Structure	181,718	419,000	427,543	427,543	169,000
67400	Household	-	500	500	500	500
67450	Professional & Special Services	1,588,685	1,630,000	3,329,206	3,329,206	1,455,000
67460	Temporary Agency Services	553,840	191,600	530,986	530,986	141,600
67500	Public Notice & Advertising	25,975	22,000	22,000	22,000	22,000
67550	Demurrage	99,371	55,000	72,000	72,000	55,000
67600	Maintenance of Equipment	649,804	255,000	532,751	532,751	205,000
67650	Building Maintenance	124,789	270,000	302,115	302,115	170,000
67700	Auto Mileage	59,013	43,909	158,844	158,844	3,909
67750	Auto Service	199	-	-	-	-
67800	Travel	85,797	48,403	79,774	79,774	48,403
67850	Utilities	1,650	-	-	-	-
67900	Communications	291,597	241,000	265,773	265,773	231,000
67950	Interest Expense	-	-	-	-	-
68000	Clothing	7,978	4,000	5,170	5,170	4,000
68050	Laboratory Supplies	523,406	320,000	530,377	530,377	295,000
68060	Postage	23,070	17,318	17,364	17,364	17,318
68100	Office Expense	190,216	102,393	135,890	135,890	41,393
68200	Office Furniture	27,587	-	5,168	5,168	-
68250	Subscriptions & Books	1,385	1,527	1,646	1,646	1,527
68300	Small Tools, Instruments, Equipment	194,210	112,246	417,283	417,283	87,246
68400	Gas and Oil	-	-	-	-	-
69500	Training/Conference/Tuition/ Board Exp.	34,000	107,000	263,721	263,721	107,000
69550	Memberships	97,370	2,250	2,110	2,110	2,250
69600	Taxes	504	2,000	7,585	7,585	2,000
69650	Awards	-	-	-	-	-
69700	Miscellaneous Expenses	14,725	2,600	12,600	12,600	2,600
69750	Prior Year Expense	(11,793)	-	-	-	-
69800	Uncollectable Accounts Receivable	-	-	-	-	-
89100	Principal Repayment	-	-	-	-	-
Sub-total Services & Supplies		\$ 4,864,685	\$ 3,884,546	\$ 7,184,284	\$ 7,184,284	\$ 3,098,546
77000	<b>Capital Outlays</b>	\$ 3,793,453	\$ 507,500	\$ 1,835,058	\$ 1,835,058	\$ 285,000
79050	<b>Building Remodeling</b>	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures		\$ 31,956,775	\$ 32,322,707	\$ 37,378,416	\$ 36,165,590	\$ 35,413,802
* Estimates based on July 2018 through February 2019 actual expenditures and March 2019 budget amendments.						



**SOUTH COAST**  
**AIR QUALITY MANAGEMENT DISTRICT**

### **South Coast AQMD Quick Facts**

- Created by the 1977 Lewis Air Quality Management Act; amended by 1988 Lewis-Presley Air Quality Management Act (Health & Safety Code §40400-40540).
  - Regional governmental agency (Special District)
- Jurisdiction for comprehensive air pollution control over all of Orange County, all of Los Angeles County except for the Antelope Valley, the non-desert portion of western San Bernardino County and the western and Coachella Valley portion of Riverside County
  - 10,743 Square Miles; Population of 17,063,249 (2017)
  - Boundaries are Pacific Ocean to the west; San Gabriel, San Bernardino and San Jacinto Mountains to the north and east, and the San Diego County line to the south
  - Vehicle Registrations - 13,756,321 (2017); Average Daily Miles Traveled Per Vehicle – 28 (2017)
  - Two of the world's busiest seaports are within its boundaries, Port of Los Angeles and Port of Long Beach, who combined handle almost 4,000 vessel calls (2017) and more than 17 million 20-foot long container units or 20-foot equivalent units (TEUs) annually (2018)
- Responsibilities include:
  - Monitoring air quality - 43 air monitoring stations
  - Planning, implementing, and enforcing programs to attain and maintain state and federal ambient air quality standards
    - Developing air quality rules and regulations that regulate stationary source emissions from such facilities as oil refineries, power plants, paint spray booths, incinerators, manufacturing plants, dry cleaners, and service stations
    - Establishing permitting requirements and issuing permits for stationary sources (26,983 operating locations with 68,732 permits)
- Decision-making body is a 13 member Governing Board
  - Ten elected officials with four appointed by the Board of Supervisors from each of the four counties and six appointed by cities within the South Coast AQMD
  - Three members appointed by the Governor, the Speaker of the State Senate, and the Rules Committee of the State Senate

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**

<u>Program Category</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Advance Clean Air Technology</b>										
Contracts awarded	292	530	526	556	938	523	1,047	421	403	357
Total Funding awarded (\$M)	\$89.4	\$180.7	\$131.4	\$82.5	\$207.2	\$216.1	\$123.2	\$153.9	\$137.4	\$170.4
<b>Ensure Compliance with Clean Air Rules</b>										
Inspections	40,558	33,735	33,560	34,191	32,535	29,501	22,871	24,037	21,419	24,695
Notices of Violations	1,908	1,530	1,254	1,211	965	956	811	499	632	1,626
Hearing Board Orders for Abatement	36	35	47	93	51	46	411	23	27	24
Hearing Board Appeals	19	20	2	7	3	7	-	3	3	1
<b>Customer Service</b>										
Public Information Requests	4,962	3,821	3,410	3,543	3,460	4,505	4,012	4,958	5,282	4,676
Community/Public Meetings attended	198	202	190	274	294	264	217	239	210	156
Small Business Assistance Contacts	2,662	2,578	2,497	2,574	2,266	1,850	1,711	1,865	2,834	4,073
<b>Develop Programs to Achieve Clean Air</b>										
Transportation Plans processed	1,412	1,372	1,385	1,392	1,371	1,333	1,329	1,337	1,348	1,356
Emission Inventory Updates	586	703	521	530	408	460	336	356	244	343
<b>Develop Rules to Achieve Clean Air</b>										
Rules Developed	32	15	40	8	20	24	24	16	15	28
<b>Monitoring Air Quality</b>										
Samples Analyzed by the Laboratory	25,400	29,685	28,915	29,520	32,520	29,340	30,824	32,400	38,541	36,342
Source Testing Analyses/Evaluations/Review	718	740	1,030	952	1,035	968	996	936	952	714
<b>Timely Review of Permits</b>										
Applications Processed	11,564	9,627	13,044	12,225	14,153	13,217	9,495	10,116	11,780	10,913
Applications Received-Small Business	627	694	798	732	615	514	629	594	535	605
Applications Received-All Others	10,954	10,941	10,769	11,682	11,709	11,156	9,961	9,894	8,376	9,172
<b>Policy Support</b>										
News releases	76	69	64	57	61	62	76	89	86	120
Media Calls	334	313	252	520	1,131	774	532	1,450	1,201	-
Media Inquiries Completed	334	313	252	520	1,131	774	532	1,450	1,201	-
News Media Interactions*	-	-	-	-	-	-	-	-	-	1,235

\*\*Tracking of News Media Interactions began in 2018



## FINANCIAL POLICIES

South Coast AQMD is required to follow specific sections of the California Health & Safety Code, which guide South Coast AQMD's overall financial parameters. The Governing Board also provides financial direction to South Coast AQMD staff through the adoption of various financial-related policies. In addition, the Administrative Policies and Procedures offer further financial guidance. Below is an overview of the guidelines and procedures for the applicable financial-related policies.

### California Health & Safety Code (CA H&SC)

- District Budget Adoption – CA H&SC §40130

The South Coast AQMD shall prepare, and make available to the public at least 30 days prior to public hearing, a summary of its budget and any supporting documents, including, but not limited to, a schedule of fees to be imposed by the South Coast AQMD to fund its programs. The South Coast AQMD shall notify each person who was subject to fees imposed by the South Coast AQMD in the preceding year of the availability of information. The South Coast AQMD shall notice and hold a public hearing for the exclusive purpose of reviewing the budget and of providing the public with the opportunity to comment upon the proposed South Coast AQMD budget.

- Fees Assessed on Stationary Sources – CA H&SC §40500.1

Fees assessed on stationary sources shall not exceed, for any fiscal year, the actual costs of District programs for the immediately preceding fiscal year with an adjustment not greater than the change in the California Consumer Price Index (CPI), for the preceding calendar year, from January 1 of the prior year to January 1 of the current year. Unless specifically authorized by statute, the total amount of all of the fees collected from stationary sources of emissions in the 1995-96 fiscal year, and in each subsequent fiscal year, shall not exceed the level of expenditure in the 1993-94 fiscal year, except that the total fee amount may be adjusted annually by not more than the percentage increase in the California CPI. Any new state or federal mandate that is applicable to the South Coast AQMD on and after January 1, 1994 shall not be subject to this section.

- Limitation on Increase in Permit Fees – CA H&SC §40510.5

Existing permit fees shall not increase by a percentage greater than any percentage increase in the California CPI for the preceding calendar year, unless the board makes a finding, based upon relevant information in a rulemaking record, that the fee increase is necessary and will result in an apportionment of fees that is equitable. Any fee increase above CPI shall be phased in over a period of at least two years.

## **FINANCIAL POLICIES (cont.)**

### South Coast AQMD Governing Board Policy

- **Administrative Code**

The Administrative Code of Rules and Procedures prescribes the responsibilities, conduct and specified reimbursements of v employees and South Coast AQMD Board members. Sections include, but are not limited to, mileage reimbursement, travel expenses, tuition reimbursement, professional licenses and memberships, and bilingual pay.

- **Annual Investment Policy**

The Annual Investment Policy sets forth the investment guidelines for all general, special revenue, trust, agency and enterprise funds of the South Coast AQMD. The purpose of this policy is to ensure all of South Coast AQMD's funds are prudently invested to preserve principal and provide necessary liquidity, while earning a market average rate of return. The South Coast AQMD Annual Investment Policy conforms to the California Government Code as well as customary standards of prudent investment management.

The objectives of the policy, in priority order, are Safety of Principal, Liquidity, and Market Rate of Return. The policy establishes and defines investable funds, authorized instruments, credit quality requirements, maximum maturities and concentrations, collateral requirements, and qualifications of brokers, dealers, and financial institutions doing business with or on behalf of the South Coast AQMD.

The policy provides the Governing Board, the Treasurer, the Assistant Deputy Executive Officer of Finance, and the Investment Oversight Committee with set duties and responsibilities to execute the policy.

- **Budget Advisory Committee**

Established by the South Coast AQMD Governing Board, the Budget Advisory Committee serves in an advisory capacity to the South Coast AQMD on budgeting and financial planning matters. The committee, made up of members from the business and environmental community, provides additional insight during the annual budget process by reviewing and commenting on the proposed budget. The Budget Advisory Committee's comments are required to be provided to the Governing Board by April 15<sup>th</sup> of each year pursuant to South Coast AQMD Rule 320.

## **FINANCIAL POLICIES (cont.)**

- **Fund Balance Use**

When both restricted and unrestricted resources are available for use, it is South Coast AQMD's policy to use restricted resources first and then unrestricted resources as they are needed. When using unrestricted fund balance amounts, South Coast AQMD's Governing Board approved policy is to use committed amounts first, followed by assigned and then unassigned.

- **Procurement Policy and Procedure**

The Procurement Policy and Procedure provides the guidelines for the contracting and/or purchasing of services, material, equipment, supplies and fixed assets (i.e. capital outlays) by the South Coast AQMD under the direction of the Procurement Manager. These guidelines include, but are not limited to, purchasing methods, bidding procedures, signature authorization levels, fixed asset acquisition and disposition, and publication requirements for advertised procurements.

Procedures are in place to ensure that all businesses including minority business enterprises, women business enterprises, disabled veteran business enterprises and small businesses have a fair and equitable opportunity to compete for and participate in South Coast AQMD contracts and that South Coast AQMD utilizes, when necessary, the most highly qualified outside consultants/contractors to carry out the organization's responsibilities.

- **Rule 320 - Automatic Fee Adjustment**

Rule 320 provides that all Regulation III fees, with specified exceptions, are automatically adjusted July 1 of each year by the California Consumer Price Index for the preceding calendar year unless the Governing Board decides not to implement a fee adjustment, or to implement a different adjustment for a given year, either for all fees or for a specified fee or fees. The Executive Officer is directed to prepare annually a socioeconomic impact of the effect of the fee adjustment for review by stakeholders and the Governing Board and to hold a public hearing on the automatic fee adjustment to receive any public comments. Public comments and any responses, along with recommendations by the Budget Advisory Committee, are to be forwarded to the Governing Board by April 15 of each year.

- **Treasury Operations Contingency Plan and Procedures**

The Treasury Operations Contingency Plan and Procedures states the course of action that may be implemented by the South Coast AQMD to protect the safety and liquidity of the South Coast AQMD funds and to protect South Coast AQMD from disruptions to ongoing operations if: 1) the financial stability of Los Angeles County may jeopardize South Coast

## **FINANCIAL POLICIES (cont.)**

AQMD funds invested through the Los Angeles County Treasurer; and/or 2) the Los Angeles County Treasurer, as Treasurer of South Coast AQMD, can no longer provide the treasury services currently provided in a satisfactory manner.

Under authority granted by Resolution 97-32, the Executive Officer can appoint either the Assistant Deputy Executive Officer of Finance or Controller as Acting Treasurer to immediately begin implementing the defined procedures to safeguard South Coast AQMD funds.

- **Unreserved Fund Balance Policy**

The Unreserved Fund Balance Policy, originally adopted by the Board in June 2005 and adjusted in June 2014, states that the Unreserved Fund Balance in the General Fund should be maintained at a minimum of 20% of revenues. GFOA Recommended Best Practices prescribe a minimum 17% reserve amount plus an additional amount based on the organization's reliance on revenue over which it has no control. The 20% reserve amount is derived from the minimum 17% plus an additional 3% to account for South Coast AQMD's reliance on state subvention (\$4M), U.S. EPA Section 103/105 grants (\$5M), and one-time penalties and settlements (\$5M).

### Executive Officer Administrative Policies and Procedures

- **Contracting for Consulting and Professional Services**

Contracting for Consulting and Professional Services policy provides guidance in contracting for consulting and professional services in both a competitive and sole source environment as addressed in Section VIII of the South Coast AQMD Procurement Policy and Procedure document.

- **Fixed Assets and Controlled Items**

The Fixed Assets and Controlled Items policy provides guidance on the receipt, transfer, inventory, accountability, and disposal of fixed assets and controlled items.

- **Purchasing of Non-Consultant Services and Supplies**

The Purchasing of Non-Consultant Services and Supplies policy provides guidance in implementing the purchase of non-consultant services and supplies as addressed in Section IV of the South Coast AQMD Procurement Policy and Procedure document.

- **Travel**

The Travel Policy provides guidance on allowable travel expenses, travel advances, and documentation requirements.

## BUDGET GLOSSARY

<b>Adopted Budget</b>	The annual budget for the General Fund that has been approved by South Coast AQMD's Governing Board.
<b>Amended Budget</b>	The adopted budget plus any modifications approved by South Coast AQMD's Governing Board during the fiscal year.
<b>Appropriation</b>	A specific amount of money authorized by South Coast AQMD's Governing Board which permits the South Coast AQMD to incur obligations and to make expenditures of resources.
<b>Assigned Fund Balance</b>	The portion of the fund balance that has been allocated by South Coast AQMD's Governing Board for a specific purpose.
<b>Budget Advisory Committee</b>	A committee made up of representatives from the business and environmental communities who review and provide feedback on South Coast AQMD's financial performance and proposed budget.
<b>Budgetary Basis of Accounting</b>	A form of accounting used in the budget where encumbered amounts are recognized as expenditures.
<b>Balanced Budget</b>	A budget in which planned expenditures do not exceed planned revenues.
<b>Capital Asset</b>	Tangible asset with an initial individual cost of \$5,000 or more and a useful life of at least three years or intangible assets with an individual cost of \$5,000 or more and a useful life of at least one year.
<b>Capital Outlays</b>	Expenditures for capital assets; A Major Object, or classification of expenditures, within South Coast AQMD's budget.
<b>Committed Fund Balance</b>	The portion of the fund balance that includes amounts that can be used only for specific purposes as determined by the South Coast AQMD Governing Board.
<b>CPI-Based Fee Increase</b>	Increases to fees (emission, annual operating, permit processing, Hot Spots, area sources, transportation, source test/analysis, and Hearing Board) based on the change in the Consumer Price Index for the preceding calendar year as reported for California Department of Finance—All Urban Consumer Series. This is in accordance with the California Health and Safety Code §40510.5.

## **BUDGET GLOSSARY (cont.)**

<b>Debt Service</b>	The cost to cover the repayment of interest and principal on a debt for a particular period of time.
<b>Debt Structure</b>	The make-up of long-term debt. South Coast AQMD's long-term debt has been taken on to fund building and pension obligations.
<b>Designation</b>	A portion of the Fund Balance that has been assigned for specific purposes by actions of South Coast AQMD's Governing Board.
<b>Encumbrance</b>	An amount of money committed for the payment of goods and services that have not yet been received or paid for.
<b>Expenditures</b>	Charges incurred for goods and services.
<b>Fee Schedule</b>	The State Legislature has authorized air districts to levy fees to support industry related programs which improve air quality. The schedule of fees levied by South Coast AQMD is approved by South Coast AQMD's Governing Board as part of the annual budget process. (Also see Regulation III.)
<b>Fiscal Year</b>	A period of 12 consecutive months selected to be the budget year. South Coast AQMD's fiscal year runs from July 1 to June 30.
<b>FTE</b>	Full Time Equivalent; A measure of the level of staffing. One FTE equates to 2,080 hours of paid time within a 12 month period.
<b>Fund Balance</b>	The accumulation of revenues less expenditures within a fund for a specific year. South Coast AQMD's fund balance is broken out into Reserves (nonspendable and committed) and Unreserved Designations. Unreserved Designations is further broken out into Assigned and Unassigned Fund Balance. This terminology is in accordance with GASB 54.
<b>GASB 54</b>	A standard issued by the Government Accounting Standards Board (GASB) to guide fund balance reporting.
<b>General Fund</b>	The primary operating fund for South Coast AQMD where expenditures and revenues associated with the daily operations of South Coast AQMD are accounted for.
<b>Grant</b>	A sum of money given by an organization for a particular purpose. The grants which provide funding to South Coast AQMD's General Fund are primarily received from the U. S. Environmental Protection Agency (EPA),

## BUDGET GLOSSARY (cont.)

	the Department of Homeland Security (DHS), and the Department of Energy (DOE).
<b>Inventory</b>	Value at cost of office, computer, cleaning and laboratory supplies at year-end.
<b>Major Object</b>	South Coast AQMD has four expenditure classifications: Salaries and Employee Benefits, Services and Supplies, Capital Outlays, and Building Remodeling. Transfers between Major Objects must be approved by the South Coast AQMD Governing Board.
<b>Mobile Source Revenues</b>	Revenues received from motor vehicle registrations and from the administration of motor vehicle programs aimed at reducing air pollution from motor vehicles.
<b>Nonspendable Fund Balance</b>	Amounts in the fund balance that are not in a spendable form. In South Coast AQMD's General Fund, inventory makes up the nonspendable balance.
<b>Pension Obligation Bonds (POBs)</b>	A method of financing used by South Coast AQMD to refinance its obligations to its employees' pension fund.
<b>Proposed Budget</b>	The annual budget that has been developed by South Coast AQMD and made available to the public for review before being presented to the South Coast AQMD Governing Board for approval.
<b>Regulation III</b>	The rule that establishes the fee rates and schedules associated with permitting, annual renewals, emissions and other activities that help fund most of South Coast AQMD's regulatory programs and services. (Also see Fee Schedule.)
<b>Reserves</b>	Funding within the Fund Balance that is set aside for a specific future use and not available for any other purpose. It consists of both nonspendable amounts (inventory of supplies) and committed amounts (encumbrances).
<b>Revenue</b>	Monies the South Coast AQMD receives as income. South Coast AQMD's revenue is mainly from fees charged to control or regulate emissions.
<b>SBCERA</b>	San Bernardino County Employment Retirement System manages the retirement plan for South Coast AQMD employees.

## **BUDGET GLOSSARY (cont.)**

<b>Salaries and Employee Benefits</b>	Expenditures for Salary expenses, employee benefits, retirement and insurance benefits. It is a Major Object, or classification of expenditures, within South Coast AQMD's budget.
<b>Services and Supplies</b>	Expenditures for items and services needed for the daily operations of the South Coast AQMD including professional services, utilities, office expenses, maintenance, and debt service. It is a Major Object, or classification of expenditures, within South Coast AQMD's budget.
<b>Special Revenue Fund</b>	A fund used to account for revenues and expenditures from specific sources earmarked for specific purposes. South Coast AQMD's main fund is its General Fund. All other funds are designated as Special Revenue Funds. The South Coast AQMD does not adopt a budget for Special Revenue Funds. Board action is required for all expenditures.
<b>State Subvention</b>	The state of California provides assistance to air districts for on-going operations to perform mandated functions such as compliance and enforcement, planning, and rule development.
<b>Stationary Source Fees</b>	Revenues collected from emission fees, permit fees, and annual operating fees to support activities for improving air quality.
<b>Transfer In/Out</b>	A transfer between different funds within South Coast AQMD's accounting system. For example, a transfer of cash from the General Fund to a Special Revenue Fund would be a Transfer Out for the General Fund and a Transfer In for the Special Revenue Fund.
<b>Unassigned Fund Balance</b>	The residual fund balance of the General Fund. It is not designated for a specific purpose and can only be used upon approval of South Coast AQMD's Governing Board.
<b>Unreserved Designations</b>	The portion of the Fund Balance that has not been committed by South Coast AQMD's Governing Board or is nonspendable due to specific Board constraints. It is further broken down into either amounts assigned by the Governing Board for specific purposes or an unassigned amount that can only be used upon approval of the Governing Board.
<b>Work Programs</b>	Activities carried out by South Coast AQMD staff. Work Programs are classified into nine Work Program Categories according to the nature of the activity being performed.





# Ten Things South Coast AQMD is Doing to Help Clean the Air

**Eliminating** dirty diesels by requiring fleets of school buses, transit buses, street sweepers, trash trucks and airport taxis to phase in clean-burning vehicles.



**Responding** to residents' air pollution complaints through **1-800-CUT-SMOG**.

**Conducting** Town Hall meetings to solicit residents' air quality concerns that help shape clean air policy.



**Carrying** out environmental justice initiatives to ensure cleaner air for all Southland residents.



**Conducting** special air monitoring studies in communities with the greatest air quality concerns.

**Providing** more than \$100 million in state and local funding to help convert diesel tugboats, construction equipment and heavy-duty trucks to lower-emission and clean fuel models, and establish on-shore electric power systems to provide electricity to ships docked at area ports.



**Co-sponsoring** research that helps us understand how air pollution impacts the public's health, especially children, athletes, and individuals with respiratory illnesses.

**Continuing** to develop new regulations to further reduce pollution from all sources – from dry cleaners to oil refineries to cement plants.



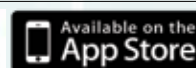
**Helping** fund research to develop zero-emission fuel cells, and hybrid technology to power cars, buses and other vehicles.

**Working** with clean air agencies worldwide to be part of a comprehensive solution to air pollution problems.



To learn more about what South Coast AQMD is doing to help clean the air, visit our website

[www.aqmd.gov](http://www.aqmd.gov)



South Coast Air Quality Management District: 21865 Copley Dr., Diamond Bar, CA 91765



**South Coast  
Air Quality Management District**

21865 Copley Drive  
Diamond Bar, CA 91765-4178

[www.aqmd.gov](http://www.aqmd.gov)

## ATTACHMENT C

### KEY ISSUES AND RESPONSES

#### Proposed Amended Regulation III – Fees & Proposed Amended Rule 209 – Transfer and Voiding of Permits

Through the rulemaking process, staff has reached out broadly to all permitted facilities as well as through targeted outreach to those facilities most impacted by the proposed amendments. Six key issues related to increased toxics emissions fees have been raised by industry stakeholders.

- 1) *South Coast AQMD staff review and approval of source tests used for emissions reporting should be streamlined, including faster review times and allowing the use of industry pooled source tests.*

Staff is committed to improving the source test review process, and identifying and implementing mechanisms to improve turnaround times. The increased resources provided by this proposed amendment can assist specifically in this effort. The board resolution also commits staff to work with industry to review and update emissions estimation methods. An increased focus on developing new, uniform emissions estimation methods (including through source testing) is one of the required elements of AB 617, and pooled source testing could be one of the key methods used to achieve these goals.

- 2) *The proposed three year phase-in of toxics emissions fees should be extended to four years.*

Staff's proposal already delays the phase in one year to allow facilities an opportunity to prepare for the modified fee structure. The board resolution also includes a requirement for staff to report back on the impact of the proposed increased fees within twelve months of final phase in. If appropriate at that time, staff will make recommendations to adjust the fees higher or lower as necessary based on South Coast AQMD costs and revenues for work on toxics from stationary sources.

- 3) *Staff should conduct more outreach for the proposed amendments.*

Based on these comments, staff increased its outreach for this rule compared to previous years, including through targeted emails to all facilities expected to have a fee increase greater than \$5,000 per year, preparation of detailed fee estimates for all facilities, and an extra webinar to specifically discuss the proposed increase in toxics emissions fees. If the proposed amended rule is approved, staff will continue to conduct additional outreach to let facilities know how to prepare for the upcoming phase in.

- 4) *Many facilities will pay higher fees due to CARB's Criteria and Toxics Reporting (CTR) regulation.*

CARB has not yet finalized its CTR regulation and it is not clear exactly how many additional facilities may or may not be required to report emissions to South Coast AQMD. The proposed amendments to Regulation III will not require any new facilities to report emissions that aren't already reporting. Because the existing Rule 301 already captures the highest emitting permitted facilities in our jurisdiction, any new facilities that would be required to report pursuant to CARB's CTR are expected to typically have lower fees than those already required to report pursuant to Rule 301. The structure of the rule has been set to also try to minimize the fiscal impact on these lower emitting facilities, consistent with the expected South Coast AQMD workload.

## ATTACHMENT C

5) *South Coast AQMD's legal authority regarding fees is overstated.*

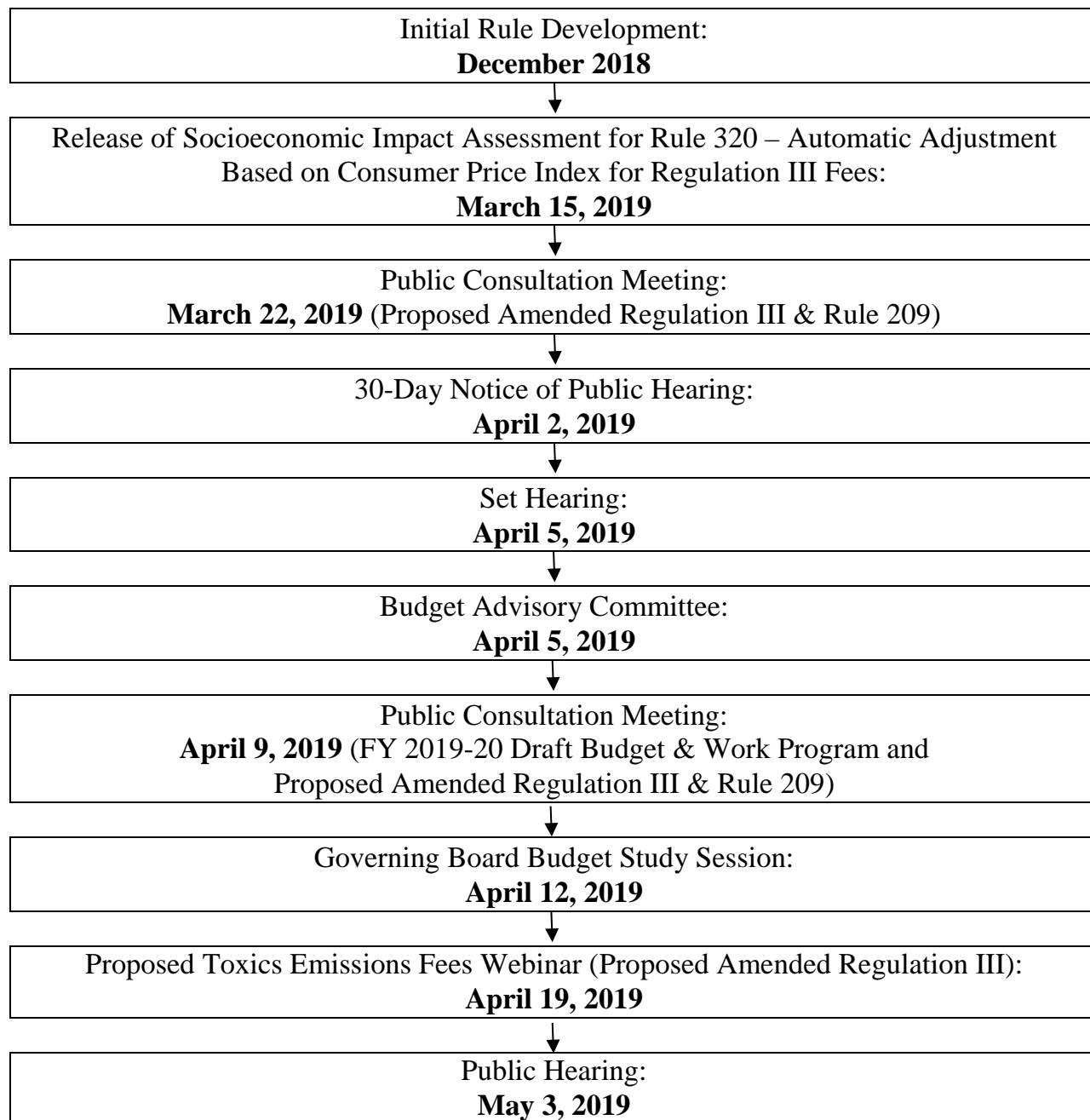
Statute and case law provides clear legal authority for these fees. Specifically, California Health & Safety Code § 40510 provides broad authority for the District to adopt fees. Subdivision (b) provides for adoption of fees for “variances and permits to cover the reasonable cost of permitting, planning, enforcement, and monitoring related thereto.” Subdivision (d) states that “this section shall not prevent the district from establishing or amending an individual permit renewal or operating permit fee applicable to a class of sources to recover the reasonable district costs of permitting, planning, enforcement, and monitoring which that class will cause to district programs.” Together these sections clearly authorize the proposed toxic air contaminant fees. These emissions-based fees are related to permitting, planning, enforcement and monitoring are within the scope of § 40510.

6) *South Coast AQMD's justification for the increased fees is not adequately supported.*

The proposed amendments are necessary to recover reasonable costs of regulatory work performed by the South Coast AQMD and the proposed fee structure is equitable. Current fees are relatively low and fall short of the costs associated with work on toxic emissions at stationary sources. That shortfall, if allowed to continue, has the potential to create inequities in the overall permitted source program.

## ATTACHMENT D

### **RULE DEVELOPMENT PROCESS Proposed Amended Regulation III & Rule 209**



**Five (5) months spent in rule development**

**Two (2) Public Consultation Meetings and (1) Webinar**

**One (1) Budget Advisory Committee Meeting**

**One (1) Governing Board Budget Study Session**

## **ATTACHMENT E**

### **KEY CONTACTS LIST**

Curtis Coleman	Budget Advisory Committee and Southern California Air Quality Alliance
Jean Kayano	Budget Advisory Committee and Center for Community Action and Environmental Justice
Bill LaMarr	Budget Advisory Committee and California Small Business Alliance
Priscilla Hamilton	Budget Advisory Committee and Southern California Gas Company
Janet Whittick	Budget Advisory Committee and California Council for Environmental and Economic Balance
Julia Lester	Ramboll
Susan Stark	Marathon
Bridget McCann	Western States Petroleum Association
Neal Davenport	Davenport Engineering Inc.
Karl Lany	Montrose Environmental

## **ATTACHMENT F**

RESOLUTION NO. 19-\_\_\_\_\_

**A Resolution of the Governing Board of the South Coast Air Quality Management District (South Coast AQMD) determining that Proposed Amended Regulation III – Fees, which includes 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 and Regulation XXV, 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 – Fees for Architectural Coatings, and Proposed Amended Rule 315 – Fees for Training Classes and License Renewal; and Proposed Amended Rule 209 – Transfer and Voiding of Permits, are exempt from the requirements of the California Environmental Quality Act (CEQA).**

**A Resolution of the South Coast AQMD Governing Board amending Regulation III – Fees, including Rule 301 – Permitting and Associated Fees, Rule 303 – Hearing Board Fees, Rule 304 – Equipment, Materials and Ambient Air Analyses, Rule 304.1 – Analyses Fees, Rule 306 – Plan Fees, Rule 307.1 – Alternative Fees for Air Toxics Emissions Inventory, Rule 308 – On-Road Motor Vehicle Mitigation Options Fees, Rule 309 – Fees for Regulation XVI and Regulation XXV, Rule 311 – Air Quality Investment Program (AQIP) Fees, Rule 313 – Authority to Adjust Fees and Due Dates, Rule 314 – Fees for Architectural Coatings, and Rule 315 – Fees for Training Classes and License Renewal, and Rule 209 – Transfer and Voiding of Permits.**

**WHEREAS**, the South Coast AQMD Governing Board finds and determines that Proposed Amended Regulation III, which includes Proposed Amended Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315, and Proposed Amended Rule 209, are considered a "project" pursuant to CEQA Guidelines Section 15002(k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA; and

**WHEREAS**, the South Coast AQMD has had its regulatory program certified pursuant to Public Resources Code Section 21080.5 and CEQA Guidelines Section 15251(l) and has conducted a CEQA review pursuant to such program (South Coast AQMD Rule 110); and

**WHEREAS**, the South Coast AQMD Governing Board finds and determines that after conducting a review of the proposed project in accordance with CEQA Guidelines Section 15002(k) - General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA, and CEQA Guidelines Section 15061 - Review for Exemption, procedures for determining if a project is exempt from CEQA, that Proposed Amended Regulation III, which includes Proposed Amended Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, 315, and Proposed Amended Rule 209 are determined to be exempt from CEQA; and

**WHEREAS**, the South Coast AQMD Governing Board finds and determines that it can be seen with certainty that there is no possibility that Proposed Amended Regulation III, which includes proposed fee updates, new fees, amendments, and administrative changes in Proposed Amended Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315, and Proposed Amended Rule 209, which includes changes that are identified as being strictly administrative in nature, may have any significant effects on the environment because the proposed changes would not cause any physical changes that would affect any environmental topic area, and therefore, are exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Common Sense Exemption; and

**WHEREAS**, the South Coast AQMD Governing Board finds and determines that Proposed Amended Regulation III, which includes amendments to Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315 which reflect fee updates and new fees, combined with the administrative amendments to Rules 301, 304, 304.1, 306, 307.1, and 313, which also involve fees charged by the South Coast AQMD, are statutorily exempt from CEQA pursuant to CEQA Guidelines Section 15273 – Rates, Tolls, Fares, and Charges, because collectively these proposed amendments involve charges by a public agency for the purpose of meeting operating expenses and financial reserve needs and requirements; and

**WHEREAS**, the South Coast AQMD Governing Board finds and determines that Proposed Amended Rule 209 is categorically exempt from CEQA pursuant to CEQA Guidelines Section 15308 – Actions by Regulatory Agencies for Protection of the Environment, because the proposed amendments are designed to further protect or enhance the environment; and



**WHEREAS**, the South Coast AQMD Governing Board has considered whether Proposed Amended Rule 209 may have significant environmental impacts due to unusual circumstances, as set forth in CEQA Guidelines Section 15300.2, and has determined that none exist for Proposed Amended Rule 209; and

**WHEREAS**, the South Coast AQMD staff has prepared a Notice of Exemption for Proposed Amended Regulation III, which includes Proposed Amended Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315, and Proposed Amended Rule 209, that is completed in compliance with CEQA Guidelines Section 15062 – Notice of Exemption; and

**WHEREAS**, Proposed Amended Regulation III, which includes Proposed Amended Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315, and Proposed Amended Rule 209, including the Notice of Exemption and other supporting documentation, were presented to the South Coast AQMD Governing Board and the South Coast AQMD Governing Board has reviewed and considered this information, as well as has taken and considered staff testimony and public comment prior to approving the project; and

**WHEREAS**, the South Coast AQMD Governing Board finds and determines, taking into consideration the factors in Section (d)(4)(D) of the Governing Board Procedures (codified as Section 30.5(4)(D)(i) of the Administrative Code), that the modifications to Proposed Amended Regulation III, which includes Proposed Amended Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315, – and Proposed Amended Rule 209, since the Notice of Public Hearing was published are not so substantial as to significantly affect the meaning of Proposed Amended Regulation III, which includes Proposed Amended Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315, and Proposed Amended Rule 209, within the meaning of Health and Safety Code Section 40726 because: (a) the changes do not impact emission reductions, (b) the changes do not affect the number or type of sources regulated by the rules, or significantly affect the impact of the rule on such sources, (c) the changes are consistent with the information contained in the notice of public hearing, and (d) the consideration of the range of CEQA alternatives is not applicable because the entirety of the proposed project is exempt from CEQA; and

**WHEREAS**, Proposed Amended Regulation III, which includes Proposed Amended Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, 315, and Proposed Amended Rule 209, are not control measures in the 2016 Air Quality Management Plan (AQMP) and were not ranked by cost-effectiveness relative to other AQMP control measures in the 2016 AQMP; and

**WHEREAS**, Proposed Amended Regulation III, which includes Proposed Amended Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315, and Proposed Amended Rule 209, will not be submitted for inclusion into the State Implementation Plan, except to the extent necessary to satisfy Clean Air Act Section 182 (a)(3)(B), Emission statements, following a later hearing before the South Coast AQMD Governing Board; and

**WHEREAS**, Health and Safety Code Section 40727 requires that prior to adopting, amending or repealing a rule or regulation, the South Coast AQMD Governing Board shall make findings of necessity, authority, clarity, consistency, non-duplication, and reference based on relevant information presented at the public hearing and in the Final Staff Report; and

**WHEREAS**, the South Coast AQMD Governing Board has determined that in order to add rule clarity and to recover reasonable and actual costs incurred by South Coast AQMD in meeting requirements of recently adopted rules and state mandates and implementing necessary clean air programs, 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 Proposed Budget in Fiscal Year 2019-2020 and thereafter; and

**WHEREAS**, the South Coast AQMD Governing has determined that it is necessary to amend Rule 209 to clarify when a change of owner/operator occurs because as currently written, the rule is inconsistent with California corporate law with respect to how mergers are treated;

**WHEREAS**, the South Coast AQMD Governing Board has determined that the Socioeconomic Impact Assessment of the Consumer Price Index (CPI)-based Fee Increase and the Socioeconomic Impact Assessment for Proposed Amended Regulation III and Proposed Amended Rule 209 are consistent with the March 17, 1989 Governing Board Socioeconomic Resolution for rule adoption and the October 29, 2010 Governing Board Resolution pertaining to Rule 320 - Automatic Adjustment Based on Consumer Price Index for Regulation III Fees; and

**WHEREAS**, the South Coast AQMD Governing Board has determined that the Socioeconomic Impact Assessments are consistent with the provisions of Health and Safety Code Section 40440.8, even though such assessments are not statutorily required in these circumstances; and

**WHEREAS**, the South Coast AQMD Governing Board has determined Proposed Amended Regulation III – Fees and Proposed Amended Rule 209 will result in increased costs to the affected industries, yet are considered

to be reasonable, with a total annualized cost as specified in the Socioeconomic Impact Assessments; and

**WHEREAS**, the South Coast AQMD Governing Board has actively considered the Socioeconomic Impact Assessments and has made a good faith effort to minimize such impacts; and

**WHEREAS**, Health and Safety Code Section 40510.5(a) requires the South Coast AQMD Governing Board to find that an increased fee will result in an equitable apportionment of fees when increasing fees beyond the CPI. Based on relevant information presented at the public hearing and in the staff report, the proposed new fees and proposed increases in fee rates beyond the CPI in Proposed Amended Rules 301 and 309 are found to be equitably apportioned because such fees are necessary to better align program costs and revenues, are based on the reasonable costs to South Coast AQMD, and are reasonably related to the benefits received and burdens imposed by the fee payors; and

**WHEREAS**, the South Coast AQMD Governing Board obtains its authority to adopt, amend, or repeal rules and regulations from Health and Safety Code Sections 40000, 40001, 40440, 40500, 40500.1, 40502, 40506, 40510, 40510.5, 40511, 40522, 40522.5, 40523, 40701.5, 40702, 41512, 42705.6, and 44380, and Clean Air Act Section 502(b)(3) [42 U.S.C. Section 7661(b)(3)]; and

**WHEREAS**, the South Coast AQMD Governing Board has determined that Proposed Amended Regulation III, which includes Proposed Amended Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315, and Proposed Amended Rule 209, are written or displayed so that their meaning can be easily understood by the persons directly affected by them; and

**WHEREAS**, the South Coast AQMD Governing Board has determined that Proposed Amended Regulation III, which includes Proposed Amended Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315, and Proposed Amended Rule 209, are in harmony with, and not in conflict with or contradictory to, existing statutes, court decisions, or state or federal regulations; and

**WHEREAS**, the South Coast AQMD Governing Board has determined that Proposed Amended Regulation III, which includes Proposed Amended Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315, and Proposed Amended Rule 209, 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 South Coast AQMD; and

**WHEREAS**, the South Coast AQMD Governing Board, in amending Regulation III, which includes amending Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315, and amending Rule 209, references the following statutes which the South Coast AQMD hereby implements, interprets, or makes specific: Health and Safety Code Sections 40500, 40500.1, 40502, 40506, 40510, 40510.5, 40511, 40522, 40522.5, 40523, 41512, 42705.6, and 44380, and Clean Air Act Section 502(b)(3) [42 U.S.C §7661(b)(3)]; and

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

**WHEREAS**, the South Coast AQMD Governing Board has held a public hearing in accordance with all provisions of law; and

**WHEREAS**, the South Coast AQMD Governing Board has determined that Health and Safety Code Section 40920.6 is not applicable to Proposed Amended Regulation III, which includes Proposed Amended Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315, and Proposed Amended Rule 209, since neither Proposed Amended Regulation III, including Proposed Amended Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315, nor Proposed Amended Rule 209 impose limits on air contaminants or implement Best Available Retrofit Control Technology requirements; and

**WHEREAS**, the South Coast AQMD Governing Board specifies the Planning and Rules Manager overseeing the rule development for Proposed Amended Regulation III, which includes Proposed Amended Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315, and Proposed Amended Rule 209, as the custodian of the documents or other materials which constitute the record of proceedings upon which the adoption of this proposed project is based, which are located at the South Coast AQMD, 21865 Copley Drive, Diamond Bar, California.

**NOW, THEREFORE BE IT RESOLVED**, that the South Coast AQMD Governing Board does hereby determine, pursuant to the authority granted by law, that Proposed Amended Regulation III, which includes Proposed Amended Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315, and Proposed Amended Rule 209, are exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Common Sense Exemption. The South Coast AQMD Governing Board does also hereby determine, pursuant to the authority granted by law, that Proposed Amended Regulation III, which includes Proposed Amended Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315, is statutorily exempt from CEQA pursuant to CEQA Guidelines Section 15273 – Rates, Tolls, Fares, and Charges. Finally, the South Coast AQMD Governing Board does also hereby determine, pursuant to the authority granted by law that Proposed

Amended Rule 209 is categorically exempt from CEQA pursuant to CEQA Guidelines Section 15308 – Actions by Regulatory Agencies for Protection of the Environment. No exception to the application of a categorical exemption set forth in CEQA Guidelines Section 15300.2, including the “unusual circumstances” exception, applies to Proposed Amended Rule 209. This information was presented to the South Coast AQMD Governing Board, whose members reviewed, considered and approved the information therein prior to acting on Proposed Amended Regulation III, which includes Proposed Amended Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315, and Proposed Amended Rule 209; and

**BE IT FURTHER RESOLVED**, that the South Coast AQMD Governing Board finds that Proposed Amended Regulation III, which includes Proposed Amended Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315, establish fees charged for the purposes of meeting operating expenses, which are necessary to recover reasonable and actual costs incurred by South Coast AQMD in meeting requirements of recently adopted rules and state mandates and implementing necessary clean air programs; and the South Coast AQMD Governing Board hereby incorporates by reference the proposed Fiscal Year 2019-2020 Budget and Fiscal Year 2020-2021 budget forecast as setting forth the bases for these findings; and

**BE IT FURTHER RESOLVED**, that the South Coast AQMD Governing Board finds that Proposed Amended Rule 209 establishes when a change of owner/operator occurs and should be amended to make in consistent with principles of California corporate law; and

**BE IT FURTHER RESOLVED**, that the South Coast AQMD Governing Board finds, based on the evidence in the rule-making record, that the increases in fees that exceed the CPI for Fiscal Year 2019-2020 and thereafter are necessary to recover reasonable and actual costs incurred by South Coast AQMD in meeting requirements of recently adopted rules and state mandates and implementing necessary clean air programs and are equitably apportioned; and the Governing Board hereby incorporates by reference the explanation in the accompanying staff report, Section III, as setting forth the bases for these findings; and

**BE IT FURTHER RESOLVED**, that within one year of full implementation of the re-structured toxics fee found in Rule 301(e), the Executive Officer is directed to report back to the Administrative Committee with a report on: 1) the revenues generated by the re-structured fee; 2) the annual costs of toxics work covered by the re-structured fee; and 3) the District’s efforts to obtain funding for toxics work covered by this fee from other sources;

**BE IT FURTHER RESOLVED**, that the Executive Officer is directed to initiate a review of default emission factors used for emissions reporting and update these factors as appropriate, in consultation with a Working Group, and report back on the status of this work within twelve months to the Stationary Source Committee;

**BE IT FURTHER RESOLVED**, that the South Coast AQMD Governing Board does hereby approve the Socioeconomic Impact Assessment for Rule 320 –Automatic Adjustment Based on Consumer Price Index for Regulation III Fees, and the Socioeconomic Impact Assessment for Proposed Amended Regulation III, which includes Proposed Amended Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315, and Proposed Amended Rule 209; and

**BE IT FURTHER RESOLVED**, that the South Coast AQMD Governing Board does hereby amend, pursuant to the authority granted by law, Regulation III, including Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, 315 and Rule 209, as set forth in the attached, and incorporated herein by reference.

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

\_\_\_\_\_  
CLERK OF THE BOARDS

## ATTACHMENT G

### PROPOSED AMENDED REGULATION III – FEES

Attachment	Rule	CPI	Proposed Amendments with Fee Impacts	Proposed Amendments with No Fee Impacts and/or Administrative Changes
G1	Proposed Amended Rule 301 – Permitting And Associated Fees	✓	✓	✓
G2	Proposed Amended Rule 303 – Hearing Board Fees	✓		
G3	Proposed Amended Rule 304 – Equipment, Materials, and Ambient Air Analyses	✓		
G4	Proposed Amended Rule 304.1 – Analyses Fees	✓		
G5	Proposed Amended Rule 306 – Plan Fees	✓		
G6	Proposed Amended Rule 307.1 – Alternative Fees for Air Toxics Emissions Inventory	✓		
G7	Proposed Amended Rule 308 – On-Road Motor Vehicle Mitigation Options Fees	✓	✓	
G8	Proposed Amended Rule 309 – Fees for Regulation XVI and Regulation XXV	✓	✓	
G9	Proposed Amended Rule 311 - Air Quality Investment Program (AQIP) Fees	✓		
G10	Proposed Amended Rule 313 - Authority to Adjust Fees and Due Dates	✓		
G11	Proposed Amended Rule 314 – Fees for Architectural Coatings	✓		
G12	Proposed Amended Rule 315 - Fees for Training Classes and License Renewal	✓		
G13	Proposed Amended Rule 209 – Transfer and Voiding of Permits			✓

## **ATTACHMENT G1**

(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)(Amended May 1, 2015)(Updated July 1, 2016)  
(Amended June 2, 2017)(Amended January 5, 2018)(Amended May 4, 2018)  
(Proposed Amended Rule May 3, 2019)

### **Proposed Effective Date July 1, 20182019**

### **PROPOSED AMENDED RULE 301. PERMITTING AND ASSOCIATED FEES**

(a) Applicability

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

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



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

(b) Definitions

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

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

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

- (3) BANKING means the process of recognizing and certifying emission reductions and registering transactions involving emission reduction credits.
- (4) CANCELLATION is an administrative action taken by the District which nullifies or voids a previously pending application for a permit.
- (5) CERTIFIED EQUIPMENT PERMIT means a permit issued to a manufacturer or distributor for a specific model or series of models of equipment. By this permit, the District certifies that the equipment meets all District rules and Best Available Control Technology (BACT) requirements under a set of conditions. Eligibility for the certification process shall be limited to equipment for which the following conditions exist, as determined by the Executive Officer:
  - (A) Equipment operation and emission characteristics will be applicable to a number of identical pieces of equipment;
  - (B) Permitting can be accomplished through the use of identical permit conditions for each piece of equipment regardless of use or location;
  - (C) The equipment is exempt from emission offsets as defined in Rule 1304(a)(4) or Rule 1304(a)(5); or the emissions of each criteria pollutant, except lead, are determined to be less than the limits listed in Rule 1303, Appendix A, Table A-1; and
  - (D) The equipment does not emit lead or the toxic emissions do not result in a Maximum Individual Cancer Risk (MICR) equal to or greater than one in a million as calculated according to Rule 1401.Certified Equipment Permit shall be valid for one year, and shall be renewed annually if the Executive Officer determines the equipment meets all District rules and BACT requirements. Certification shall not relieve the person constructing, installing or operating the equipment from the requirement to obtain all necessary permits to construct and permits to operate, or from compliance with any other District rule including the requirements of Regulation XIII.
- (6) CHANGE OF CONDITION means a change of a current permit condition that will not result in an emission increase. Any request for a Change in Condition to a previously enforceable permit condition that will result in a 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 paragraph (j)(5) 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 paragraph (j)(5) 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 paragraph (j)(5), 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 Table FEE RATE-A) 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 Table FEE RATE-A 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 IA or Table IB shall pay the fees associated with Schedule C. Prior to the issuance of a permit, these fees are subject to adjustment, as necessary.
- (iv) 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 Owner/Operator table according to the applicable schedule under the Change of Owner/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 sent by mail, electronic mail, or other electronic means, and shall be due thirty (30) days from the date of personal service, mailing, or electronic transmission. For the purpose of this subparagraph, the fee payment will be considered to be received by the District if it is delivered, postmarked, or electronically paid 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 delivered, postmarked, or electronically paid on the next business day following the Saturday, Sunday, or the state holiday with the same effect as if it had been delivered, postmarked, or electronically paid 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) 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 Table FEE RATE-A 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 Table FEE RATE-A. 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.
- (iii) This clause shall apply to applications for a Permit to Operate for equipment already constructed without first obtaining a required Permit to Construct. 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) **Small Business**  
When applications are filed in accordance with the provisions of subparagraphs (c)(1)(A), (c)(1)(G)(i), (c)(1)(C) or paragraph (c)(3) for a Small Business as defined in Rule 102 – Definition of Terms, the fees assessed shall be fifty percent (50%) of the amount set forth in Table FEE RATE-A.
- (E) **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)(C), (c)(1)(D), (c)(1)(H), paragraphs (c)(3) or (c)(4) concurrently for identical equipment, or for change of title or alteration/modification of short term emission reduction credits, full fees for the first application, and fifty percent (50%) of the applicable processing fee for each additional application shall be assessed. The provisions of this subparagraph do not apply to Certified Equipment Permits, Registration Permits, and the exceptions mentioned in subparagraphs (c)(3)(A), (c)(3)(B), and (c)(3)(C).
- (F) **Discounts for Small Business and Identical Equipment**  
Applications qualifying with the provisions of both subparagraph (c)(1)(D) and (c)(1)(E) shall only be entitled to one fee discount equivalent to the maximum discount afforded under either subparagraph.
- (G) **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 Table FEE RATE-A. No annual operating permit renewal fee shall be charged.
- (ii) A permit processing fee equal to 50% of Schedule A Permit Processing Fee of Table FEE RATE-A shall be assessed to a person applying for a Change of Owner/Operator for a Certified Equipment Permit.
- (iii) A permit processing fee equal to 50% of Schedule A Permit Processing Fee of Table FEE RATE-A 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)(G)(iii) of Rule 301.

**(H) 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)(E), 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 of Table FEE RATE-A.

**(I) Standard Streamlined Permits**

The Streamlined Standard Permit application processing fee shall be ~~\$930.20~~962.75, 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 ~~\$930.20~~962.75. 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)(C). 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 Owner/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 owner/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 Table FEE RATE-C for equipment at one location so long as the new owner/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 Owner/Operator or Additional Operator application is filed, and all facility-specific fees (such as “Hot Spots” fees), must be paid before the Change of Owner/Operator or Additional Operator application is accepted. If after an application is received and SCAQMD determines that fees are due, the new owner/operator shall pay such fees within 30 days of notification. If the fees are paid timely, the owner/operator will not be billed for any additional fees billed to the previous owner/operator.

(B) If an application for change of owner/operator of a permit is not filed within one (1) year from the last annual renewal of the permit under the previous owner/operator, the new owner/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)(C), 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 Table FEE RATE-A. The only exceptions to this fee shall be:

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

Facility Type	Non-Title V	Title V
<del>FY 2018-19</del>	\$930.20	\$1,053.34
FY 2019-20 and thereafter	<del>\$930.20</del> <u>962.75</u>	<del>\$1,165.62</del> <u>1,206.41</u>

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

- (i) Does not result in a new source review emission adjustment:

Facility Type	Non-Title V (per equipment or reissued permit)	Title V (per equipment or reissued permit)
<del>FY 2018-19</del>	\$681.13	\$771.30
FY 2019-20 and thereafter	<del>\$681.13</del> <u>704.97</u>	<del>\$853.53</del> <u>883.40</u>

- (ii) Does result in a new source review emission adjustment:

Facility Type	Non-Title V (per equipment)	Title V (per equipment)
<del>FY 2018-19</del>	<del>\$1,785.79</del>	<del>\$2,022.19</del>
FY 2019-20 and thereafter	<del>\$1,785.79</del> <u>48.29</u>	<del>\$2,237.76</del> <u>316.08</u>

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

Schedule	Non-Title V	Title V	
	FY 2018-19 and thereafter	<del>FY 2018-19</del>	FY 2019-20 and thereafter
A	\$681.14 <u>704.98</u>	\$771.30	\$853.53 <u>883.40</u>
A1	\$681.14 <u>704.98</u>	\$771.30	\$853.53 <u>883.40</u>
B	\$930.20 <u>962.75</u>	\$1,053.34	\$1,165.62 <u>206.41</u>
B1	\$930.20 <u>962.75</u>	\$1,053.34	\$1,165.62 <u>206.41</u>
C	\$930.20 <u>962.75</u>	\$1,053.34	\$1,165.62 <u>206.41</u>
D	\$930.20 <u>962.75</u>	\$1,053.34	\$1,165.62 <u>206.41</u>
E	\$930.20 <u>962.75</u>	\$1,053.34	\$1,165.62 <u>206.41</u>
F	\$930.20 <u>962.75</u>	\$1,053.34	\$1,165.62 <u>206.41</u>
G	\$930.20 <u>962.75</u>	\$1,053.34	\$1,165.62 <u>206.41</u>
H	\$930.20 <u>962.75</u>	\$1,053.34	\$1,165.62 <u>206.41</u>

(D) For permits reissued because of Rule 109, which do not result in Best Available Control Technology (BACT) determination, the permit processing fee shall be 50% of the amount set forth in Table FEE RATE-A.

- (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 Table

FEE RATE-B. Additionally, the applicant shall, if required by Rule 1310(c), either:

- (A) Pay a fee for publication of public notice and a preparation fee as per Rule 301(j)(4), or
- (B) Arrange publication of the public notice independent of the District option and provide to the Executive Officer a copy of the proof of publication.

- (5) Fees for Retirement of Short Term Emission Reduction Credits for Transfer into Rule 2202, and for ERCs Transfer Out of Rule 2202.

Any applicant who files an application to transfer a short term emission reduction credit certificate into Rule 2202 or to transfer ERCs out of Rule 2202 pursuant to Rule 2202 – On-Road Motor Vehicle Mitigation Options shall, at the time of filing, pay the fee as listed in Table FEE RATE-B.

- (d) Annual Operating Permit Renewal Fee

- (1) Renewal of Permit to Operate

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

- (2) Annual Operating Fees

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



Equipment/Process Schedules in Tables IA and IB	Non-Title V Annual Operating Permit Renewal Fee	Title V Annual Operating Permit Renewal Fee
A1	<del>\$203.04</del> <u>210.11</u>	<del>\$229.88 for FY 2018-19 and \$254.38</del> <u>263.28</u> for FY 2019-20 and thereafter
A, B, and B1 (excluding Rule 461 liquid fuel dispensing nozzles)	<del>\$406.79</del> <u>421.02</u>	<del>\$460.64 for FY 2018-19 and \$509.74</del> <u>527.58</u> for FY 2019-20 and thereafter
C and D	<del>\$1,456.96</del> <u>507.95</u>	<del>\$1,649.83 for FY 2018-19 and \$1,825.70</del> <u>889.60</u> for FY 2019-20 and thereafter
E, F, G, and H	<del>\$3,498.33</del> <u>620.77</u>	<del>\$3,961.46 for FY 2018-19 and \$4,383.76</del> <u>537.19</u> for FY 2019-20 and thereafter
Rule 461 liquid fuel dispensing system	<del>\$120.26</del> <u>124.46</u> per product dispensed per nozzle	<del>\$136.19 for FY 2018-19 and \$150.71</del> <u>for 155.98</u> for FY 2019-20 and thereafter per product dispensed per nozzle

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

Title V Facility	<del>\$667.85 for FY 2018-19 and \$739.04</del> <u>764.90</u> for FY 2019-20 and thereafter per facility
RECLAIM Facility	<del>\$978.67</del> <u>1,012.92</u> per Major Device
	<del>\$195.74</del> <u>202.59</u> per Large Device
	<del>\$195.74</del> <u>202.59</u> per Process Unit Device
RECLAIM and Title V Facility	RECLAIM fee + Title V fee

(3) Credit for Solar Energy Equipment

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

(A) Computation

The design capacity of the solar energy equipment expressed in thousands of British Thermal Units (Btu) per hour shall be used to determine the fee credit calculated at ~~\$1.97~~2.03 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 owner/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, electronic mail, or other electronic means, 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, electronic mail, or other electronic means, 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 delivered, postmarked, or electronically paid 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 delivered, postmarked, or electronically paid 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 Fees

(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 fees ~~based on~~ if any of the criteria in subparagraphs (e)(1)(A) through (e)(1)(C) are met.

(A) The owner/operator of a facility operates equipment under at least one permit.

(B) The total weight of emissions at a facility are greater than or equal to the thresholds for each any of the contaminants specified in Table III paragraph (e)(5), except for ammonia, 1,1,1 trichloroethane, and chlorofluorocarbons, from all equipment used by the owner/operator at all locations, including The total weight of emissions of each of the contaminants specified in Table III paragraph (e)(5) includes:

(i) Emissions from permitted equipment

(ii) Emissions 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.

(iii) Emissions from equipment or processes not requiring a written permit pursuant to Regulation II.

(A)(C) The owner/operator of a facility that reports emissions to the District pursuant to CARB's Criteria and Toxics Reporting Regulation (17 California Code of Regulations section 93400 et seq.) or pursuant to CARB's AB 2588 Air Toxics "Hot Spots" Emission Inventory Criteria

and Guidelines Regulation (17 California Code of Regulations section 93300.5).

(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~~ 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, e~~Each facility subject to subparagraph (e)(1)(B) 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 annually report all emissions for all pollutants above thresholds listed in paragraph (e)(5) and Table IV 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 subject to paragraph (e)(1)(A) ~~operating under at least one permit (not including certifications,~~

registrations or plans) shall each year be assessed a flat annual emissions fee of ~~\$131.79~~136.40.

(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.~~

Air Contaminant(s)	Annual Emissions Threshold <del>(TPY)</del>
Gaseous sulfur compounds (expressed as sulfur dioxide)	$\geq 4$ TPY
Total organic gases (excluding methane, <del>and exempt compounds as specified defined in Rule 102 paragraph (e)(13), and specific organic gases as specified in paragraph subdivision(b)(28)</del> )	$\geq 4$ TPY
Specific organic gases <u>as specified in subdivision (b)</u>	$\geq 4$ TPY
Oxides of nitrogen (expressed as nitrogen oxide)	$\geq 4$ TPY
Total particulate matter	$\geq 4$ TPY
Carbon monoxide	$\geq 100$ TPY
<u>Ammonia</u>	<u><math>&gt; 0.1</math> TPY</u>
<u>Chlorofluorocarbons</u>	<u><math>&gt; 1</math> lb per year</u>
<u>1,1,1 Trichloroethane</u>	<u><math>&gt; 1</math> lb per year</u>

(6) Clean Fuels Fee Thresholds

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

(7) Fees for Toxic Air Contaminants ~~or Ozone Depleters~~

Each facility subject to subparagraph (e)(1)(B) or (C) 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 fees~~ as indicated in subparagraphs (e)(7)(A), therein. The annual emissions fees 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) For emissions reported Bbefore January 1, 2021, any facility subject to paragraph (e)(7) that emits any toxic air contaminant greater than the thresholds listed in Table IV shall pay the fees listed in Table IV. For emissions reported Aafter January 1, 2021,Any any facility subject to paragraph (e)(7) that emits any toxic air contaminant greater than the thresholds listed in Table IV shall not pay the fees in Table IV and shall instead pay the following fees:

- (i) A Base Toxics Fee of \$78.03;
- (ii) A Flat Rate Device Fee of \$170.95, and \$341.89, starting January 1, 2021, and January 1, 2022, respectively, for each device, including permitted and unpermitted equipment and activity including, but not limited to, material usage, handling, processing, loading/unloading; combustion byproducts, and fugitives (equipment/component leaks) with emissions of any pollutant above the annual thresholds listed in Table IV;
- (iii) A Cancer-Potency Weighted Fee of \$5.00 and \$10.00, starting January 1, 2021, and January 1, 2022, respectively, per cancer-potency weighted pound of facility-wide emissions for each pollutant listed in Table IV. The cancer-potency weighted emissions of each toxic air contaminant listed in Table IV shall be calculated as follows:

$$\text{CPWE} = \text{TAC} \times \text{CPF} \times \text{MPF}$$

Where:

CPWE = Cancer Potency Weighted Emissions

TAC = Emissions (pounds) of a Table IV toxic air contaminant

CPF = Cancer Potency Factor for the reported toxic air contaminant

MPF = Multi-Pathway Factor for the reported toxic air contaminant

The CPF and MPF shall be equal to those specified in the Rule 1401 Risk Assessment Procedures that were current at the time that the emissions were required to be reported.

**(B) The following facilities are exempt from paying specified toxics emissions fees:**

- (i) Any dry cleaning facility that emits less than two (2) tons per year of perchloroethylene, and qualifies as a small business as defined in the general definition of Rule 102 shall be exempt from paying any fees listed in subparagraph (e)(7)(A)., ~~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.
  - (ii) Any facility that emits less than two (2) tons per year, 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 ~~fees for~~ formaldehyde, perchloroethylene, or methylene chloride fees as required in subparagraph (e)(7)(A)~~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.
  - ~~(ii)~~(iii) Any facility that is located more than one mile from a residential or other sensitive receptor shall be exempt from paying fees in clause (e)(7)(A)(iii).
- (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~~ listed in Table III and Table IV 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) 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.
  - (C) A facility owner/operator shall report to the Executive Officer, in the same manner, and quantify any emissions of air contaminants in previous reporting periods which had not been reported correctly and should have been reported under the requirements in effect in the reporting period in which the emissions occurred.
- (9) Request to Amend Emissions Report and Refund of Emission Fees
- (A) A facility owner/operator shall submit a written request (referred to as an “Amendment Request”) for any proposed revisions to previously submitted annual emissions reports. Amendment requests with no fee impact, submitted after one (1) year and seventy five (75) days from the official due date of the subject annual emissions report shall include a non-refundable standard evaluation fee of ~~\$343.96~~355.99 for each subject facility and reporting period. Evaluation time beyond two hours shall be assessed at the rate of ~~\$172.04~~178.03 per hour and shall not exceed ten (10) hours. Amendment requests received within one year (1) and seventy five (75) days from the official due date 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 seventy five (75) days from the official due date 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 seventy five (75) days from the official due date 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~~ The facility owner/operator shall submit an annual emissions report and pay any associated emissions fees if a notice to report emissions ~~and pay the any associated emission fees will be is~~ sent by mail, electronic mail, or other electronic means, annually to the owners/operators of all equipment (as shown in District records) ~~to~~ for which this subdivision applies. A notice to pay the semi-annual fee specified in paragraph (e)(11) will also be sent by mail, electronic mail, or other electronic means, 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~~ payment submittals are the responsibility of the owner/operator regardless of whether the owner/operator was notified.

If both the fee payment and the completed emissions report are not received by the seventy-fifth (75<sup>th</sup>) day following July 1 (for semi-annual reports), or January 1 (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 delivered, postmarked, or electronically paid on or before the seventy-fifth (75<sup>th</sup>) day following the official due date. If the seventy-fifth (75<sup>th</sup>) day falls on a Saturday, Sunday, or a state holiday, the fee payment and emissions report may be delivered, postmarked, or electronically paid on the next business day following the Saturday, Sunday, or the state holiday with the same effect as if they had been delivered, postmarked, or electronically paid on the seventy-fifth (75<sup>th</sup>) day.

- (B) If fee payment and emissions report are not received within the time prescribed by subparagraph (e)(10)(A) or (e)(11)(C), 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 seventy-fifth (75<sup>th</sup>) 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 seventy five (75) days from the official fee due date, fee rates and surcharges will be assessed based on subparagraph (e)(10)(D).
- (D) The fees due and payable for the emissions reported or reportable pursuant to subparagraph (e)(8)(C) shall be assessed according to the fee rate for that contaminant specified in Tables III, IV, and V, and paragraph (e)(7) 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) Effective July 1, 2019, if the underpayment is a result of emissions related to a source test that was submitted to the Source Test unit for approval prior to or at the time the official AER submittal due date of the subject annual emission report, the difference or underpayment shall be paid, but with no surcharges added. If the underpayment is paid within one year after the seventy-fifth (75<sup>th</sup>) day from the official due date, 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 paid after one year after the seventy-fifth (75<sup>th</sup>) day from the official due date, the fee rate to be applied shall be the fee rate in effect for the year in which the emissions are actually reported.

~~(E)~~(F) 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.

Air contaminant(s)	Annual emissions threshold (TPY)
Gaseous sulfur compounds (expressed as sulfur dioxide)	≥10 TPY
Total organic gases (excluding methane <del>and</del> exempt compounds as <del>specified defined in paragraph (e)(13) Rule 102,</del> and specific organic gases as specified in <del>paragraph subdivision (b)(28))</del>	≥10 TPY
Specific organic gases <u>as specified in subdivision (b)</u>	≥10 TPY
Oxides of nitrogen (expressed as nitrogen dioxide)	≥10 TPY
Total particulate matter	≥10 TPY
Carbon monoxide	≥100 TPY

- (B) In lieu of payment of one half the estimated annual emission fees, the owner/operator may choose to report and pay on actual emissions for the first six months (January 1 through June 30). By January 1 of the year following the reporting period, the permit holder shall submit a final Annual Emission Report together with the payment of the balance; the annual emission fees less the installment previously paid. 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 shall be~~ considered late ~~and is subject to a surcharge~~ if not received by the District, or postmarked, on or before the within seventy five (75) days seventy-fifth (75<sup>th</sup>) day following July 1 of the current reporting period of the due date and shall be subject to a surcharge pursuant to subparagraph (e)(10)(B).
- (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 reporting period of January 1 through December 31, emission fees shall be determined in accordance with fee rates specified in Tables III,~~IV~~ and V, and paragraphs (e)(2) and (e)(7). Installment fees that have been paid for Semi-Annual Emission Fees shall not be subject to this provision.

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

Notwithstanding any other applicable Rule 301(e) provisions regarding the annual emissions report and emission fees, for the reporting period January 1 through December 31, the fee payment and the completed annual emissions report shall be delivered, postmarked, or electronically paid on or before the seventy-fifth (75<sup>th</sup>) day following January 1 of the subsequent year to avoid any late payment surcharges specified in subparagraph (e)(10)(B).

(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 ~~\$135.77~~145.43 in addition to a verification fee assessed at ~~\$140.52~~145.43 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 owner/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) **Certified Permit Copy**

Facility Type	Non-Title V	Title V
<del>FY 2018-19</del>	<del>\$30.19</del>	<del>\$34.19</del>
FY 2019-20 and thereafter	<del>\$30.19</del> <u>31.24</u>	<del>\$37.84</del> <u>39.16</u>

**(2) Reissued Permit**

Facility Type	Non-Title V	Title V
<del>FY 2018-19</del>	<del>\$233.77</del>	<del>\$264.71</del>
FY 2019-20 and thereafter	<del>\$233.77</del> <u>241.95</u>	<del>\$292.93</del> <u>303.18</u>

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

**(g) Reinstating Expired Applications or Permits; Surcharge**

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

Permit Holder Per Equipment Fee	Title V Facility	Non-Title V Facility	Other Facility Type
<del>FY 2018-19</del>	<del>\$280.86</del>	<del>\$248.03</del>	<del>\$248.03</del>
FY 2019-20 and thereafter	<del>\$310.79</del> <u>321.66</u>	<del>\$248.03</del> <u>256.71</u>	<del>\$248.03</del> <u>256.71</u> <u>1</u>

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

(h) Reinstating Revoked Permits

If a Permit to Operate is revoked for nonpayment of annual permit fees based on emissions or fees on non-permitted emissions, it may be reinstated upon payment by the permit holder of such overdue fees and accrued surcharge in accordance with (e)(10).

(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 for Projects

(1) Payment for CEQA Assistance

(A) CEQA Document Preparation

When a determination is made by the Executive Officer that the District is the Lead Agency for a project, pursuant to the California Environmental Quality Act (CEQA), Public Resources Code Section 21000 et seq. and state CEQA Guidelines (14 California Code of Regulations section 15000 et seq.), the project applicant may be required to pay a review fee (based on a staff rate of



~~\$172.04~~178.03 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>\$344.00</del> <u>356.04</u>
Negative Declaration (ND), including Supplemental or Subsequent ND	<del>\$5,187.47</del> <u>369.03</u>
Mitigated Negative Declaration (MND), including Supplemental or Subsequent MND	<del>\$5,187.47</del> <u>369.03</u>
Environmental Impact Report (EIR), including Supplemental or Subsequent EIR	<del>\$6,916.58</del> <u>7,158.66</u>
Addendum to EIR, including Addendum to ND/MND	<del>\$3,584.56</del> <u>710.02</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 ~~\$172.04~~178.03 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 ~~\$172.04~~178.03 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 shall pay the applicable fee, for preparation of any public notice as required by the rules, as shown below in this paragraph:

Public Notification Type	Non-Title V Source	Title V Source
For a project requiring notification as defined in Rule 212(c)	<del>\$1,084.50</del> <u>122.45</u>	<del>\$1,228.07 for FY 2018-19</del> and <del>\$1,358.99</del> <u>406.55</u> for FY 2019-20 and thereafter
For emission reduction credits (ERCs) in excess of the amounts as specified in Rule 1310(c)	<del>\$1,084.50</del> <u>122.45</u>	<del>\$1,228.07 for FY 2018-19</del> and <del>\$1,358.99</del> <u>406.55</u> for FY 2019-20 and thereafter
Requesting allocations from the Offset Budget or requesting the generation or use of any Short Term Credit (STCs)	<del>\$1,084.50</del> <u>122.45</u>	<del>\$1,228.07 for FY 2018-19</del> and <del>\$1,358.99</del> <u>406.55</u> for FY 2019-20 and thereafter
Significant revision of a Title V permit	---	<del>\$1,228.07 for FY 2018-19</del> and <del>\$1,358.99</del> <u>406.55</u> for FY 2019-20 and thereafter

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 the actual cost as invoiced 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 IIB 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 IIB 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 ~~\$907.51~~939.27; and additional fees will be assessed at a rate of ~~\$172.04~~178.03 per hour for time spent on the evaluation in excess of 10 hours up to a maximum total fee of ~~\$5,738.49~~939.33.

- (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 IIB, 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 IIB, 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 ~~\$907.51~~939.27; and additional fees will be assessed at a rate of ~~\$172.04~~178.03 per hour for time spent on the evaluation in excess of 10 hours up to a maximum total fee of ~~\$5,738.49~~939.33.
- (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 ~~\$907.51~~939.27, covering the evaluation and recertification, if necessary, of the CEMS, FSMS, or ACEMS. Additional fees will be assessed at a rate of ~~\$172.04~~178.03 per hour for time spent on the evaluation in excess of 10 hours up to a maximum total fee of ~~\$5,738.49~~939.33.
- (D) Periodic Assessment of an Existing CEMS, FSMS, or ACEMS  
An existing CEMS, FSMS, or ACEMS must be retested on a quarterly, semi-annual, or annual basis to remain in compliance with District regulations. The applicant shall pay a minimum processing fee of ~~\$907.51~~939.27 for this evaluation, if required. Additional fees will be assessed at a rate of ~~\$172.04~~178.03 per hour for time

spent on the evaluation in excess of 10 hours up to a maximum total fee of ~~\$5,738.49~~939.33.

- (E) ~~CEMS, FSMS, or ACEMS Change of Ownership~~Owner/Operator  
Every applicant who files an application for a change of owner/operator of a RECLAIM or non-RECLAIM facility permit shall also file an application for a change of owner/operator of a CEMS, FSMS, or ACEMS, if applicable, and be subject to a processing fee equal to ~~\$273.64~~283.18 for the first CEMS, FSMS, or ACEMS, plus ~~\$54.57~~56.48 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 ~~\$678.79~~702.54 per product certified, and additional fees will be assessed at the rate of ~~\$135.77~~145.43 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 ~~\$339.42~~351.30 for the first certificate issued, and additional fees will be assessed at the rate of ~~\$135.77~~145.43 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 ~~\$67.85~~70.22 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 Table FEE RATE-B. Additional fees shall be assessed at a rate based on the number of hours for the time spent on review and evaluation of inter-basin, inter-district, and interpollutant transfers of ERCs pursuant to Rule 1309 subdivisions (g) and (h).

Facility Type	Non-Title V	Title V
<del>FY 2018-19</del>	<del>\$186.04/hr</del>	<del>\$210.67/hr</del>
FY 2019-20 and thereafter	<del>\$186.04</del> <u>192.55</u> /hr	<del>\$233.13</del> <u>241.29</u> /hr

- (8) Fees for Grid Search to Identify Hazardous Air Pollutant Emitting Facilities  
A fee of ~~\$341.74~~353.70 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 Owner/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 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 Fees for an application or group of applications are listed in Table VII and shall be based on the type of facility permit. Facility Permit Amendment Fees are in addition to the sum of applicable fees assessed for each application required for affected equipment as specified in subparagraph (c)(3)(C) (for administrative equipment applications) or Table FEE RATE-A (for non-administrative equipment applications) or Rule 306 (i)(1). 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.
- (5) 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 Table FEE RATE-A. 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.
- (6) Fee for Change of Owner/Operator
- The Permit Processing Fee for a Change of Owner/Operator of a RECLAIM facility permit shall be determined from Table FEE RATE-C. In addition, a Facility Permit Amendment fee as specified in paragraph (1)(4) 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 Owner/Operator or Additional Operator application is filed, and all facility-specific fees (such as “Hot Spots” fees), must be paid before a Change of Owner/Operator or Additional Operator application is accepted. If after an application is received and SCAQMD determines that fees are due, the new owner/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 owner/operator.

(7) 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, electronic mail, or other electronic means, 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, electronic mail, or other electronic means, 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 delivered, postmarked, or electronically paid 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 delivered, postmarked, or electronically paid on the next business day following the Saturday, Sunday, or state holiday as if it had been delivered, postmarked, or electronically paid on the expiration date.

(8) 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 ~~\$175.37~~181.50 at the time the transaction is registered with the SCAQMD.

**(9) RECLAIM Pollutant Emission Fee**

At the end of the reporting period specified in subparagraph (e)(8)(A), 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 (l)(9)(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 as shown in the following table in this subparagraph:

Facility Type	Non-Title V	Title V
<del>FY 2018-19</del>	<del>\$725.37</del>	<del>\$821.41</del>
FY 2019-20 and thereafter	<del>\$725.37</del> <u>750.75</u>	<del>\$908.97</del> <u>940.78</u>

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

Facility Type (After 3 hours)	Non-Title V	Title V
<del>FY 2018-19</del>	<del>\$186.04/hr</del>	<del>\$210.67/hr</del>
FY 2019-20 and thereafter	<del>\$186.04</del> <u>192.55/hr</u>	<del>\$233.13</del> <u>241.29/hr</u>

~~(10) — Certified Permits Copies~~

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

Facility Type	Non Title V	Title V
<del>FY 2018-19</del>	<del>\$30.19</del>	<del>\$34.19</del>
<del>FY 2019-20 and thereafter</del>	<del>\$30.19</del>	<del>\$37.84</del>

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

Facility Type	Non Title V	Title V
<del>FY 2018-19</del>	<del>\$2.13/page</del>	<del>\$2.42/page</del>
<del>FY 2019-20 and thereafter</del>	<del>\$2.13/page</del>	<del>\$2.68/page</del>

**(11) — Reissued Permits**

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

Facility Type	Non Title V	Title V
<del>FY 2018-19</del>	<del>\$233.78</del>	<del>\$264.71</del>
<del>FY 2019-20 and thereafter</del>	<del>\$233.78</del>	<del>\$292.93</del>

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

Facility Type	Non Title V	Title V
<del>FY 2018-19</del>	<del>\$2.13/page</del>	<del>\$2.42/page</del>
<del>FY 2019-20 and thereafter</del>	<del>\$2.13/page</del>	<del>\$2.68/page</del>

**(12) Breakdown Emission Report Evaluation Fee**

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

Facility Type (After 3 hours)	Non-Title V	Title V
<del>FY 2018-19</del>	<del>\$186.04/hr</del>	<del>\$210.67/hr</del>
<del>FY 2019-20 and thereafter</del>	<del>\$186.04</del> <u>192.55/hr</u>	<del>\$233.13</del> <u>241.29/hr</u>

**(1311) 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.

**(1412) 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 per ton of credits requested as shown below:

Facility Type	Non-Title V	Title V
<del>FY 2018-19</del>	<del>\$12,414.43/ton</del>	<del>\$14,057.88/ton</del>
FY 2019-20 and thereafter	<del>\$12,414.43</del> 48.93/t on	<del>\$15,556.45</del> 16,100.9 2/ton

plus a non-refundable processing fee as shown below:

Facility Type	Non-Title V	Title V
<del>FY 2018-19</del>	<del>\$123.74</del>	<del>\$140.13</del>
FY 2019-20 and thereafter	<del>\$123.74</del> 128.07	<del>\$155.07</del> 160.50

**(1513) 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 applicable hourly rate as shown in the table below:

Facility Type (After 3 hours)	Non-Title V	Title V
<del>FY 2018-19</del>	<del>\$186.04/hr</del>	<del>\$210.67/hr</del>
FY 2019-20 and thereafter	<del>\$186.04</del> <u>192.55</u> /hr	<del>\$233.13</del> <u>241.29</u> /hr

**(14) Facility Permit Reissuance Fee for Facilities Exiting RECLAIM**

A facility exiting the NOx RECLAIM program pursuant to Rule 2002(f)(78) shall be assessed a Facility Permit Reissuance Fee for the conversion of its RECLAIM Facility Permit to a Command-and-Control Facility Permit. The conversion consists of removal of non-applicable RECLAIM provisions and addition of requirements for applicable command-and-control rules. The Facility Permit Reissuance Fee includes an initial flat fee, plus an additional time and materials (T&M) charge where applicable. Both the initial flat fee and T&M charge are tiered based on the number of permitted RECLAIM NOx sources at the facility. Both the initial flat fee and T&M charge are also differentiated based on a facility's Title V status.

The initial flat fee to transition from NOx RECLAIM Facility Permit to Command-and-Control Facility Permit per Rule 2002(f)(78) shall be paid at the time of filing and assessed according to the following fee schedule.

Number of Permitted RECLAIM NOx Sources	Non-Title V	Title V
Less than 10	<del>\$2,310.12</del> <u>\$2,232</u>	<del>\$3,270.60</del> <u>\$3,160</u>
Greater than or equal to 10 and less than 20	<del>\$4,813.78</del> <u>\$4,651</u>	<del>\$6,541.20</del> <u>\$6,320</u>
20 or more	<del>\$9,627.57</del> <u>\$9,302</u>	<del>\$13,082.40</del> <u>\$12,640</u>

An additional T&M charge shall be assessed for time spent on the permit conversion in excess of the number of hours and at the hourly rate specified in the following fee schedule and billed following permit reissuance.



	Non-Title V		Title V	
Number of Permitted RECLAIM NO <sub>x</sub> Sources	Begin Charging Hourly Rate After (hrs)	T&M Rate (\$/hr)	Begin Charging Hourly Rate After (hrs)	T&M Rate (\$/hr)
Less than 10	12	<del>\$186.04</del> <u>192.55</u>	15	<del>\$210.67</del> <u>218.04</u>
Greater than or equal to 10 and less than 20	25	<del>\$186.04</del> <u>192.55</u>	30	<del>\$210.67</del> <u>218.04</u>
20 or more	50	<del>\$186.04</del> <u>192.55</u>	60	<del>\$210.67</del> <u>218.04</u>

**(15) Optional Conversion of Transitioned RECLAIM Facility Permit**

A Facility that has transitioned out of the RECLAIM program in accordance with paragraph (1)(146) and that elects to convert all permitted equipment described on the RECLAIM Facility Permit to equipment/process based Permits to Operate (pursuant to Regulation II) shall pay a fee equal to the Change of Condition fee specified in Table FEE RATE-A, in accordance with the Schedule identified in Table IA or IB, for each equipment/process converted.

**(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 Facilities Applying for an Initial Title V Facility Permit**

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

Title V INITIAL Fee				
Number of Devices	1-20	21-75	76-250	251+
<del>Applications submitted on or after July 1, 2018 through June 30, 2019</del>	<del>\$2,106.89</del>	<del>\$6,742.71</del>	<del>\$15,171.75</del>	<del>\$25,708.01</del>
Applications submitted on or after July 1, 2019	<del>\$2,331.48</del> <u>413.08</u>	<del>\$7,461.49</del> <u>722.64</u>	<del>\$16,789.06</del> <u>17,376.67</u>	<del>\$28,448.48</del> <u>29,444.17</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:

Title V FINAL Fee				
Number of Devices	1-20	21-75	76-250	251+
Time Spent in Excess of:	8 Hours	30 Hours	70 Hours	120 Hours
On or after July 1, 2018 through June 30, 2019	<del>\$210.67 per hour; up to a maximum total fee of \$25,718.81</del>	<del>\$210.67 per hour; up to a maximum total fee of \$51,437.58</del>	<del>\$210.67 per hour; up to a maximum total fee of \$131,671.29</del>	<del>\$210.67 per hour; up to a maximum total fee of \$192,890.92</del>
On or after July 1, 2019	<del>\$233.13</del> <u>241.29</u> per hour; up to a maximum total fee of <del>\$28,460.43</del> <u>29,456.54</u>	<del>\$233.13</del> <u>241.29</u> per hour; up to a maximum total fee of <del>\$56,920.83</del> <u>58,913.05</u>	<del>\$233.13</del> <u>241.29</u> per hour; up to a maximum total fee of <del>\$145,707.44</del> <u>150,807.20</u>	<del>\$233.13</del> <u>241.29</u> per hour; up to a maximum total fee of <del>\$213,453.10</del> <u>220,923.95</u>

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

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

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

paragraph (m)(3). These fees are in addition to the sum of all the applicable fees in subdivisions (c) and (j) for all equipment at the facility.

- (E) If an existing facility is required to obtain a Title V facility permit because of a modification, the facility shall submit initial Title V fees as specified in paragraph (m)(3). These fees are in addition to the sum of all the applicable fees in subdivisions (c) and (j) for all new and modified equipment at the facility.

(4) **Permit Revision Fee**

The permit processing fees for a Facility Permit Amendment or Revision shall be based on the Facility Permit type as specified in Table VII. Facility Permit Amendment or Revision includes any administrative permit revision or amendment, minor permit revision or amendment, de minimis significant permit revision or amendment, and any significant permit revision or amendment.

(5) **Renewal Fees**

The fees for renewal of a Title V Facility Permit, at the end of the term specified on the permit, are specified in Table VII. Renewal fees include both an initial processing fee that is due when the application is submitted, and a final fee assessed after SCAQMD evaluation is complete and the permit is issued, and is due upon notification by the SCAQMD of the amount due.

(6) **Public Notice Fees**

The holder of, or applicant for, a Title V permit shall either:

- (A) pay the actual cost as invoiced 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.

(7) 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 ~~\$4,217.11 for FY 2018-19 and \$4,666.65~~829.98 for FY 2019-20 and thereafter plus ~~\$1,311.16 for FY 2018-19 and \$1,450.93~~501.71 for FY 2019-20 and thereafter per hour for a public hearing held on a permit action.

(8) 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.

(9) Notice of Amount Due and Effect of Nonpayment

For fees due upon notification, such notice may be given by personal service or sent by mail, electronic mail, or other electronic means, and shall be due thirty (30) days from the date of personal service, mailing, or electronic transmission. For the purpose of this paragraph, the fee payment will be considered to be received by the District if it is delivered, postmarked, or electronically paid 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 delivered, postmarked, or electronically paid on the next business day following the Saturday, Sunday, or the state holiday with the same effect as if it had been delivered, postmarked, or electronically paid 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.

(10) Exclusion Requests

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

(n) All Facility Permit Holders

(1) Applicability

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

(2) Rule 301 Applicability

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

(3) Facility Permit Revision

Except as provided in paragraphs (m)(4) and (m)(5), 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 (j). For a non-Title V facility, the facility permit revision fee shall be the applicable facility permit fee in Table VII.

(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 (j).

(5) Fee for Change of Owner/Operator

The Permit Processing Fee for a Change of Owner/Operator of a facility permit shall be determined from Table FEE RATE-C. In addition, an administrative permit revision fee, as specified in Table VII, 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 Owner/Operator or Additional Operator application is filed, and all facility specific fees (such as "Hot Spots" fees), must be paid before the Change of Owner/Operator or Additional Operator application is accepted. If after an application is received, ~~and the~~ SCAQMD determines that additional fees are due, the new owner/operator shall pay such fees within 30 days of notification. If the fees are paid timely, the new owner/operator will not be billed for any additional fees billed to the previous owner/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, electronic mail, or other electronic means, 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, electronic mail, or other electronic means 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 delivered, postmarked, or electronically paid 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 delivered, postmarked, or electronically paid on the next business day following the Saturday, Sunday, or state holiday as if it had been delivered, postmarked, or electronically paid 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 \$27.92 for the first page and \$1.97 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 \$216.14 for the first page plus \$1.97 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 ~~\$348.04~~\$360.19. Additional fees shall be assessed at a rate of ~~\$172.04~~\$178.03 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 Table FEE RATE-A.

- (2) Payment of all applicable fees shall be due in thirty (30) days from the date of personal service, mailing, or electronic transmission 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 delivered, postmarked, or electronically paid 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 delivered, postmarked, or electronically paid on the business day following the Saturday, Sunday, or the state holiday, with the same effect as if it had been delivered, postmarked, or electronically paid 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

At the time of filing for a Clean Air Solvent certificate, the applicant shall submit a fee of ~~\$1,503.77~~556.40 for each product to be tested. Additional fees will be assessed at the rate of ~~\$135.77~~145.43 per hour for time spent on the analysis/certification process in excess of 12 hours. 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. The renewal fee shall be \$145.43 per certificate.

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

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 ~~\$1,503.77~~556.40 for each product to be tested, plus an additional fee of ~~\$300~~310.50 for quantification of total nitrogen, total phosphorous, and trace metals by a contracting laboratory. Additional fees will be assessed at the rate of ~~\$135.77~~145.43 per hour for time spent on the analysis/certification process in excess of 12 hours. 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. The renewal fee shall be \$145.43 per certificate.

**(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 ~~\$27.92~~28.89 for the first page and ~~\$1.97~~2.03 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 owner/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 ~~\$216.14~~223.70 for the first equipment listed in the Facility Registration plus ~~\$1.97~~2.03 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 ~~\$209.98~~217.32 for each emission source.

(2) Change of Owner/Operator or 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 ~~\$209.98~~217.32 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 ~~\$209.98~~217.32 (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 mail, electronic mail, or other electronic means, 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 mail, electronic mail, or other electronic means, 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 as shown in the table below in this paragraph, expedited processing fees will include an additional hourly fee, as set forth in the applicable “Non-Title V Added Base Hourly Fee” or “Title V Added Base Hourly Fee” columns, when the processing time exceeds times as indicated in the “Processing Time Exceeding” column; but not to exceed the total amounts in the applicable “Non-Title V Maximum Added Base Cap Fee” or “Title V Maximum Added Base Cap Fee” columns.

Processing Time Exceeding	Schedule	Non-Title V Added Base Hourly Fee	Non-Title V Maximum Added Base Cap Fee	Title V Added Base Hourly Fee	Title V Maximum Added Base Cap Fee
FY 2018-19					
99 hours	F	\$279.08	\$52,454.40	\$316.02	\$59,398.44
117 hours	G	\$279.08	\$89,866.71	\$316.02	\$101,763.49
182 hours	H	\$279.08	\$114,265.30	\$316.02	\$129,392.03
FY 2019-20					
99 hours	F	<del>\$279.08</del> 288. 84	<del>\$52,454.40</del> 54, 290.30	<del>\$316.02</del> 361 .95	<del>\$59,398.44</del> 68 ,030.87
117 hours	G	<del>\$279.08</del> 288. 84	<del>\$89,866.71</del> 93, 012.04	<del>\$316.02</del> 361 .95	<del>\$101,763.49</del> 1 16,552.87
182 hours	H	<del>\$279.08</del> 288. 84	<del>\$114,265.30</del> 11 8,264.58	<del>\$316.02</del> 361 .95	<del>\$129,392.03</del> 1 48,196.70

(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 ~~\$172.01~~178.03 plus ~~\$89.21~~92.33 per hour (one half of hourly plus mileage). The established CEQA fees found in the provisions of Rule 301(j) shall be paid at the time of filing with the additional overtime costs billed following permit issuance. Notwithstanding other provisions of this section, fees are due at the time specified in the bill which will allow a reasonable time for payment. This proposal is contingent upon the ability of the District to implement the necessary policies and procedures and the availability of qualified staff for overtime work.

(3) CEMS, FSMS, and ACEMS Fee

Fees for requested expedited processing of CEMS, FSMS, and ACEMS applications will be an additional fee based upon actual review and work

time billed at a rate for staff overtime which is equal to the staff's hourly rate of ~~\$172.04~~178.03 plus ~~\$89.24~~92.33 per hour (one half of hourly plus mileage). The established "Basic Fee" schedule found in the CEMS, FSMS, and ACEMS Fee Schedule in TABLE IIB 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 and HRA Fees

Fees for requested expedited review and evaluation of air dispersion modeling and health risk assessments 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 ~~\$144.05~~149.09 plus ~~\$74.72~~77.33 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 ~~\$172.04~~178.03 plus ~~\$89.24~~92.33 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(o) 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~~115.00 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~~590.00 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~~90.00.

(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~~115.00 per hour; or

(2) A unit cost of ~~\$75.00~~90.00 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~~115.00 per hour; or

(2) A unit cost of ~~\$75.00~~90.00 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~~60.00 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 sent by mail, electronic mail, or other electronic means, 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 delivered, postmarked, or electronically paid 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 delivered, postmarked, or electronically paid on the next business day following the Saturday, Sunday, or the state holiday with the same effect as if it had been delivered, postmarked, or electronically paid 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) Notification Fees for Rules 1118.1, 1149, 1166, and 1466~~Rule 1149, Rule 1166, and Rule 1466~~ Notification Fees

- (1) Any person who is required by the District to submit a written notice pursuant to Rules 1118.1, 1149, ~~Rule 1166, Rule 1466~~, or for soil vapor extraction projects shall pay a notification fee of ~~\$62.92~~65.12 per notification.
- (2) Notifications pursuant to Rule 1466 paragraph (f)(2) shall be exempt from this subdivision.



- (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 ~~\$579.97~~600.26 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 ~~\$290.00~~300.15 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 and/or tester 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 ~~\$426.45~~441.37 shall be charged to the testing company and/or tester. The fee shall be paid within 60 days of the date of the invoice. If the fee is not paid, the account will become delinquent 30 days after the due date. Any delinquent account holder will not be allowed to schedule any future tests within SCAQMD jurisdiction until all overdue fees are paid in full.
  - (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 ~~\$426.45~~441.37 shall be charged to the contracting company. The fee shall be paid within 60 days of the date of the invoice. If the fee is not paid, the account will become delinquent 30 days after the due date. Any delinquent account holder will not be allowed to schedule any future pre-backfill inspections within SCAQMD jurisdiction until all overdue fees are paid in full.

(aa) Refinery Related Community Air Monitoring System Annual Operating and Maintenance Fees

- (1) The owner or operator of a petroleum refinery subject to Rule 1180 shall pay an annual operating and maintenance fee for a refinery-related community air monitoring system designed, developed, installed, operated, and maintained by SCAQMD in accordance with California Health and Safety Code Section 42705.6.
- (2) The annual operating and maintenance fee per facility required by paragraph (aa)(1) shall be as follows:

Facility Name* and Location	Annual Operating and Maintenance Fee
Andeavor Corporation (Carson)	<del>\$871,086.00</del> <u>901,574.01</u>
Andeavor Corporation (Wilmington)	<del>\$435,543</del> <u>450,787.00</u>
Chevron U.S.A, Inc. (El Segundo)	<del>\$871,086.00</del> <u>901,574.01</u>
<del>Delek U.S. Holdings, Inc. (Paramount)</del>	<del>\$217,771.50</del>
Phillips 66 Company (Carson)	<del>\$435,543</del> <u>450,787.00</u>
Phillips 66 Company (Wilmington)	<del>\$435,543</del> <u>450,787.00</u>
PBF Energy, Torrance Refining Company (Torrance)	<del>\$871,086.00</del> <u>901,574.01</u>
Valero Energy (Wilmington)	<del>\$435,543</del> <u>450,787.00</u>

\*Based on the current facility names. Any subsequent owner(s) or operator(s) of the above listed facilities shall be subject to this rule.

- (3) The annual operating and maintenance fee required by this subdivision shall be billed with the annual operating permit renewal fee required by subdivision (d) beginning in calendar year 2020. If the annual operating and maintenance fee required by this subdivision is not paid in full within sixty (60) calendar days of its due date, a ten-percent (10%) penalty shall be imposed every sixty (60) calendar days from the due date.
- (4) No later than January 1, 2022 and every three years thereafter, the Executive Officer shall reassess the annual operating and maintenance fee required by

this subdivision to ensure that the fee is consistent with the requirements of the California Health and Safety Code Section 42705.6 (f)(1) and (f)(2).

**(ab) 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~~ applicant or permit holder. 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.

**(ac) 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.

~~TABLE FEE RATE A. FY 2018-19~~  
~~SUMMARY PERMIT FEE RATES – PERMIT PROCESSING, CHANGE OF~~  
~~CONDITIONS, ALTERATION/MODIFICATION~~

Schedule	Non Title V			Title V		
	Permit Processing	Change of Condition	Alteration/ Modification	Permit Processing	Change of Condition	Alteration/ Modification
A	\$1,785.79	\$930.20	\$1,785.79	\$2,022.19	\$1,053.34	\$2,022.19
A1	\$1,785.79	\$930.20	\$1,785.79	\$2,022.19	\$1,053.34	\$2,022.19
B	\$2,846.14	\$1,409.95	\$2,846.14	\$3,222.92	\$1,596.61	\$3,222.92
B1	\$4,501.77	\$2,440.17	\$4,501.77	\$5,097.71	\$2,763.20	\$5,097.71
C	\$4,501.77	\$2,440.17	\$4,501.77	\$5,097.71	\$2,763.20	\$5,097.71
D	\$6,213.19	\$4,173.34	\$6,213.19	\$7,035.72	\$4,725.82	\$7,035.72
E	\$7,143.30	\$6,127.48	\$7,143.30	\$8,088.94	\$6,938.66	\$8,088.94
F	\$17,951.51+ T&M	\$8,945.72+ T&M	\$14,230.75+ T&M	\$20,327.97+ T&M	\$10,129.97+ T&M	\$16,114.65+ T&M
G	\$21,188.37+ T&M	\$15,180.30+ T&M	\$17,467.57+ T&M	\$23,993.33+ T&M	\$17,189.91+ T&M	\$19,779.97+ T&M
H	\$32,833.37+ T&M	\$19,247.37+ T&M	\$29,112.58+ T&M	\$37,179.92+ T&M	\$21,795.39+ T&M	\$32,966.58+ T&M

Schedule	Begin Charging Hourly Rate After (hrs)	Non Title V T& M Rate (\$/hr)	Non Title V Not to Exceed (\$)	Title V T& M Rate (\$/hr)	Title V Not to Exceed (\$)
F	99	\$186.04	\$34,969.61	\$210.67	\$39,598.97
G	117	\$186.04	\$59,911.11	\$210.67	\$67,842.29
H	182	\$186.04	\$76,176.86	\$210.67	\$86,261.34

**TABLE FEE RATE-A. FY 2019-20 and thereafter**  
**SUMMARY PERMIT FEE RATES - PERMIT PROCESSING, CHANGE OF**  
**CONDITIONS, ALTERATION/MODIFICATION**

Schedule	Non-Title V			Title V		
	Permit Processing	Change of Condition	Alteration/Modification	Permit Processing	Change of Condition	Alteration/Modification
A	<u>\$1,785.79</u> <u>84</u> <u>8.29</u>	<u>\$930.20</u> <u>962.</u> <u>75</u>	<u>\$1,785.79</u> <u>84</u> <u>8.29</u>	<u>\$2,237.76</u> <u>31</u> <u>6.08</u>	<u>\$1,465.62</u> <u>20</u> <u>6.41</u>	<u>\$2,237.76</u> <u>316.</u> <u>08</u>
A1	<u>\$1,785.79</u> <u>84</u> <u>8.29</u>	<u>\$930.20</u> <u>962.</u> <u>75</u>	<u>\$1,785.79</u> <u>84</u> <u>8.29</u>	<u>\$2,237.76</u> <u>31</u> <u>6.08</u>	<u>\$1,465.62</u> <u>20</u> <u>6.41</u>	<u>\$2,237.76</u> <u>316.</u> <u>08</u>
B	<u>\$2,846.14</u> <u>94</u> <u>5.75</u>	<u>\$1,409.95</u> <u>45</u> <u>9.29</u>	<u>\$2,846.14</u> <u>94</u> <u>5.75</u>	<u>\$3,566.48</u> <u>69</u> <u>1.30</u>	<u>\$1,766.81</u> <u>82</u> <u>8.64</u>	<u>\$3,566.48</u> <u>691.</u> <u>30</u>
B1	<u>\$4,501.77</u> <u>65</u> <u>9.33</u>	<u>\$2,440.17</u> <u>52</u> <u>5.57</u>	<u>\$4,501.77</u> <u>65</u> <u>9.33</u>	<u>\$5,641.13</u> <u>83</u> <u>8.57</u>	<u>\$3,057.76</u> <u>16</u> <u>4.78</u>	<u>\$5,641.13</u> <u>838.</u> <u>57</u>
C	<u>\$4,501.77</u> <u>65</u> <u>9.33</u>	<u>\$2,440.17</u> <u>52</u> <u>5.57</u>	<u>\$4,501.77</u> <u>65</u> <u>9.33</u>	<u>\$5,641.13</u> <u>83</u> <u>8.57</u>	<u>\$3,057.76</u> <u>16</u> <u>4.78</u>	<u>\$5,641.13</u> <u>838.</u> <u>57</u>
D	<u>\$6,213.19</u> <u>43</u> <u>0.65</u>	<u>\$4,173.34</u> <u>31</u> <u>9.40</u>	<u>\$6,213.19</u> <u>43</u> <u>0.65</u>	<u>\$7,785.73</u> <u>8.0</u> <u>58.23</u>	<u>\$5,229.60</u> <u>41</u> <u>2.63</u>	<u>\$7,785.73</u> <u>8.05</u> <u>8.23</u>
E	<u>\$7,143.30</u> <u>39</u> <u>3.31</u>	<u>\$6,127.48</u> <u>34</u> <u>1.94</u>	<u>\$7,143.30</u> <u>39</u> <u>3.31</u>	<u>\$8,951.22</u> <u>9.2</u> <u>64.51</u>	<u>\$7,678.32</u> <u>94</u> <u>7.06</u>	<u>\$8,951.22</u> <u>9.26</u> <u>4.51</u>
F	<u>\$17,951.51</u> <u>8,579.81+</u> T&M	<u>\$8,945.72</u> <u>9.2</u> <u>58.82+</u> T&M	<u>\$14,230.75</u> <u>28.82+</u> T&M	<u>\$22,494.94</u> <u>3,282.26+</u> T&M	<u>\$11,209.83</u> <u>02.17+</u> T&M	<u>\$17,832.48</u> <u>456.61+</u> T&M
G	<u>\$21,188.37</u> <u>29.96+</u> T&M	<u>\$15,180.30</u> <u>11.61+</u> T&M	<u>\$17,467.57</u> <u>8,078.93+</u> T&M	<u>\$26,551.02</u> <u>7,480.30+</u> T&M	<u>\$19,022.35</u> <u>88.13+</u> T&M	<u>\$21,888.51</u> <u>654.60+</u> T&M
H	<u>\$32,833.37</u> <u>3,982.53+</u> T&M	<u>\$19,247.37</u> <u>21.02+</u> T&M	<u>\$29,112.58</u> <u>0,131.52+</u> T&M	<u>\$41,143.30</u> <u>2,583.31+</u> T&M	<u>\$24,118.77</u> <u>65.12+</u> T&M	<u>\$36,480.81</u> <u>757.63+</u> T&M

Schedule	Begin Charging Hourly Rate After (hrs)	Non-Title V T & M Rate (\$/hr)	Non-Title V Not to Exceed (\$)	Title V T & M Rate (\$/hr)	Title V Not to Exceed (\$)
F	99	<u>\$186.04</u> <u>192.55</u>	<u>\$34,969.61</u> <u>36,193.54</u>	<u>\$233.13</u> <u>241.29</u>	<u>\$43,820.23</u> <u>45,353.93</u>
G	117	<u>\$186.04</u> <u>192.55</u>	<u>\$59,911.11</u> <u>62,007.99</u>	<u>\$233.13</u> <u>241.29</u>	<u>\$75,074.28</u> <u>77,701.88</u>
H	182	<u>\$186.04</u> <u>192.55</u>	<u>\$76,176.86</u> <u>78,843.05</u>	<u>\$233.13</u> <u>241.29</u>	<u>\$95,456.79</u> <u>98,797.77</u>

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

Schedule I	Non-Title V	Title V	
		FY 2018-19	FY 2019-20 and thereafter
Banking Application	\$4,608.0676 9.34	\$5,218.08	\$5,774.3397 6.43
Change of Title	\$814.00842. 49	\$921.75	\$1,020.0405 5.71
Alteration/Modification	\$814.00842. 49	\$921.75	\$1,020.0405 5.71
Conversion to Short Term Credits	\$814.00842. 49	\$921.75	\$1,020.0405 5.71
Re-Issuance of Short Term Credits	\$814.00842. 49	\$921.75	\$1,020.0405 5.71
Retirement of Short Term Emission Credits for Transfer into Rule 2202 and Transfer of ERCs Out of Rule 2202	\$273.76283. 34	\$310.01	\$343355.06

TABLE FEE RATE-C. SUMMARY OF PERMIT FEE RATES  
CHANGE OF OWNER/OPERATOR<sup>a</sup>

Facility Type	Non-Title V	Title V
Small Business	<del>\$248.03</del> <u>256.71</u>	<del>\$280.86 for FY 2018-19 and</del> <del>\$310.79</del> <u>321.66</u> for FY 2019- 20 and thereafter
Non-Small Business	<del>\$681.14</del> <u>704.98</u>	<del>\$771.30 for FY 2018-19 and</del> <del>\$853.53</del> <u>883.40</u> for FY 2019- 20 and thereafter

<sup>a</sup> Fees are for each permit unit application and apply to all facilities, including RECLAIM facilities. The change of owner/operator fee for Non-RECLAIM Title V facilities shall not exceed ~~\$9,593.22 for FY 2018-19 and~~ \$10,615.86~~987.41~~ for FY 2019-20 and thereafter per facility and for all other Non-RECLAIM facilities shall not exceed ~~\$16,943.43~~17,536.45 per facility. ~~There is no limit to the change of operator fees~~The change of owner/operator fee for RECLAIM facilities shall not exceed \$50,000.00.

**TABLE IA - PERMIT FEE RATE SCHEDULES 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 ( $\leq 1$ MMBTU/hr, venting s.s.)	B
Afterburner ( $\leq 1$ 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 ( $\leq 100$ 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 ( $\leq 100$ 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 ( $\leq 100$ FT <sup>2</sup> )	A
Dry Filter ( $> 100 - 500$ FT <sup>2</sup> )	B

Equipment/Process	Schedule
Dry Filter ( $> 500$ FT <sup>2</sup> )	C
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, $\geq 3000$ 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



**TABLE IA - PERMIT FEE RATE SCHEDULES FOR CONTROL EQUIPMENT**

Equipment/Process	Schedule
Scrubber, Other venting s.s.	B
Scrubber, Other venting m.s.	C
Scrubber, Other Chemical venting s.s.	B
Scrubber, Other Chemical venting m.s.	D
Scrubber, Particulates venting s.s.	B
Scrubber, Particulates venting m.s.	C
Scrubber, Particulates venting t.s.	D
Scrubber, Restaurant	B
Scrubber, Toxics venting	D
Scrubber, Venturi venting s.s.	B
Scrubber, Venturi venting m.s.	C
Scrubber, Venturi venting t.s.	C
Scrubber, Water (no packing)	B
Selective Catalytic Reduction (SCR)	C
Settling Chamber	B
Ship Hold Hatch Cover	A
Slop Oil Recovery System	D
Sour Water Oxidizer Unit <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

Equipment/Process	Schedule
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
Sulfur Recovery Equipment <sup>7</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

**TABLE IA - PERMIT FEE RATE SCHEDULES FOR CONTROL EQUIPMENT**

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- <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, Pits, 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, 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 RATE SCHEDULES 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 RATE SCHEDULES FOR BASIC EQUIPMENT**

Equipment/Process	Schedule	Equipment/Process	Schedule
Animal Feed Processing, Conveying Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Bucket Elevators	B	Battery Charging/Manufacturing Including, but not limited to, all or part of the following: Cutters, Crushers, Separators, Process Tanks, Conveyors	C
Animal Feed Processing, Other Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Bucket Elevators, Mixers, Feeders, Grinders	C	Benzene/Toluene/Xylene Production Equip. Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
Anodizing (sulfuric, phosphoric)	B	Beryllium Machining and Control Including, but not limited to, all or part of the following: Machining Operations, Filters, Baghouses,	C
Aqueous Ammonia Transfer & Storage	C	Bleach Manufacturing Including, but not limited to, all or part of the following: Accumulators, Columns, Com-pressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Tanks, Towers, Vessels	B
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	Blending, Other	B
Asphalt Air Blowing	B	Boiler/hot water heater, various locations, diesel/oil fired (< 300,000 BTU/hr)	A
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	Boiler/hot water heater, single facility, portable, diesel/oil fired (< 600,000 BTU/hr)	A
Asphalt Coating	C	Boiler, Landfill/Digester Gas (< 5 MMBTU/hr)	B
Asphalt Day Tanker/Tar Pot	A	Boiler, Landfill/Digester Gas (5 to 20 MMBTU/hr)	C
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	Boiler, Landfill/Digester Gas (> 20 to 50 MMBTU/hr)	D
Asphalt Roofing Line Including, but not limited to, all or part of the following: Pumps, Conveyors, Process Tanks, Coater Operations, Cutters	C	Boiler, Landfill/Digester Gas (>50MMBTU/hr)	F
Asphalt Roofing Saturator	D	Boiler, Natural gas-fired, 5 – 20 MM BTU/hr	C
Asphalt-Rubber Spraying	B	Boiler, Other Fuel (< 5MMBTU/hr)	B
Auto Body Shredding	C	Boiler, Other Fuel (5 - 20 MMBTU/hr)	C
Autoclave, Non-sterilizing Type	B	Boiler, Other Fuel (> 20 - 50 MMBTU/hr)	D
		Boiler, Other Fuel (> 50 MMBTU/hr)	E
		Boiler, Utility (> 50 MW)	H
		Brake Shoes, Grinding, Bonding and Debonding, Deriveter	B
		Bulk Chemical Terminal	B

**TABLE IB - PERMIT FEE RATE SCHEDULES FOR BASIC EQUIPMENT**

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

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

**TABLE IB - PERMIT FEE RATE SCHEDULES FOR BASIC EQUIPMENT**

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

**TABLE IB - PERMIT FEE RATE SCHEDULES FOR BASIC EQUIPMENT**

Equipment/Process	Schedule
Delayed Coking Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
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
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) and (c)(5)]	I
End Liner, Can	B
Ethylene Oxide Sterilization, Hospital	B
Evaporation, Toxics	C

Equipment/Process	Schedule
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
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

**TABLE IB - PERMIT FEE RATE SCHEDULES FOR BASIC EQUIPMENT**

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



**TABLE IB - PERMIT FEE RATE SCHEDULES FOR BASIC EQUIPMENT**

Equipment/Process	Schedule
Gasoline, Refining Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	D
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
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

Equipment/Process	Schedule
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
Groundwater Treatment System Including, but not limited to, all or part of the following: Air Strippers, Adsorbers, Process Tanks	C
Gypsum, Calcining Including, but not limited to, all or part of the following: Air Classifiers, Bins, Conveyors, Bucket Elevators, Hoppers, Kilns, Weigh Stations	E
Halon/Refrigerants, Recovery and Recycling Equipment	A1
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

**TABLE IB - PERMIT FEE RATE SCHEDULES FOR BASIC EQUIPMENT**

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

**TABLE IB - PERMIT FEE RATE SCHEDULES FOR BASIC EQUIPMENT**

Equipment/Process	Schedule
LPG, Treating Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	D
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
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

Equipment/Process	Schedule
Merox 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
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
Natural Gas Dehydration Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	C
Natural Gas Odorizers	C
Natural Gas Stabilization Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Scrubbers, Regenerators, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
Nut Roasters Including, but not limited to, all or part of the following: Bins, Conveyors, Bucket Elevators, Hoppers, Roasters, Coolers	C

**TABLE IB - PERMIT FEE RATE SCHEDULES FOR BASIC EQUIPMENT**

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

**TABLE IB - PERMIT FEE RATE SCHEDULES FOR BASIC EQUIPMENT**

Equipment/Process	Schedule
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
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 Submitted on or after September 11, 1999	A 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

Equipment/Process	Schedule
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
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

**TABLE IB - PERMIT FEE RATE SCHEDULES FOR BASIC EQUIPMENT**

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

**TABLE IB - PERMIT FEE RATE SCHEDULES FOR BASIC EQUIPMENT**

Equipment/Process	Schedule
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
Tank/Line, Other Process Emitting Nickel or Cadmium	B1
Tank/Line, Other Plating	B
Tank/Line Nitric Acid Process Emitting NOx	C
Tank/Line, Other Process Using Aqueous Solutions	B
Tank, Paint Stripping w/Methylene Chloride	C
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

Equipment/Process	Schedule
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
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

**TABLE IB - PERMIT FEE RATE SCHEDULES FOR BASIC EQUIPMENT**

Equipment/Process	Schedule
Waste-to-Energy Equipment	H
Wet Gate Printing Equipment using Perchloroethylene	B
Weigh Station	A
Wood Treating Equipment Including, but not limited to, all or part of the following: Coater Operations, Process Tanks	C



TABLE IIA  
SPECIAL PROCESSING FEES  
AIR QUALITY ANALYSIS/HEALTH RISK ASSESSMENT

Schedule	Fee
A	<del>\$1,406.78</del> <u>456.01</u>
B	<del>\$1,406.78</del> <u>456.01</u>
C	<del>\$1,406.78</del> <u>456.01</u>
D	<del>\$5,036.43</del> <u>212.70</u> +T&M
E	<del>\$5,036.43</del> <u>212.70</u> +T&M
F	<del>\$5,036.43</del> <u>212.70</u> +T&M
G	<del>\$5,036.43</del> <u>212.70</u> +T&M
H	<del>\$6,716.44</del> <u>951.51</u> +T&M

D through G: T&M = Time and Material charged at ~~\$144.05~~per 149.09 per hour above 35 hours.

H: T&M = Time and Material charged at ~~\$144.05~~149.09 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 ~~\$2,411.61~~496.01 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 ~~\$16,077.38~~640.08.

TABLE IIB  
CEMS, FSMS, & ACEMS FEE SCHEDULE

Certification Review		
CEMS and FSMS Review <sup>1</sup>	Basic Fee <sup>2</sup>	Maximum Fee
Any combination of pollutants, diluent, flow, or other parameter <sup>3</sup> for:		
One to two components	<del>\$3,894.50</del> <u>4,030.80</u>	<del>\$6,972.94</del> <u>7,216.99</u>
Three to four components	<del>\$4,684.79</del> <u>48.75</u>	<del>\$12,831.72</del> <u>13,280.83</u>
For each additional component beyond four, the following amount is added to the fee for four components	\$0.00	<del>\$3,469.68</del> <u>280.61</u>
For time-sharing of CEMS, the following amount is added to any fee determined above	\$0.00	<del>\$3,469.68</del> <u>280.61</u>
ACEMS Review	Basic Fee <sup>4</sup>	Maximum Fee
	<del>\$3,894.50</del> <u>4,030.80</u>	<del>\$12,831.72</del> <u>13,280.83</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 <del>\$172.01</del> <u>178.03</u> 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

Annual Emissions (tons/yr)	Organic Gases* (\$/ton)	Specific Organics** (\$/ton)	Nitrogen Oxides (\$/ton)	Sulfur Oxides (\$/ton)	Carbon Monoxide (\$/ton)	Particulate Matter (\$/tons)
4—25	\$625.176 <u>47.05</u>	\$111.85115 <u>.76</u>	\$365.7537 <u>8.55</u>	\$433.63448 <u>80</u>	-	\$478.05494.7 <u>8</u>
>25—75	\$1,015.03 <u>050.55</u>	\$177.23183 <u>.43</u>	\$580.9760 <u>1.30</u>	\$700.97725 <u>50</u>	-	\$774.62801.7 <u>3</u>
>75 and <100	\$1,519.37 <u>572.54</u>	\$265.82275 <u>.12</u>	\$874.9790 <u>5.59</u>	\$1,052.4108 <u>9.24</u>	-	\$1,159.81200 <u>.40</u>
≥100	\$1,519.37 <u>572.54</u>	\$265.82275 <u>.12</u>	\$874.9790 <u>5.59</u>	\$1,052.4108 <u>9.24</u>	\$7.4975	\$1,159.81200 <u>.40</u>

\* Excluding methane, exempt compounds as specified in paragraph (c)(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.

Annual Emissions (tons/year)	≥1 (lb/year)	≥0.1 ≥200 (lb/year)	4 — 25 (ton/year)	>25 — 75 (ton/year)	>75 - <100 (ton/year)	>100 (ton/year)
Organic Gases* (\$/ton)		=	\$647.05	\$1,050.55	\$1,572.54	\$1,572.54
Specific Organics** (\$/ton)		=	\$115.76	\$183.43	\$275.12	\$275.12
Nitrogen Oxides (\$/ton)		=	\$378.55	\$601.30	\$905.59	\$905.59
Sulfur Oxides (\$/ton)		=	\$448.80	\$725.50	\$1,089.24	\$1,089.24
Carbon Monoxide (\$/ton)		=	=	=	=	\$7.75
Particulate Matter (\$/ton)		=	\$494.78	\$801.73	\$1,200.40	\$1,200.40
Ammonia (\$/lb)		\$0.04	\$0.04	\$0.04	\$0.04	\$0.04
Chlorofluorocarbons (\$/lb)	\$0.43	\$0.43	\$0.43	\$0.43	\$0.43	\$0.43
1,1,1-trichloroethane (\$/lb)	\$0.06	\$0.06	\$0.06	\$0.06	\$0.06	\$0.06

\* Excluding methane, and exempt compounds as defined in Rule 102 specified in paragraph (c)(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.

TABLE IV  
TOXIC AIR CONTAMINANTS AND OZONE DEPLETERS

<u>CAS</u>	<u>TOXIC COMPOUNDS</u>	<u>Annual Emission Thresholds (lbs)</u>	<u>Fees Before January 1, 2021</u>
			<u>\$/1 lb</u>
<u>1332214</u>	<u>Asbestos</u>	<u>0.0001</u>	<u>6.74</u>
<u>71432</u>	<u>Benzene</u>	<u>2</u>	<u>2.27</u>
<u>7440439</u>	<u>Cadmium</u>	<u>0.01</u>	<u>6.74</u>
<u>56235</u>	<u>Carbon tetrachloride</u>	<u>1</u>	<u>2.27</u>
<u>106934</u>	<u>Ethylene dibromide</u>	<u>0.5</u>	<u>2.27</u>
<u>107062</u>	<u>Ethylene dichloride</u>	<u>2</u>	<u>2.27</u>
<u>75218</u>	<u>Ethylene oxide</u>	<u>0.5</u>	<u>2.27</u>
<u>50000</u>	<u>Formaldehyde</u>	<u>5</u>	<u>0.5</u>
<u>18540299</u>	<u>Hexavalent chromium</u>	<u>0.0001</u>	<u>9.01</u>
<u>75092</u>	<u>Methylene chloride</u>	<u>50</u>	<u>0.09</u>
<u>7440020</u>	<u>Nickel</u>	<u>0.1</u>	<u>4.49</u>
<u>127184</u>	<u>Perchloroethylene</u>	<u>5</u>	<u>0.5</u>
<u>106990</u>	<u>1,3-Butadiene</u>	<u>0.1</u>	<u>6.74</u>
<u>7440382</u>	<u>Inorganic arsenic</u>	<u>0.01</u>	<u>6.74</u>
<u>7440417</u>	<u>Beryllium</u>	<u>0.001</u>	<u>6.74</u>
<u>75014</u>	<u>Vinyl chloride</u>	<u>0.5</u>	<u>2.27</u>
<u>7439921</u>	<u>Lead</u>	<u>0.5</u>	<u>2.27</u>
<u>123911</u>	<u>1,4-Dioxane</u>	<u>5</u>	<u>0.5</u>
<u>79016</u>	<u>Trichloroethylene</u>	<u>20</u>	<u>0.18</u>
<u>1086</u>	<u>Chlorinated dioxins, without individual isomers reported</u>	<u>0.000001</u>	<u>11.28</u>
<u>1746016</u>	<u>2,3,7,8-TCDD</u>	<u>0.000001</u>	<u>11.28</u>
<u>3268879</u>	<u>1-8OctaCDD</u>	<u>0.000001</u>	<u>11.28</u>
<u>19408743</u>	<u>1-3,7-9HxCDD</u>	<u>0.000001</u>	<u>11.28</u>
<u>35822469</u>	<u>1-4,6-8HpCDD</u>	<u>0.000001</u>	<u>11.28</u>
<u>39227286</u>	<u>1-4,7,8HxCDD</u>	<u>0.000001</u>	<u>11.28</u>
<u>40321764</u>	<u>1-3,7,8PeCDD</u>	<u>0.000001</u>	<u>11.28</u>
<u>57653857</u>	<u>1-3,6-8HxCDD</u>	<u>0.000001</u>	<u>11.28</u>
<u>1080</u>	<u>Chlorinated dibenzofurans, without individual isomers reported</u>	<u>0.000001</u>	<u>11.28</u>
<u>39001020</u>	<u>1-8OctaCDF</u>	<u>0.000001</u>	<u>11.28</u>
<u>51207319</u>	<u>2,3,7,8-TCDF</u>	<u>0.000001</u>	<u>11.28</u>
<u>55673897</u>	<u>1-4,7-9HpCDF</u>	<u>0.000001</u>	<u>11.28</u>
<u>57117314</u>	<u>2-4,7,8PeCDF</u>	<u>0.000001</u>	<u>11.28</u>
<u>57117416</u>	<u>1-3,7,8PeCDF</u>	<u>0.000001</u>	<u>11.28</u>
<u>57117449</u>	<u>1-3,6-8HxCDF</u>	<u>0.000001</u>	<u>11.28</u>
<u>60851345</u>	<u>2-4,6-8HxCDF</u>	<u>0.000001</u>	<u>11.28</u>

<u>67562394</u>	<u>1-4,6-8HpCDF</u>	<u>0.000001</u>	<u>11.28</u>
<u>70648269</u>	<u>1-4,7,8HxCDF</u>	<u>0.000001</u>	<u>11.28</u>
<u>72918219</u>	<u>1-3,7-9HxCDF</u>	<u>0.000001</u>	<u>11.28</u>
<u>1151</u>	<u>Polycyclic aromatic hydrocarbons, PAHs (without individual isomers reported)</u>	<u>0.2</u>	<u>6.74</u>
<u>50328</u>	<u>Benzo[a]pyrene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>53703</u>	<u>Dibenz[a,h]anthracene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>56495</u>	<u>3-Methylcholanthrene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>56553</u>	<u>Benz[a]anthracene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>57976</u>	<u>7,12-Dimethylbenz(a)Anthracene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>91203</u>	<u>Naphthalene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>189559</u>	<u>Dibenzo[a,i]pyrene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>189640</u>	<u>Dibenzo[a,h]pyrene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>191300</u>	<u>Dibenzo[a,l]pyrene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>192654</u>	<u>Dibenzo[a,e]pyrene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>193395</u>	<u>Indeno[1,2,3-cd]pyrene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>194592</u>	<u>7H-Dibenzo(c,g)Carbazole [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>205823</u>	<u>Benzo[j]fluoranthene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>205992</u>	<u>Benzo[b]fluoranthene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>207089</u>	<u>Benzo[k]fluoranthene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>218019</u>	<u>Chrysene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>224420</u>	<u>Dibenz(a,i)Acridine [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>226368</u>	<u>Dibenz(a,h)Acridine [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>602879</u>	<u>5-Nitroacenaphthene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>607578</u>	<u>2-Nitrofluorene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>3697243</u>	<u>5-Methylchrysene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>5522430</u>	<u>1-Nitropyrene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>7496028</u>	<u>6-Nitrochrysene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>42397648</u>	<u>1,6-Dinitropyrene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>42397659</u>	<u>1,8-Dinitropyrene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>57835924</u>	<u>4-Nitropyrene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>9901</u>	<u>Diesel Particulate Matter</u>	<u>0.1</u>	<u>0</u>

TABLE V  
ANNUAL CLEAN FUELS FEES

Volatile Organic Compounds (\$/ton)	Nitrogen Oxides (\$/ton)	Sulfur Oxides (\$/ton)	Particulate Matter (\$/ton)
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<del>\$48.71</del> <u>49.01</u>	<del>\$27.31</del> <u>28.26</u>	<del>\$33.85</del> <u>35.03</u>	<del>\$27.31</del> <u>28.26</u>
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TABLE VI  
DEMOLITION, ASBESTOS AND LEAD NOTIFICATION FEES

Demolition and Renovation by Project Size (square feet) <sup>1</sup>					
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>\$62.92</del> <u>65.12</u>	<del>\$192.40</del> <u>199.13</u>	<del>\$450.38</del> <u>466.14</u>	<del>\$706.21</del> <u>730.92</u>	<del>\$1,023.47</del> <u>1,059.29</u>	<del>\$1,705.79</del> <u>1,776.54</u>

Additional Service Charge Fees				
Revision to Notification for Start Date, Quantity, and/or End Date <sup>2</sup>	Special Handling Fee <sup>3</sup>	Planned Renovation	Procedure 4 or 5 Plan Evaluation	Expedited Procedure 4 or 5 Fee <sup>4</sup>
<del>\$62.92</del> <u>25.00</u>	<del>\$62.92</del> <u>65.12</u>	<del>\$706.21</del> <u>730.92</u>	<del>\$706.21</del> <u>730.92</u>	<del>\$353.10</del> <u>365.45</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.

For renovation, the fee is based on the amount of asbestos/lead removed.

<sup>2</sup> For revisions to notifications to change the End Date, service charge fees will only be charged if revisions result in a later End Date

<sup>23</sup> For all notifications postmarked-received less than 14 calendar days prior to project start date.

<sup>34</sup> For all expedited Procedure 4 or 5 plan evaluation requests postmarked-received 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  
FACILITY PERMIT FEES FOR FACILITIES THAT ARE RECLAIM ONLY, TITLE  
V ONLY, AND BOTH RECLAIM & TITLE V

Description	Rule section	FY 2018-19	FY 2019-20 and thereafter
Facility Permit Amendment/Revision Fee  <ul style="list-style-type: none"> <li>• RECLAIM Only or non-RECLAIM/non-Title V</li> <li>• Title V Only*</li> <li>• RECLAIM &amp; Title V*</li> </ul> <p>* Includes administrative, minor, de minimis significant, or significant amendment/revision</p>	(l)(4)  (m)(4)	<del>\$1,170.63</del>  <del>\$1,325.61</del>  <del>\$2,496.24</del>	<del>\$1,170.63</del> 211. 60  <del>\$1,466.92</del> 18. 26  <del>\$2,637.55</del> 29. 86
Facility Permit Change of <u>Owner/Operator</u>  <ul style="list-style-type: none"> <li>• Facility Permit Amendment Fee</li> </ul> <p style="text-align: center;">Plus</p> <ul style="list-style-type: none"> <li>• Application Processing Fee for Each Application</li> </ul>	(c)(2) (l)(6) (m)(4) (n)(5)	<p style="text-align: center;"><i>Facility Permit Amendment/Revision Fee (See Above)</i></p> <p style="text-align: center;">Plus</p> <p style="text-align: center;"><i>Processing Fees (See Table FEE RATE-C))</i></p>	
Title V Facility Permit Renewal Fee (Due at Filing)  <p style="text-align: center;">Plus</p> Hourly Rate for Calculation of Final Fee for Evaluation Time in Excess of 8 hours (Due upon Notification)	(m)(5) (m)(9)	<del>\$3,010.95</del>  Plus <del>\$210.67</del> <del>per hour</del>	<del>\$3,331.91</del> 448. 52  Plus <del>\$233.13</del> 241.2 9 per hour

## **ATTACHMENT G2**

(Adopted September 2, 1977)(Amended May 5, 1978)(Amended March 5, 1982)  
(Amended August 5, 1983)(Amended October 5, 1984)(Amended January 6, 1989)  
(Amended June 1, 1990)(Amended June 6, 1992)(Amended June 11, 1993)  
(Amended June 10, 1994)(Amended May 12, 1995)(Amended May 10, 1996)  
(Amended May 9, 1997)(Amended May 8, 1998)(Amended May 14, 1999)  
(Amended May 19, 2000)(Amended May 11, 2001)(Amended May 3, 2002)  
(Amended June 6, 2003)(Amended July 9, 2004)(Amended June 3, 2005)  
(Amended June 9, 2006)(Amended May 4, 2007)(Amended May 2, 2008)  
(Amended June 5, 2009)(Amended May 7, 2010)(Updated July 1, 2011)  
(Updated July 1, 2012)(Updated July 1, 2013)(Amended June 6, 2014)  
(Amended May 1, 2015)(Updated July 1, 2016)(Amended June 2, 2017)  
(Updated May 4, 2018)  
(Proposed Amended Rule May 3, 2019)

**Proposed Effective Date July 1, 20182019**

### **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 ~~\$192.36~~199.09 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 sent by mail, electronic mail, or other electronic means, and shall be due fifteen (15) days from the date of personal service, mailing, or electronic submission. For the purpose of this rule, the fee payment shall be considered to be received by the District if it is delivered, postmarked, or electronically paid 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 delivered, postmarked, or electronically paid on the next business day with the same effect as if it had been delivered, postmarked, or electronically paid 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**

<b><u>Air Contaminants</u></b>	<b><u>Dollars Per Ton</u></b>
Organic gases, except methane and those containing sulfur	<del>\$6,073.43</del> <u>286.00</u>
Carbon Monoxide	<del>\$59.46</del> <u>61.54</u>
Oxides of nitrogen (expressed as nitrogen dioxide)	<del>\$3,643.58</del> <u>771.10</u>
Gaseous sulfur compounds (expressed as sulfur dioxide)	<del>\$4,248.96</del> <u>397.67</u>
Particulate matter	<del>\$4,248.96</del> <u>397.67</u>
Ammonia	<del>\$0.11</del>
Asbestos	<del>\$26.80</del> <u>27.73</u>
Benzene	<del>\$8.94</del> <u>9.25</u>
Cadmium	<del>\$26.80</del> <u>27.73</u>
Carbon tetrachloride	<del>\$8.94</del> <u>9.25</u>
Chlorinated dioxins and dibenzofurans (26 species)	<del>\$44.62</del> <u>46.18</u>
Ethylene dibromide	<del>\$8.94</del> <u>9.25</u>
Ethylene dichloride	<del>\$8.94</del> <u>9.25</u>
Ethylene oxide	<del>\$8.94</del> <u>9.25</u>
Formaldehyde	<del>\$1.87</del> <u>93</u>
Hexavalent chromium	<del>\$35.67</del> <u>36.91</u>
Methylene chloride	<del>\$0.42</del> <u>43</u>
Nickel	<del>\$17.73</del> <u>18.35</u>
Perchloroethylene	<del>\$1.87</del> <u>93</u>
1,3-Butadiene	<del>\$26.80</del> <u>27.73</u>
Inorganic arsenic	<del>\$26.80</del> <u>27.73</u>
Beryllium	<del>\$26.80</del> <u>27.73</u>
Polynuclear aromatic hydrocarbons (PAHs)	<del>\$26.80</del> <u>27.73</u>
Vinyl chloride	<del>\$8.94</del> <u>9.25</u>
Lead	<del>\$8.94</del> <u>9.25</u>
1,4-Dioxane	<del>\$1.87</del> <u>93</u>
Trichloroethylene	<del>\$0.77</del> <u>79</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:

$$\text{Fee} = (\text{Opacity* equivalent} - 20) \times \text{number of days on which the violation is expected to occur} \times \$10.0540$$

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:

$$\text{Fee} = (\text{Opacity* equivalent} - 40) \times \text{number of days on which the violation is expected to occur} \times \$10.0540$$

\* 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>		
<input type="checkbox"/> Interim and Short or Interim and Regular	<del>\$1,574.33</del> <u>629.43</u>	<del>\$282.34</del> <u>292.22</u>
<input type="checkbox"/> Short (without interim)	<del>\$1,259.47</del> <u>303.55</u>	<del>\$282.34</del> <u>292.22</u>
<input type="checkbox"/> Regular (without interim)	<del>\$1,259.47</del> <u>303.55</u>	<del>\$282.34</del> <u>292.22</u>
<input type="checkbox"/> Emergency or Ex Parte Emergency	<del>\$1,259.47</del> <u>303.55</u>	<del>\$282.34</del> <u>292.22</u>
<input type="checkbox"/> Variance plus Alternate Operating Condition(s)	<del>\$1,889.19</del> <u>955.31</u>	<del>\$282.34</del> <u>292.22</u>
<input type="checkbox"/> Plus, for each hearing day in addition to the first hearing day necessary to dispose of the petition, the additional sum of	<del>\$705.19</del> <u>729.87</u>	<del>\$140.91</del> <u>145.84</u>

<b>PRODUCT VARIANCE</b>		
Filing Fee	<del>\$1,889.19</del> <u>955.31</u>	<del>\$282.34</del> <u>292.22</u>
Plus, for each hearing day in addition to the first hearing day necessary to dispose of the petition, the additional sum of	<del>\$705.19</del> <u>729.87</u>	<del>\$140.91</del> <u>145.84</u>

<b>GROUP VARIANCE</b>		
Two	<del>\$1,416.91</del> <u>466.50</u>	
Three	<del>\$2,204.06</del> <u>281.20</u>	
Four or More	<del>\$3,148.69</del> <u>258.89</u>	
Plus, for each hearing day in addition to the first hearing day necessary to dispose of the petition, the additional sum of	<del>\$1,057.84</del> <u>094.86</u>	

	Schedule B	Schedule A
<b>MODIFICATION OF EXISTING ORDERS INCLUDING FINAL COMPLIANCE DATE</b>		
<input type="checkbox"/> Modification of a Final Compliance Date and Extension of a Variance	<del>\$1,259.47</del> <u>303.55</u>	<del>\$282.34</del> <u>292.22</u>
<input type="checkbox"/> Modification of Order for Abatement (requested by respondent)	<del>\$1,259.47</del> <u>303.55</u>	<del>\$282.34</del> <u>292.22</u>
Plus, for each hearing day in addition to the first hearing day necessary to dispose of the petition, the additional of	<del>\$705.19</del> <u>729.87</u>	<del>\$140.91</del> <u>145.84</u>

<b>MODIFICATION OF EXISTING ORDERS EXCLUDING FINAL COMPLIANCE DATE</b>		
<input type="checkbox"/> Modification of Variance (Increments of Progress and Conditions)	<del>\$940.67</del> <u>973.59</u>	<del>\$282.34</del> <u>292.22</u>
<input type="checkbox"/> Interim Authorization (Increments of Progress)	<del>\$940.67</del> <u>973.59</u>	<del>\$282.34</del> <u>292.22</u>
Plus, for each hearing day in addition to the first hearing day necessary to dispose of the petition, the additional sum of	<del>\$303.80</del> <u>314.43</u>	

<b>ADMINISTRATIVE TYPE OF HEARINGS</b>		
<input type="checkbox"/> Administrative Hearings (issuance of subpoenas, waiver of fees, etc.)	<del>\$940.67</del> <u>973.59</u>	<del>\$282.34</del> <u>292.22</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>\$314.88</del> <u>325.90</u>	<del>\$140.91</del> <u>145.84</u>

<b>APPEAL</b>		
Filing fee	<del>\$1,889.19</del> <u>955.31</u>	<del>\$282.34</del> <u>292.22</u>
Plus, for each hearing day in addition to the first hearing day necessary to dispose of the petition, the additional sum of	<del>\$1,057.84</del> <u>094.86</u>	<del>\$207.00</del> <u>214.24</u>

<b>CONSENT CALENDAR</b>		
Filing Fee	<del>\$435.27</del> <u>450.50</u>	<del>\$140.91</del> <u>145.84</u>
Plus, for each hearing day in addition to the first hearing day necessary to dispose of the petition, the additional sum of	<del>\$275.52</del> <u>285.16</u>	<del>\$140.91</del> <u>145.84</u>
<input type="checkbox"/> In the event that the Board determines that there was insufficient documentation to consider the matter on the Consent Calendar, and the matter is scheduled for a hearing before the Board, petitioner shall pay an additional sum of	<del>\$787.17</del> <u>814.72</u>	<del>\$282.34</del> <u>292.22</u>
Plus, for each hearing day in addition to the first hearing day necessary to dispose of the petition, the additional sum of	<del>\$705.19</del> <u>729.87</u>	<del>\$140.91</del> <u>145.84</u>



### **ATTACHMENT G3**

(Adopted October 7, 1977)(Amended March 5, 1982)(Amended January 14, 1983)  
(Amended September 16, 1983)(Amended April 5, 1985)(Amended May 1, 1987)  
(Amended June 5, 1987)(Amended June 3, 1988)(Amended December 2, 1988)  
(Amended January 6, 1989)(Amended July 6, 1990)(Amended December 6, 1991)  
(Amended June 6, 1992)(Amended October 2, 1992)(Amended June 11, 1993)  
(Amended June 10, 1994)(Amended May 10, 1996)(Amended May 9, 1997)  
(Amended May 8, 1998)(Amended May 14, 1999)(Amended May 19, 2000)  
(Amended May 11, 2001)(Amended May 3, 2002)(Amended June 6, 2003)  
(Amended July 9, 2004)(Amended June 3, 2005)(Amended June 9, 2006)  
(Amended May 4, 2007)(Amended May 2, 2008)(Amended June 5, 2009)  
(Amended May 7, 2010)(Amended May 6, 2011)(Updated July 1, 2012)  
(Updated July 1, 2013)(Amended June 6, 2014)(Amended May 1, 2015)  
(Updated July 1, 2016)(Amended June 2, 2017)(Amended May 4, 2018)  
(Proposed Amended Rule May 3, 2019)

**Proposed Effective Date July 1, 20182019**

#### **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 ~~\$135.77~~140.52 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 \$17,278.64~~883.39~~, 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, 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 ~~\$135.77~~140.52 per person per hour 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>\$180.99</del> <u>187.32</u>
Facility Inspection (if required)	<del>\$135.77</del> <u>140.52</u> / hour up to <del>\$397.96</del> <u>411.88</u> additional
Audit Sample (if required)	<del>\$180.99</del> <u>187.32</u> / hour up to <del>\$530.57</del> <u>549.14</u> additional
Annual Renewal	<del>\$180.99</del> <u>187.32</u>
Method Equivalence	<del>\$180.99</del> <u>187.32</u> / hour up to <del>\$863.86</del> <u>894.09</u> additional

## **ATTACHMENT G4**

(Adopted May 1, 1987)(Amended June 7, 1991)(Amended June 6, 1992)  
(Amended June 10, 1994)(Amended May 10, 1996)(Amended May 9, 1997)  
(Amended May 8, 1998)(Amended May 14, 1999)(Amended May 19, 2000)  
(Amended May 11, 2001)(Amended May 3, 2002)(Amended June 6, 2003)  
(Amended July 9, 2004)(Amended June 3, 2005)(Amended June 9, 2006)  
(Amended May 4, 2007)(Amended May 2, 2008)(Amended May 7, 2010)  
(Amended May 6, 2011)(Updated July 1, 2012)(Updated July 1, 2013)  
(Amended June 6, 2014)(Amended May 1, 2015)(Updated July 1, 2016)  
(Amended June 2, 2017)(Amended May 4, 2018)  
(Proposed Amended Rule May 3, 2019)

### **Proposed Effective Date July 1, 20182019**

#### **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>\$135.77</del> <u>140.52</u> / hour of analysis
(B)	Micro-Fourier Transform Infrared Spectroscopy	<del>\$201.26</del> <u>208.30</u> / particle
(C)	X-Ray Diffraction	<del>\$201.26</del> <u>208.30</u> / sample
(D)	Particle Size Determination	
(i)	by microscopy	<del>\$135.77</del> <u>140.52</u> / hour of analysis
(ii)	by sieve	<del>\$135.77</del> <u>140.52</u> / sample
(E)	Energy Dispersive X-Ray - microprobe	As charged by outside laboratory (charge pass through)
(2)	Asbestos (Bulk Samples)	
(A)	PLM	<del>\$135.77</del> <u>140.52</u> / sub-sample
(B)	Point Counting	<del>\$135.77</del> <u>140.52</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)

	<u>Type of Test</u>	<u>Fee</u>
	(E) X-Ray Diffraction	<del>\$299.99</del> <u>310.49</u> / sub-sample and/or layer
(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>\$90.32</del> <u>93.48</u> / sample
	(B) Isoteniscope	As charged by outside laboratory (charge pass through)
	(C) Speciation of Components in each sample	<del>\$380.09</del> <u>393.39</u> for five or fewer com- pounds <del>\$45.09</del> <u>46.66</u> for each additional com- pound
	(D) Calculation	<del>\$265.21</del> <u>274.49</u> / sample
(5)	Fuel Analysis	
	(A) Metals (Pb in gasoline)	<del>\$271.50</del> <u>281.00</u> / sample <del>\$35.85</del> <u>37.10</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>\$135.77</del> <u>140.52</u> / sample
	(E) Heat Content	As charged by outside laboratory (charge pass through)
	(F) Water	As charged by outside laboratory (charge pass through)
	(G) Bromine Number	As charged by outside laboratory (charge pass through)
	(H) Sulfur	
	(i) In Fuel Gas	<del>\$316.88</del> <u>327.97</u> / sample

	<u>Type of Test</u>	<u>Fee</u>
	(ii) In Fuel Oil (by XRF)	<del>\$108.23</del> <u>112.01</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>\$135.77</del> <u>140.52</u> / sample
(B)	Density of Coating or Distillate	<del>\$135.77</del> <u>140.52</u> / sample
(C)	Gloss Testing	<del>\$135.77</del> <u>140.52</u> / sample
(D)	Gas Chromatograph Analysis	<del>\$380.09</del> <u>393.39</u> for five or fewer compounds <del>\$45.09</del> <u>46.66</u> for each additional compound
(E)	Photochemical Reactivity -	
	(i) Unknown	<del>\$543.36</del> <u>562.37</u> / sample
	(ii) Known	<del>\$380.09</del> <u>393.39</u> / sample
(F)	Distillation -	
	(i) Normal	<del>\$108.24</del> <u>112.02</u> / sample
	(ii) Heavy Ink	<del>\$153.65</del> <u>159.02</u> / sample
(G)	Water by Karl Fischer Titration	<del>\$180.99</del> <u>187.32</u> / sample
(H)	Emission Spectrograph Analysis	<del>\$135.77</del> <u>140.52</u> / sample
(I)	Gas Chromatograph/Mass Spectrometry	<del>\$362.46</del> <u>374.83</u> for five or fewer compounds <del>\$35.81</del> <u>37.06</u> for each additional compound
(J)	VOC in pipe cements	<del>\$928.71</del> <u>961.21</u> / sample
(K)	VOC in adhesives containing cyanoacrylates	<del>\$265.21</del> <u>274.49</u> / sample



- (7) For Certification Tests and Analyses not listed above, the fee shall be assessed at a rate of ~~\$135.77~~140.52 per person per hour or a prorated portion thereof.
- (8) In addition to the regular analysis fee, all expedite samples which require overtime work by staff shall be charged an additional time and a half fee based on the normal hourly rate of staff performing such work beyond the normal work schedule.
- (9) Time and material fees shall be charged for all samples sent to outside laboratories.

**(b) Emissions Testing and Analyses Fees**

	<u>Type of Test</u>	<u>Fee</u>
(1)	Accuracy Confirmation Test of Continuous Emission Monitor	<del>\$1,376.71</del> <u>1424.89</u>
(2)	Continuous Gaseous Emission Testing with Mobile Source Testing Vehicle	<del>\$1,793.76</del> <u>159.33</u> plus <del>\$153.95</del> <u>159.33</u> / hour
(3)	Non-Continuous Emission Testing	<del>\$1,684.85</del> <u>743.82</u> plus fee listed below:
		<u>Cost Per Sample</u>
		Specific*                      Surcharge**
(A)	Moisture	<del>\$244.30</del> <u>252.85</u> <del>\$180.99</del> <u>187.32</u>
(B)	Particulate Matter	<del>\$941.80</del> <u>974.76</u> <del>\$470.75</del> <u>487.22</u>
(C)	Sulfur Dioxide	<del>\$836.89</del> <u>866.18</u> <del>\$418.18</del> <u>432.81</u>
(D)	Oxides of Nitrogen	<del>\$416.53</del> <u>431.10</u> <del>\$126.48</del> <u>130.90</u>
(E)	Carbon Monoxide	<del>\$347.74</del> <u>359.91</u> <del>\$173.72</del> <u>179.80</u>

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\* charge for first sample.

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

<u>Type of Test</u>		<u>Fee</u>	
(F)	Total	<del>\$869.39</del>	<del>\$624.74</del>
	Hydrocarbons	<u>899.81</u>	<u>646.60</u>
	(i) Hydrogen Sulfide	<del>\$836.89</del> <u>866.18</u>	<del>\$418.18</del> <u>432.81</u>
	(ii) Vinyl Chloride	<del>\$362.16</del> <u>374.83</u>	<del>\$266.04</del> <u>275.35</u>

		<u>Cost Per Sample</u>	
		<u>Specific*</u>	<u>Surcharge**</u>
(G)	Gas Chromatograph / Mass Spectrometry for Unknown	<del>\$362.16</del> <u>374.83</u> for five or fewer com- pounds  <del>\$35.81</del> <u>37.06</u> for each additional compound	
(H)	High Volume Sampler (Fugitive Dust)	<del>\$739.09</del> <u>764.95</u>	<del>\$369.47</del> <u>382.40</u>
(I)	Total Reduced Sulfur Compounds***	<del>\$581.61</del> <u>601.96</u>	<del>\$89.36</del> <u>92.48</u>
(J)	Sample Preparation	<del>\$45.09</del> <u>46.66</u>	<del>\$26.85</del> <u>27.79</u>

(c) Ambient Air Analyses Fees

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

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\* 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.

	<u>Type of Test</u>	<u>Fee</u>
(A)	Installation of One (1) Wind-Monitoring System at One (1) Site.	<del>\$905.67</del> <u>937.36</u>
(B)	Installation of Each Additional Wind-Monitoring System at the Same Site as (A).	<del>\$271.51</del> <u>281.01</u>
(C)	Operation of One (1) Wind-Monitoring System At One (1) Site, Including Data Reduction.	<del>\$180.99</del> <u>187.32</u> / day
(D)	Operation of Each Additional Wind-Monitoring System at Same Site as (C), Including Data Reduction.	<del>\$63.31</del> <u>65.52</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>\$1,268.34</del> <u>312.73</u>
(B)	Installation of Additional Instrument in Mobile Van.	<del>\$452.67</del> <u>468.51</u>
(C)	Operation of One (1) Instrument and Wind-Monitoring System in Mobile Mode, 10 Hours Per Day, Weekdays Only.	<del>\$688.39</del> <u>712.48</u> / day
(D)	Operation of One (1) Instrument and Wind-Monitoring System In Mobile Mode, 10 Hours Per Day, Weekends and Holidays.	<del>\$1,032.66</del> <u>068.80</u> / day
(E)	Operation of Each Additional Instrument, Other Than Those Already Installed, in Mobile Van.	<del>\$63.31</del> <u>65.52</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>\$905.67</del> <u>plus 937.36</u> <u>plus</u> lab analysis
(B)	Installation of Each Additional 24-Hour Sampler.	<del>\$724.50</del> <u>749.85</u> <u>plus</u> lab analysis
(C)	Operation of One (1) 24-Hour Sampler and Analysis for One (1) Contaminant Per Sample.	<del>\$316.93</del> <u>328.02</u> / day <del>\$72.09</del> <u>74.61</u> for each additional contaminant

(D)	Operation of Each Additional 24-Hour Sampler and Analysis for Same Contaminant in (C).	<del>\$117.53</del> <u>121.64</u> / day <del>\$54.03</del> <u>55.92</u> for each additional contaminant
(E)	Operation of 24-Hour, Sequential-Im-pinger Sampler and Spectrophometric Analysis.	<del>\$633.99</del> <u>656.18</u> / day for up to 12 samples <del>\$271.51</del> <u>281.01</u> for each additional set of 12 samples
(F)	Installation of One (1) Non-Sequential Sampler to Collect Less-Than-24-Hour-Samples.	<del>\$1,086.84</del> <u>124.87</u>
(G)	Operation of One (1) Non-Sequential Sampler to Collect Less-Than-24-Hour Samples For One Contaminant.	<del>\$543.50</del> <u>562.52</u> / day
(H)	Sample Preparation or Extraction Prior to Analysis.	<del>\$180.99</del> <u>187.32</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>\$90.32</del> <u>93.48</u> for first sample or contaminant <del>\$35.81</del> <u>37.06</u> for each additional sample or contaminant
(J)	Analysis of Each Sample Collected in (G) For Particulates.	<del>\$108.23</del> <u>112.01</u> for first sample <del>\$63.21</del> <u>65.42</u> for each additional sample
(K)	Gas Chromatograph/Mass Spectrometry Identification For Any Sample Col-lected Above.	<del>\$180.99</del> <u>187.32</u> for five or fewer contaminants <del>\$17.90</del> <u>18.52</u> for each additional contaminant

- |  |   |   |
|--|---|---|
| (L)  | Additional Fees for Sample Pick-up and Analysis After Normal Weekday Working Hours.   | <del>\$90.32</del> <u>93.48</u> additional / hour for each hour exceeding 8-hour normal week day for sample pick-up or collection<br><del>\$1,449.34</del> <u>500.06</u> additional / day for weekends and holidays requiring sample pick-up and analysis same day<br><br><del>\$1,811.85</del> <u>875.26</u> additional / day for weekends and holidays requiring manual sample collection and analysis same day |
| <br>(4) Meteorological Monitoring  |   |   |
| (A)  | Conduct Upper-Air Observation via Radio or Airsonde.  | <del>\$634.02</del> <u>656.21</u>   |
| (B)  | Conduct Low-Level Air Observation via Tethersonde (8 Hour Program).   | <del>\$3,627.18</del> <u>754.13</u>   |
| (C)  | Conduct Pilot Balloon Observation (Pibal).  | <del>\$3,627.18</del> <u>754.13</u> / release   |
| <br>(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>\$2,717.83</del> <u>812.95</u> / grid  |
| (B)  | Conduct Less-Than-24-Hour, Integrated-Landfill-Surface-Sampling Program Over Each Additional 50,000 Square-Foot Grid At The Same Site as (A).   | <del>\$588.57</del> <u>609.17</u>   |

- (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. \$~~19,932.00~~20,629.62
  - (B) Collection and Analysis of Each Additional Sample for (A). \$~~90.32~~93.48

## **ATTACHMENT G5**

(Adopted January 4, 1985)(Amended June 5, 1987)(Amended June 3, 1988)  
(Amended January 6, 1989)(Amended November 3, 1989)(Amended July 6, 1990)  
(Amended June 11, 1993)(Amended June 10, 1994)(Amended May 12, 1995)  
(Amended May 10, 1996)(Amended May 9, 1997)(Amended May 8, 1998)  
(Amended May 14, 1999)(Amended May 19, 2000)(Amended May 11, 2001)  
(Amended May 3, 2002)(Amended June 6, 2003)(Amended July 9, 2004)  
(Amended June 3, 2005)(Amended June 9, 2006)(Amended May 4, 2007)  
(Amended May 2, 2008)(Amended June 5, 2009)(Amended May 7, 2010)  
(Updated July 1, 2011)(Updated July 1, 2012)(Updated July 1, 2013)  
(Amended June 6, 2014)(Amended May 1, 2015)(Amended May 6, 2016)  
(Updated July 1, 2016)(Amended June 2, 2017)(Amended May 4, 2018)  
(Proposed Amended Rule May 3, 2019)

### **Proposed Effective Date July 1, 20182019**

### **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; Smoke Management Plans; Burn Management Plans; Emergency Burn Plans; Post Burn Evaluation Reports; Rule 109 Alternative Recordkeeping System Plan; Solid Waste Air Quality Assessment Test Reports (Health and Safety Code Section 41805.5); Compliance Assurance Monitoring Plan (40 CFR 64); 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 as follows:

Facility Type	Non-Title V	Title V
<del>FY 2018-19</del>	<del>\$155.80</del>	<del>\$176.42</del>
FY 2019-20 and thereafter	<del>\$155.80</del> <u>161.25</u>	<del>\$195.23</del> <u>202.06</u>

(d) Plan Evaluation Fee

The plan evaluation fee shall be an amount equal to the total actual and reasonable time incurred by District staff for evaluation of a plan, assessed at the hourly rate or prorated portion thereof as follows:

Facility Type	Non-Title V	Title V
<del>FY 2018-19</del>	<del>\$155.80</del>	<del>\$176.42</del>
FY 2019-20 and thereafter	<del>\$155.80</del> <u>161.25</u>	<del>\$195.23</del> <u>202.06</u>

(e) Duplicate Plan Fee

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



Facility Type	Non-Title V	Title V
<del>FY 2018-19</del>	<del>\$25.29</del>	<del>\$28.63</del>
FY 2019-20 and thereafter	<del>\$25.29</del> <u>26.17</u>	<del>\$31.68</del> <u>32.78</u>

**(f) Inspection Fee**

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

Facility Type	Non-Title V	Title V
<del>FY 2018-19</del>	<del>\$124.58</del>	<del>\$141.07</del>
FY 2019-20 and thereafter	<del>\$124.58</del> <u>128.94</u>	<del>\$156.10</del> <u>161.56</u>

**(g) Change of Condition Fee**

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

Facility Type	Non-Title V	Title V
<del>FY 2018-19</del>	<del>\$155.80</del>	<del>\$176.42</del>
FY 2019-20 and thereafter	<del>\$155.80</del> <u>161.25</u>	<del>\$195.23</del> <u>202.06</u>

**(h) Annual Review/Renewal Fee**

An annual review/renewal fee shall be charged for plans listed in the following table in this subdivision. The annual review/renewal fee shall be an amount equal to the Rule 301(d)(2) Schedule A fee. In addition, annual reviews/renewals shall

meet all relevant and applicable requirements of Rule 301(d) and 301(g), and be paid on an annual renewal date set by the Executive Officer.

Annual Review/Renewal Plan Fee by Rule Number

Rule/Reference	Plan Type
410	Odor Monitoring
431.1	Sulfur Content of Gaseous Fuels
462	Organic Liquid Loading Continuous Monitoring System (CMS) Plan
463(e)(1)(A)	Organic Liquid Storage - Self-Inspection of Floating Roof Tanks
1105.1	Reduction of PM10 and Ammonia Emissions from Fluid Catalytic Cracking Units
1118	<ul style="list-style-type: none"><li>• Control of Emissions from Refinery Flares - Flare Minimization Plan</li><li>• Control of Emissions from Refinery Flares – Flare Monitoring and Recording Plan</li></ul>
1123	Refinery Process Turnarounds
1132	Further Control of VOC Emissions from High-Emitting Spray Booth Facilities
1150	Excavation Management
1150.1.	Active Landfill Control of Gaseous Emissions
1158	Storage, Handling, and Transport of Coke, Coal and Sulfur - Open Pile Control Plan
1166	<ul style="list-style-type: none"><li>• Volatile Organic Compound Emissions from Decontamination of Soil – Fixed Site</li><li>• Volatile Organic Compound Emissions from Decontamination of Soil - Various locations</li></ul>
1173	Control of Volatile Organic Compound Leaks and Releases from Components at Petroleum Facilities and Chemical Plants (h)(2)
1176	VOC Emissions Waste Water System
1407	Non Ferrous Metal Melting
1420	Emissions of Lead

Rule/Reference	Plan Type
1420.1	<ul style="list-style-type: none"> <li>• Rule– Compliance Plan</li> <li>• Continuous Furnace Pressure Monitoring Plan</li> <li>• Compliance Plan for Closure Activities</li> </ul>
1469	Chrome Plating Operations
1469.1	Spray Coating Chromium
1470	Requirements for Stationary Diesel-Fueled Internal Combustion and Other Compression Ignition Engines
40 CFR 64.7	Compliance Assurance Monitoring Plan

(i) Payment of Fees

(1) Plan Filing and Plan Evaluation Fees

In addition to payment of the filing fee pursuant to subdivision (c), the initial payment for plan evaluation fees shall be as shown in the table below in this subparagraph and paid at the time of filing. The adjustment to plan evaluation fees will be determined at the time a plan is approved or rejected and may include additional fees based upon actual review and work time billed at a rate pursuant to subdivision (d). Notification of the amount due or refund will be provided to the applicant, and any additional fees due to the adjustment to plan evaluation fees will be billed following project completion.

A – Rule 403 and 461 Plans and Rule 1166 Various Location Plans	Non-Title V	Title V
<del>FY 2018-19</del>	<del>\$155.80</del>	<del>\$176.42</del>
FY 2019-20 and thereafter	<del>\$155.80</del> <u>161.25</u>	<del>\$195.23</del> <u>202.06</u>
B – Rule 444, 1133 and 1415 Plans	See Rule 306 (c)	See Rule 306 (c)
C – All Other Plans, including Rule 1166 Fixed Site Plans	Non-Title V	Title V
<del>FY 2018-19</del>	<del>\$545.27</del>	<del>\$617.45</del>
FY 2019-20 and thereafter	<del>\$545.27</del> <u>564.35</u>	<del>\$683.28</del> <u>707.19</u>

(2) Independent Consultant Fees

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

(3) Payment Due Date

Payment of all applicable fees, including annual review/renewal fee, shall be due in sixty (60) days from the date of personal service or sending by mail, electronic mail, or other electronic means 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 delivered, postmarked, or electronically paid 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 delivered, postmarked, or electronically paid on the business day following the Saturday, Sunday, or the state holiday with the same effect as if it had been delivered, postmarked, or electronically paid 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) Optional Expedited Plan Evaluation Processing Fee

Initial fees for requested expedited processing of plan evaluation shall be an additional fifty percent (50%) of the applicable plan filing and initial evaluation fees pursuant to paragraph (i)(1), and shall be submitted at the time that the expedited processing is requested. The adjustment to expedited plan evaluation processing fee will be determined at the time a plan is approved or rejected and may include additional fees based upon actual review and work time billed at a rate for staff overtime which is equal to one half of staff's hourly rate as specified in subdivision (d). Notification

of the amount due or refund will be provided to the applicant and any additional fees due to the adjustment to expedited plan evaluation processing fees will be billed following project completion. A request for expedited plan 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.

(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, 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 as shown in the table below in this subdivision. The cancellation fee shall not apply when the application was filed based on an erroneous District request.

Facility Type	Non-Title V	Title V
<del>FY 2018-19</del>	<del>\$207.68</del>	<del>\$235.16</del>
FY 2019-20 and thereafter	<del>\$207.68</del> <u>214.94</u>	<del>\$260.23</del> <u>269.33</u>

(m) **Protocol/Report/Catalyst Equivalency Evaluation Fees**

(1) A minimum fee of ~~\$409.45~~423.78 shall be charged for the evaluation of source test protocols and reports. Additional fees for time spent on the evaluation in excess of 5 hours shall be assessed at the hourly rate specified in subdivision (d) for non-Title V facilities. The established minimum fee and additional fees for time spent on the evaluation in excess of 5 hours shall be billed after project completion. Fees are due at the time specified in the bill, which will allow a reasonable time for payment.

(2) The fee for catalyst equivalency evaluation requests shall be the actual and reasonable evaluation hours assessed at the hourly rate specified in

subdivision (d), and billed after project completion. Fees are due at the time specified in the bill, which will allow a reasonable time for payment.

(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/Catalyst Equivalency Evaluation Processing Fee

(1) Fees for requested expedited processing of Protocol/Report Evaluations, will be an additional fee based upon actual review and work time billed at a rate for staff overtime which is equal to one half of staff's hourly rate as specified in subdivision (d) for non-Title V facilities. The established "minimum fee" and additional fees for time spent on the evaluation in excess of 5 hours found in Rule 306(m)(1) shall be paid with the additional overtime fee billed following project completion. 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.

(2) Fees for requested expedited processing of Catalyst Equivalency Evaluations, will be an additional fee based upon actual review and work time billed at a rate for staff overtime which is equal to one half of staff's hourly rate as specified in subdivision (d). The established fee described in

Rule 306(m)(2) shall be paid with the additional overtime fee and will be billed following project completion. Fees are due at the time specified in the bill, which will allow a reasonable time for payment.

(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 ~~\$135.77~~145.43.

(B) The fee for review and verification of Certified Greenhouse Gas Emission Reductions by SCAQMD staff shall be assessed at ~~\$140.52~~145.43 per hour or a prorated portion thereof.

(2) Fees for Rule 2702 – Greenhouse Gas Reduction Program

(A) Upon submitting a completed Greenhouse Gas Reduction Program Request to the Executive Officer for certified emission reductions an entity shall pay a fee of ~~\$135.77~~145.43.

(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 G6**

(Adopted May 10, 1996)(Amended May 14, 1999)(Amended May 19, 2000)  
(Amended May 11, 2001)(Amended May 3, 2002) (Amended June 6, 2003)  
(Amended July 9, 2004)(Amended June 3, 2005)(Amended June 9, 2006)  
(Amended May 4, 2007)(Amended May 2, 2008)(Amended June 5, 2009)  
(Amended May 7, 2010)(Updated July 1, 2011)(Updated July 1, 2012)  
(Updated July 1, 2013)(Amended June 6, 2014)(Amended May 1, 2015)  
(Updated July 1, 2016)(Amended October 7, 2016)(Amended June 2, 2017)  
(Amended May 4, 2018)  
(Proposed Amended Rule May 3, 2019)

**Proposed Effective Date July 1, 20182019**

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

- (a) Purpose
- California Health and Safety Code Section 44300 et seq. provides authority for the District to adopt a fee schedule to recover the cost of implementing and administering the Air Toxics “Hot Spots” Information and Assessment Act of 1987. The District will annually collect from the owner/operator of each facility meeting the criteria set forth in paragraph (b)(1), (b)(2), and (b)(3), and each owner/operator shall pay, fees which shall provide for the following:
- (1) Recovery of anticipated costs to be incurred by the California Air Resources Board (CARB) and Office of Environmental Health Hazard Assessment (OEHHA) to implement and administer the Act, and any costs incurred by OEHHA or its independent contractor for review of facility risk assessments submitted to the State after March 31, 1995 under Health and Safety Code Section 44361(c).
  - (2) Recovery of anticipated costs to be incurred by the District to implement and administer the Act, including but not limited to the cost incurred to review emission inventory plans, emission inventory data, air toxics inventory reports, risk assessments, to verify plans and data, and to administer this rule, Rule 1402 – Control of Toxic Air Contaminants from Existing Sources, and the Air Toxics “Hot Spots” program.
- (b) Applicability
- Except for facilities exempted by Health and Safety Code Sections 44324, 44344.4(a), or 44380.1, this rule applies to any facility that operates in any portion of the fiscal year for which the fee is assessed and which:



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

(c) Definitions

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

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

- (B) That is required by the District to submit a quadrennial emissions inventory update pursuant to Health and Safety Code Section 44344 during the applicable fiscal year; and
  - (C) Whose prioritization scores for cancer and non-cancer health effects are both greater than 1.0 and equal to or less than 10.0.
- (9) FACILITY has the same meaning as defined in Section 44304 of the Health and Safety Code.
- (10) FACILITY PROGRAM CATEGORY means a grouping of facilities, meeting the definitions in paragraphs (c)(1), (c)(4), (c)(8), (c)(12), (c)(13), (c)(17), (c)(20), (c)(21), (c)(22), (c)(24), (c)(29), (c)(32), or (c)(33) of this rule.
- (11) GUIDELINES REPORT (Air Toxics Hot Spots Emission Inventory Criteria and Guidelines Report) is the report incorporated by reference under Section 93300.5 of this title that contains regulatory requirements for the Air Toxics Hot Spots Emission Inventory Program.
- (12) HRA TRACKING FACILITY means a facility that has been prioritized by the District in accordance with Health and Safety Code Section 44360(a) using procedures that have undergone public review and that are consistent with the procedures presented in the most current version of the SCAQMD “Facility Prioritization Procedures For AB 2588 Program”, which is incorporated by reference herein, and the greater of the facility’s prioritization scores for cancer and non-cancer health effects is greater than 10.0, and meets either one of the following criteria:
  - (A) The facility has had its health risk assessment approved by the District in accordance with Health and Safety Code Section 44362 and the risk assessment results show a total potential cancer risk, summed across all pathways of exposure and all compounds, of equal to or greater than 1.0 and less than ten (10) cases per million persons and a total hazard index for each toxicological endpoint, both acute and chronic, of less than or equal to 1.0; or
  - (B) The facility has had its health risk assessment approved by the District in accordance with Health and Safety Code Section 44362 and the risk assessment results show a total hazard index for each toxicological endpoint, either acute or chronic, of greater than or equal to 0.1, but less than or equal to 1.0, and a total potential cancer

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

- (13) MEDIUM FACILITY means a facility that has three (3) to five (5) processes as determined by six-digit SCCs.
- (14) NORTH AMERICAN INDUSTRY CLASSIFICATION SYSTEM (NAICS) CODE is the standard used to classify business establishments developed under the auspices of the United States Office of Management and Budget, which is herein incorporated by reference.
- (15) OEHHA means the Office of Environmental Health Hazard Assessment, California Environmental Protection Agency.
- (16) OPERATOR means the person who owns or operates a facility or part of a facility.
- (17) POTENTIALLY HIGH RISK LEVEL FACILITY means a facility designated by the Executive Officer pursuant to the definition in Rule 1402.
- (18) POTENTIALLY HIGH RISK LEVEL FACILITY FEE means the fee charged to facilities upon designation as a Potentially High Risk Level Facility under Rule 1402. The fee will be assessed on a Time and Materials (T&M) basis to cover the District's costs in determining Rule 1402 compliance. This includes, but is not limited to, evaluation of findings pursuant to Rule 1402(g).
- (19) PRIORITIZATION SCORE GREATER THAN TEN (10.0) FACILITY means a facility that does not have an approved health risk assessment and has been prioritized by the District in accordance with Health and Safety Code Section 44360(a) using procedures that have undergone public review and that are consistent with the procedures presented in the most current version of the SCAQMD "Facility Prioritization Procedures For AB 2588 Program", which is incorporated by reference herein, and the greater of the facility's prioritization scores for cancer and non-cancer effects is greater than 10.0.
- (20) 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.
- (21) 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.
- (22) 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.
- (23) SIGNIFICANT RISK LEVEL is a maximum individual cancer risk of at least one hundred per million ( $100 \times 10^{-6}$ ) or a total acute or chronic hazard index of at least five (5) for any target organ system at any receptor location.
- (24) SIMPLE FACILITY means a facility that has one (1) or two (2) processes as determined by six-digit SCC.
- (25) 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.
- (26) 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.
- (27) SPECIAL REVIEW 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 air toxics inventory report or health risk assessment should be revised and the owner/operator cannot perform this task without errors or delays.

- (28) 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.
- (29) STATE INDUSTRY-WIDE FACILITY means a facility that (1) qualifies to be included in an industry-wide emission inventory prepared by the District pursuant to Health and Safety Code Section 44323, (2) releases, or has the potential to release, less than ten tons per year of each criteria pollutant, and (3) is either of the following:
  - (A) A facility in one of the following four classes of facilities: autobody shops, as described by NAICS Codes 441110 or 811121; gasoline stations, as described by NAICS Codes 447110 and 447190; dry cleaners, as described by NAICS Code 812320; and printing and publishing, as described by NAICS Codes 323111 through 323117 or 511110 through 511199; or
  - (B) A facility that has not prepared an Individual Plan and Report in accordance with sections 44340, 44341, and 44344 of the Health and Safety Code and for which the District submits documentation for approval by the Executive Officer of the CARB, verifying that the facility meets the requirements of Health and Safety Code Section 44323(a)-(d).
- (30) 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.
- (31) TOTAL ORGANIC GASES (TOG) means all gases containing carbon, except carbon monoxide, carbon dioxide, carbonic acid, metallic carbides or carbonates, and ammonium carbonate.
- (32) UNPRIORITIZED FACILITY means a facility that has not been prioritized by the District in accordance with Health and Safety Code Section 44360(a) using procedures that have undergone public review and that are consistent with the procedures presented in the most current version of the SCAQMD

“Facility Prioritization Procedures For AB 2588 Program”, which is incorporated by reference herein.

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

(d) Fees

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

(1) Calculation of Fees

- (A) The District will establish the fee applicable to each facility for the recovery of State and District costs. The District will use State costs and District costs to calculate fees, and will take into account and allow for the unanticipated closing of businesses, nonpayment of fees, and other circumstances which would result in a shortfall in anticipated revenue; and
- (B) The District will calculate fees on the basis of the Facility Program Category as set forth by July 1 of the applicable fiscal year, except for facilities excluded under subparagraph (d)(9) of this rule.

(2) Flat Fees

- (A) A facility in the State Industry-Wide Facility Program Category, as defined in this rule, shall be assessed the fee specified in Table I.
- (B) A facility in the District Tracking Program Category, as defined in this rule, will be assessed the annual fee specified in Table I to cover the cost to the District to review the facility's quadrennial emission inventory update.
- (C) A facility in the Diesel Engine Facility Program Category, as defined in this rule, shall be assessed the annual Flat Fee specified in Table I.
- (D) The maximum fee that a small business as defined in this rule shall pay is ~~\$300.00~~.
- (E) The supplemental fee as defined in this rule, which may be assessed upon the operator of a facility, shall be no higher than ~~\$3,406.66~~215.39.

- (3) **Special Review Fees**  
When a facility's air toxics inventory report or health risk assessment submitted pursuant to Rule 1402 is prepared or revised by District personnel or a contractor engaged by the District, the owner/operator of the facility for which an air toxics inventory report or health risk assessment is performed shall pay the fees equal to the total actual and reasonable time incurred by District, including actual contractor costs as invoiced and District staff time assessed at the hourly rate of ~~\$150.62~~155.89. When the air toxics inventory report or health risk assessment is conducted or is evaluated and verified by a consultant engaged by the District or District personnel, the fees charged will be in addition to all other fees required.
- (4) **Voluntary Risk Reduction Facility Fees**  
A Voluntary Risk Reduction Facility, as defined in this rule, shall be assessed the fee specified in Table I until approval of the Final Implementation Report under Rule 1402 paragraph (j)(2). Once the Final Implementation Report is approved by the Executive Officer, the Voluntary Risk Reduction Fee shall be assessed the HRA Tracking Facility Program Category specified in Table I.
- (5) **Potentially High Risk Level Facility Fees**  
When a facility is designated as a Potentially High Risk Level Facility, as defined under Rule 1402, the owner/operator of the facility shall pay a fee for staff time at the rate of ~~\$172.88~~178.93 per hour to offset the District's costs to determine Rule 1402 compliance. The Potentially High Risk Level Facility Fees are billed annually and are due at the time of the AB 2588 annual billing which allows a reasonable time for payment. The Potentially High Risk Level Facility Fees will not exceed \$100,000 per year per facility.
- (6) **Public Notifications and Meetings**  
When public notification is required pursuant to Rule 1402 subdivision (q), the facility owner/operator shall either directly pay or reimburse the District for costs of Public Meetings, including venue rental, audio visual rental equipment and personnel, mailing, translation services, parking, security, and equipment rental.
- (7) **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 delivered, postmarked, or electronically paid 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 delivered, postmarked, or electronically paid on the next business day following the Saturday, Sunday, or state holiday with the same effect as if it had been delivered, postmarked, or electronically paid on the due date.

- (B) If an operator fails to pay the fee within sixty (60) days of this notice pursuant to subparagraph (d)(7)(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.

(8) **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.

(9) **Exemptions**

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

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



- (B) The facility had its health risk assessment approved by the District in accordance with Health and Safety Code Section 44362 and the risk assessment results show a total potential cancer risk, summed across all pathways of exposure and all compounds, of less than one case per one million persons and a total hazard index for each toxicological endpoint, both acute and chronic, of less than 0.1. Some appropriate procedures for determining potential cancer risk and total hazard index are presented in the most current approved version of the OEHHA “Air Toxics Hot Spots Program Guidance Manual for Preparation of Health Risk Assessments” and SCAQMD “Supplemental Guidelines for Preparation of Health Risk Assessments for the Air Toxics “Hot Spots” Information and Assessment Act”, which are incorporated by reference herein.
- (C) The facility primarily performs printing as described by NAICS Codes 323111 through 323117 or 511110 through 511199, and the facility uses an annualized average of two (2) gallons per day or less [or seventeen (17) pounds per day or less] of all graphic arts materials (deducting the amount of any water or acetone) unless the District required a health risk assessment and results show the facility would not qualify under subparagraph (d)(9)(A) of this rule.
- (D) The facility is a wastewater treatment plant as described by NAICS Code 221320, the facility does not have a sludge incinerator and the maximum throughput at the facility does not exceed 10,000,000 gallons per day of effluent unless the District required a health risk assessment and results show the facility would not qualify under subparagraph (d)(9)(A) of this rule.
- (E) The facility is a crematorium for humans, animals, or pets as described by NAICS Codes 812210, 812220, or any NAICS Code that describes a facility using an incinerator to burn biomedical waste (animal), the facility uses propane or natural gas as fuel, and the facility annually cremates no more than 300 cases (human) or 43,200 pounds (human or animal) unless the District required a health risk assessment and results show the facility would not qualify under subparagraph (d)(9)(A) of this rule. Facilities using incinerators that burn biomedical waste other than cremating animals do not qualify for this exemption.

- (F) The facility is primarily a boat building and repair facility or primarily a ship building and repair facility as described by NAICS Codes 336611, 336612, 488390 or 811490, and the facility uses twenty (20) gallons per year or less of coatings or is a coating operation using hand held non-refillable aerosol cans only unless the District required a health risk assessment and results show the facility would not qualify under subparagraph (d)(9)(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)(9)(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)(9)(A) of this rule.

**TABLE I**  
**FACILITY FEES BY PROGRAM CATEGORY**

FACILITY PROGRAM CATEGORY	COMPLEXITY	DISTRICT FEE	STATE FEE	TOTAL FACILITY FEE
<i>HRA Tracking<sup>1</sup></i>	Simple Facility	<del>\$441.17</del> <u>456.61</u>	\$67	<del>\$508.17</del> <u>523.61</u>
	Medium Facility	<del>\$637.29</del> <u>659.59</u>	\$100	<del>\$737.29</del> <u>759.59</u>
	Complex Facility	<del>\$833.41</del> <u>862.57</u>	\$134	<del>\$967.41</del> <u>996.57</u>
<i>Unprioritized</i>	Simple Facility	<del>\$655.66</del> <u>678.60</u>	\$402	<del>\$1,057.66</del> <u>080.60</u>
	Medium Facility	<del>\$3,592.96</del> <u>718.71</u>	\$603	<del>\$4,195.96</del> <u>321.71</u>
	Complex Facility	<del>\$4,774.53</del> <u>941.63</u>	\$804	<del>\$5,578.53</del> <u>745.63</u>
<i>PS&gt;10, No HRA</i>	Simple Facility	<del>\$5,563.37</del> <u>758.08</u>	\$1,674	<del>\$7,237.37</del> <u>432.08</u>
	Medium Facility	<del>\$5,958.69</del> <u>6167.24</u>	\$2,009	<del>\$7,967.69</del> <u>8,176.24</u>
	Complex Facility	<del>\$6,350.95</del> <u>573.23</u>	\$2,344	<del>\$8,694.95</del> <u>917.23</u>
<i>Risk ≥10 &lt;50 in a million or HI&gt;1</i>	Simple Facility	<del>\$6,746.24</del> <u>982.35</u>	\$3,014	<del>\$9,760.24</del> <u>9,996.35</u>
	Medium Facility	<del>\$7,140.01</del> <u>389.91</u>	\$3,349	<del>\$10,489.01</del> <u>738.91</u>
	Complex Facility	<del>\$7,533.82</del> <u>797.50</u>	\$3,684	<del>\$11,217.82</del> <u>481.50</u>
<i>Risk ≥50 &lt;100 in a million</i>	Simple Facility	<del>\$7,929.12</del> <u>8206.63</u>	\$4,353	<del>\$12,282.12</del> <u>559.63</u>
	Medium Facility	<del>\$8,321.36</del> <u>612.60</u>	\$4,688	<del>\$13,009.36</del> <u>300.60</u>
	Complex Facility	<del>\$8,716.65</del> <u>9021.73</u>	\$5,023	<del>\$13,739.65</del> <u>14,044.73</u>
<i>Risk ≥100 in a million</i>	Simple Facility	<del>\$9,112.00</del> <u>430.92</u>	\$5,693	<del>\$14,805.00</del> <u>15,123.92</u>
	Medium Facility	<del>\$9,504.24</del> <u>836.88</u>	\$6,028	<del>\$15,532.24</del> <u>15,864.88</u>
	Complex Facility	<del>\$9,903.43</del> <u>10250.05</u>	\$6,363	<del>\$16,266.43</del> <u>1613.05</u>
<i>Potentially High Risk Level</i>	Simple Facility	T&M <sup>2</sup>	\$5,693 <sup>3</sup>	\$(T&M <sup>2</sup> + 5,693 <sup>3</sup> )
	Medium Facility	T&M <sup>2</sup>	\$6,028 <sup>3</sup>	\$(T&M <sup>2</sup> + 6,028 <sup>3</sup> )
	Complex Facility	T&M <sup>2</sup>	\$6,363 <sup>3</sup>	\$(T&M <sup>2</sup> + 6,363 <sup>3</sup> )

**Proposed Amended Rule 307.1 (Cont.)****(May 3, 2019)**

<b><i>Voluntary Risk Reduction</i></b>	Simple Facility	<del>\$5,563.37</del> <u>75</u> 8.08	\$1,674	<del>\$7,237.37</del> <u>432.08</u>
	Medium Facility	<del>\$5,958.69</del> <u>6</u> 167.24	\$2,009	<del>\$7,967.69</del> <u>8,176.24</u>
	Complex Facility	<del>\$6,350.95</del> <u>57</u> 3.23	\$2,344	<del>\$8,694.95</del> <u>917.23</u>
<b><i>District Tracking</i></b> <sup>4</sup>		<del>\$243.88</del> <u>252</u> 41		<del>\$243.88</del> <u>252.41</u>
<b><i>State Industry-wide</i></b>		<del>\$177.60</del> <u>183</u> 81	\$35	<del>\$212.60</del> <u>218.81</u>
<b><i>Diesel Engine Facility</i></b>		<del>\$132.98</del> <u>137</u> 63		<del>\$132.98</del> <u>137.63</u>

<sup>1</sup> HRA Tracking --- (PS > 10 with HRA) Risk ≥ 1, <10 in a million, or HI ≥ 0.1, ≤ 1<sup>2</sup> T&M --- Annual District fee will be capped at \$100,000 per year per facility.<sup>3</sup> For facilities with Risk > 100 in a million, the state fee is equivalent to that of the “Risk ≥ 100 in a million” category. For facilities with HI > 5.0, the state fee is equivalent to the “Risk ≥ 10 < 50 in a million or HI > 1” category.<sup>4</sup> District Tracking --- PS > 1, ≤ 10

HRA --- Health Risk Assessment

HI --- Hazard Index, Acute or Chronic

PS --- Priority Score

## **ATTACHMENT G7**

(Adopted November 3, 1989)(Amended June 6, 1992)(Amended June 11, 1993)  
(Amended June 10, 1994)(Amended May 12, 1995)(Amended May 10, 1996)  
(Amended May 9, 1997)(Amended May 8, 1998)(Amended May 14, 1999)  
(Amended May 19, 2000)(Amended May 11, 2001)(Amended May 3, 2002)  
(Amended June 6, 2003)(July 9, 2004)(Amended June 3, 2005)(Amended June 9, 2006)  
(Amended May 4, 2007)(Amended May 2, 2008)(Amended June 5, 2009)  
(Amended May 7, 2010)(Amended May 6, 2011)(Updated July 1, 2012)  
(Updated July 1, 2013)(Amended June 6, 2014)(Amended May 1, 2015)  
(Updated July 1, 2016)(Amended June 2, 2017)(Updated May 4, 2018)  
(Proposed Amended Rule May 3, 2019)

**Proposed Effective Date July 1, 20182019**

### **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 ~~\$588.57~~609.17 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>\$1,420.69</del> <u>159.91</u>	<del>\$724.50</del> <u>749.85</u>
250 to 499 employees	<del>\$838.06</del> <u>867.39</u>	<del>\$543.36</del> <u>562.37</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 ~~\$109.08~~112.89 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 ~~\$176.63~~182.81 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 \$176.63 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 ~~\$452.67~~468.51. No additional fee will be due after a first disapproval and resubmittal. A second fee of ~~\$452.67~~468.51 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 paragraph (c)(1), or subparagraphs (c)(2)(A), (c)(2)(B) or (c)(2)(C) shall be paid as a surcharge where an applicable fee is not received in full on or before the due date for the registration, or ECRP.

(d) Determination of Applicability of Late Fees

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

(e) Government Agencies

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

(f) Software Certification Fees

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

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

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

(A)	Initial Certification Fee	<del>\$905.67</del> <u>937.36</u>
(B)	Recertification Fee	<del>\$452.67</del> <u>468.51</u>

(g) The District will certify ECRP training programs pursuant to Rule 2202 ECRP guidelines. Fees for certification will be assessed to cover the costs of processing



the certification application, reviewing the proposed curriculum, and assessing the training provider's qualifications.

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

	Provider Firm	Certification	Recertification
(A)	Instructor	<del>\$452.67</del> <u>468.51</u>	<del>\$226.10</del> <u>234.01</u>
(B)	Curriculum	<del>\$905.67</del> <u>937.36</u>	<del>\$452.67</del> <u>468.51</u>

- (2) Fee for the District's initial training program for new Employee Transportation Coordinators shall be ~~\$183.32~~189.73 per person.

- (3) A fee in the amount of ~~\$111.81~~115.72 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 ~~\$89.36~~92.48 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)(6), shall be assessed an evaluation fee of ~~\$446.53~~462.15 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 ~~\$88.52~~91.61 per transaction. Credit transactions shall be jointly registered with the District by the credit transferor and transferee. The transferee shall be assessed the transaction fee per transaction at the time the transaction is registered with the District, unless the transferee is surrendering credits to meet the registration requirements for the current compliance year.

(m) Failure to Notify Surcharge

Any employer who became subject to Rule 2202 (as defined in Rule 2202 (b) – Applicability) and failed to notify the District within 30 days when they became subject to the rule, shall pay a surcharge of ~~\$1,300.14~~345.64 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: ~~\$910.14~~91.96 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 G8**

(Adopted June 10, 1994)(Amended May 10, 1996)(Amended May 9, 1997)  
(Amended May 8, 1998)(Amended May 14, 1999)(Amended May 19, 2000)  
(Amended May 11, 2001)(Amended May 3, 2002)(Amended June 6, 2003)  
(Amended July 9, 2004)(Amended June 3, 2005)(Amended June 9, 2006)  
(Amended May 4, 2007)(Amended May 2, 2008)(Amended May 7, 2010)  
(Updated July 1, 2011)(Updated July 1, 2012)(Updated July 1, 2013)  
(Amended June 6, 2014)(Amended May 1, 2015)(Updated July 1, 2016)  
(Amended June 2, 2017)(Updated May 4, 2018)  
(Proposed Amended Rule May 3, 2019)

**Proposed Effective Date July 1, 20182019**

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

(a) Applicability

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

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

(b) Definitions

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

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

(c) Fee Assessments

- (1) Rule 1610 Scrapping Plans shall be assessed a filing and evaluation fee of ~~\$1,936.38~~2,004.15. 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 ~~\$146.86~~161.25 ~~and an evaluation fee of \$489.61 at the time of submittal.~~ Evaluation fees shall be billed for the amount of total actual and reasonable time incurred by District staff, assessed at the hourly rate of \$161.25.
- (3) Additional evaluation fees for plans shall be assessed at the rate of ~~\$143.25~~148.26 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 ~~\$95.74~~99.09 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 ~~\$117.42~~128.94 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 sending by mail, electronic mail, or other electronic means, 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 delivered, postmarked , or electronically paid 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 delivered, postmarked, or electronically paid on the business day following the Saturday, Sunday, or the state holiday with the same effect as if it had been delivered, postmarked, or electronically paid 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 ~~\$195.75~~202.60.
- (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 G9**

(Adopted May 10, 1996)(Amended May 9, 1997)(Amended May 8, 1998)  
(Amended May 14, 1999)(Amended May 19, 2000)(Amended May 11, 2001)  
(Amended May 3, 2002)(Amended June 6, 2003)(Amended July 9, 2004)  
(Amended June 3, 2005)(Amended June 9, 2006)(Amended May 4, 2007)  
(Amended May 2, 2008)(Amended May 7, 2010)(Amended May 6, 2011)  
(Updated July 1, 2012)(Updated July 1, 2013)(Amended June 6, 2014)  
(Amended May 1, 2015)(Updated July 1, 2016)(Amended June 2, 2017)  
(Updated May 4, 2018)  
(Proposed Amended Rule May 3, 2019)

**Proposed Effective Date July 1, 20182019**

### **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 ~~\$135.77~~\$140.52 per worksite.

(c) AQIP Investment Fees

(1) Annual Compliance Option

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

(2) Triennial Compliance Option

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

(d) Late fees

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

## **ATTACHMENT G10**

(Adopted June 9, 2006)(Amended May 4, 2007)(Amended May 2, 2008)  
(Amended June 5, 2009)(Amended May 7, 2010)(Updated July 1, 2011)  
(Updated July 1, 2012)(Updated July 1, 2013)(Amended June 6, 2014)  
(Amended May 1, 2015)(Updated July 1, 2016)(Amended June 2, 2017)  
(Amended May 4, 2018)  
(Proposed Amended Rule May 3, 2019)

**Proposed Effective Date July 1, 20182019**

### **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 Permitting, the Public Advisor, and the District Counsel, or their designees. This rule does not provide the Executive Officer authority to alter the substantive requirements contained in SCAQMD 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 303(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 ~~\$89.36~~92.48 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 set forth in subdivision (d) of Rule 301.
- (2) The Executive Officer may, for good cause waive the permit processing fee when there is an event declared to be a "state of emergency," as defined in Rule 118, for any application filed to replace currently permitted equipment destroyed, or for the relocation of currently permitted equipment residing within a condemned building.
- (3) If it can be established to the satisfaction of the Executive Officer that a facility is operating pursuant to a license issued by the Department of Rehabilitation under the State of California's Business Enterprise Program, the owner/operator, upon request, shall be granted an annual waiver of any fee under this Regulation in accordance with California Welfare & Institutions Code Section 19633. Such owner/operator is entitled to this waiver of fees so long as an annual request is made in writing and the

applicant demonstrates that an agreement is maintained to operate the facility under the supervision of the State of California Department of Rehabilitation.

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

**(h) Refunds**

- (1) If an application for a permit to construct is canceled, permit processing fees, less the application cancellation fee, will be refunded if the permit evaluation has not been initiated by the District. The application cancellation fee will be ~~\$216.14~~223.70, 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 paragraph (h)(1) shall not apply when the application for a permit to construct was filed based on an erroneous District request.
- (3) If a facility or equipment is operated in violation of District Rules or Regulations during any portion of the time period for which the fee was assessed, there shall be no refund.
- (4) Applications filed for a Permit to Operate for equipment which has been operating without a required District permit will not receive a refund.

**(i) Service Charge for Returned Checks.**

Unless waived for good cause by the Executive Officer, any person who submits a check to the District on insufficient funds or on instructions to stop payment, absent

an overcharge or other legal entitlement to withhold payment, shall be subject to a  
\$25.00 service charge.

## **ATTACHMENT G11**

(Adopted June 6, 2008)(Amended January 9, 2009)(Amended May 7, 2010)  
(Updated July 1, 2011)(Updated July 1, 2012)(Updated July 1, 2013)  
(Amended September 6, 2013)(Amended June 6, 2014)(Amended May 1, 2015)  
(Updated July 1, 2016)(Amended June 2, 2017)(Updated May 4, 2018)  
(Proposed Amended Rule May 3, 2019)

**Proposed Effective Date July 1, 20182019**

### **PROPOSED AMENDED RULE 314. FEES FOR ARCHITECTURAL COATINGS**

(a) Purpose

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

(b) Applicability

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

(c) Definitions

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

- (3) An architectural coatings manufacturer that acquires another architectural coatings manufacturer shall provide the information specified in subparagraph (e)(1)(A) through (e)(1)(J) for the acquired architectural coatings manufacturer for the entire calendar year.
- (4) By January 30, 2009, and every year thereafter, a big box retailer shall report to the District and the architectural coatings manufacturer of that product the total annual quantity of each coating product distributed through its distribution centers for sale or sold in the District for the previous calendar year (January 1 through December 31), as supplied, in a format determined by the Executive Officer. The big box retailer shall also include a list of the store, address, city and ZIP code where the products contained in the report were sold. Big box retailers shall use the list maintained by the Executive Officer as of the end of the calendar year of big box retailers for purposes of reporting to the appropriate architectural coatings manufacturer the quantities of products distributed or sold in the District. The report submitted to the District and to each architectural coatings manufacturer shall be electronically submitted by a corporate officer certifying that all information reported is true and correct. The report shall also be submitted to each architectural coatings manufacturer in an electronic spreadsheet format.

(f) Recordkeeping

Architectural Coatings Manufacturers shall:

- (1) Maintain a copy of the signed application form submitted to the District to obtain the manufacturers ID number, and the written response from the District issuing a manufacturer ID number. The copies shall be maintained for five (5) years beyond the date on each document, and made available upon request by the Executive Officer.
- (2) Maintain records to verify data used to prepare the Annual Quantity and Emissions Report from architectural coatings distributed or sold into or within the District for use in the District and compliance with applicable rules and regulations. The records shall be maintained for five (5) years and made available upon request by the Executive Officer. Such records shall include but not be limited to:

- (A) Product formulation records (including both grams of VOC per liter of coating and grams of VOC per liter of material):
    - (i) Laboratory reports [including percent weight of non-volatiles, water, and exempts (if applicable); density of the coating; and raw laboratory data] of test methods conducted as specified in paragraph (m) or
    - (ii) Product formulation data or physical properties analyses, as applicable, with a VOC calculation demonstration; and
  - (B) Production records including, if applicable, batch tickets with the date of manufacture, batch weight and volume; and
  - (C) Distribution records:
    - (i) Customer lists or store distribution lists or both (as applicable) and
    - (ii) Shipping manifests or bills of lading or both (as applicable); and
  - (D) Sales records consisting of point of sale receipts or invoices to distributors or both, as applicable.
- (g) Fees
- (1) Manufacturer ID Number Fee

An architectural coatings manufacturer applying for a manufacturer ID number with the District as specified in paragraphs (d)(1) and (d)(2) shall pay a non-refundable application fee of ~~\$203.87~~211.00 at the time of submitting the application.
  - (2) Annual Quantity and Emissions Fees
    - (A) An architectural coatings manufacturer shall pay fees at the rates specified below (for the Annual Quantity Fee in clause (i) below, the actual final fee based on the total number of gallons of paint shall be rounded to nearest whole cent), 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: \$0.04~~24~~ per gallon of paint.
  - (ii) Annual Emission Fee: \$~~291.34~~301.50 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 \$~~333.94~~345.62 for the first two hours of District time. The architectural coatings manufacturer shall be assessed additional fees at the rate of \$~~166.98~~172.82 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 \$~~333.94~~345.62. In addition, evaluation time beyond two hours shall be assessed at the rate of \$~~166.98~~172.82 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 subparagraph (g)(2)(A), according to the following schedule:

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

(4) Fee Payment Subject to Validation

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

- (j) Service Charge for Returned Checks  
Any person who submits a check to the District on insufficient funds or on instructions to stop payment, absent an overcharge or other legal entitlement to withhold payment, shall be subject to a \$25-~~00~~ service charge.
- (k) Confidentiality of Information  
Subject to the provisions of the California Public Records Act (Govt. Code § 6250-6276.48) information submitted to the Executive Officer may be designated as confidential. The designation must be clearly indicated on the reporting form, identifying exactly which information is deemed confidential. District guidelines require a detailed and complete basis for such claim in the event of a public records request.
- (l) Violation  
It shall be a violation of this rule for any architectural coatings manufacturer to distribute or sell their manufactured architectural coatings into or within the District for use in the District, without having a manufacturer ID number issued by the District, within the time specified in subdivision (d).
- (m) Test Methods  
For the purpose of this rule, test methods are as specified in Rule 1113.
- (n) Severability  
If any provision of this rule is held by judicial order to be invalid, or 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 paragraph (g)(2) shall not be assessed on coatings with 5 or less grams of VOC per liter of material provided the Annual Quantity and Emissions Report is received within the time prescribed by subparagraph (i)(2).
  - (2) Fees pursuant to paragraph (g)(2) shall not be assessed on recycled coatings distributed or sold into or within the District by a certified recycled paint manufacturer provided the Annual Quantity and Emissions Report is received within the time prescribed by paragraph (i)(2).
  - (3) Fees pursuant to paragraph (g)(2) shall not be assessed on any architectural coatings manufacturer whose distribution or sale of coatings into or within the District for use in the District are less than 1,000 gallons and have potential annual VOC emissions of 0.5 tons or less in a calendar year, provided the Annual Quantity and Emissions Report is received within the time prescribed by paragraph (i)(2).
  - (4) Architectural coatings offered for sale as a dry mix, containing no polymer, that are only mixed with water prior to use, including, but not limited to, stucco, clays, and plasters.

## **ATTACHMENT G12**

(Adopted May 7, 2010)(Amended May 6, 2011)(Updated July 1, 2011)  
(Updated July 1, 2012)(Updated July 1, 2013)(Amended June 6, 2014)  
(Amended May 1, 2015)(Updated July 1, 2016)(Amended June 2, 2017)  
(Amended May 4, 2018)  
(Proposed Amended Rule May 3, 2019)

**Proposed Effective Date July 1, 20182019**

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

(a) Fees for Rule Training Classes

SCAQMD Training Class	Fee
Rules 403 & 403.1	No Cost
Rule 461 Daily Self-Inspection Class	<del>\$162.38</del> <u>168.06</u>
Rule 461 Annual Periodic Inspection Class	<del>\$177.71</del> <u>183.93</u>
Rule 461 Tester Orientation Class	<del>\$168.96</del> <u>174.87</u>
Rule(s) 463/1178	<del>\$82.13</del> <u>85.00</u>
Rule(s) 1110.2/1146/1146.1	No Cost
Rule 1176	<del>\$63.47</del> <u>65.69</u>
Rule 1403	<del>\$88.38</del> <u>91.47</u>
Rule 1469	<del>\$35.09</del> <u>36.31</u>

(b) Certified Permitting Professional (CPP) License Fees

- (1) The fee for the CPP exam administered by SCAQMD is ~~\$167.71~~173.58. 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 ~~\$167.71~~173.58. The license shall expire if the license renewal fee is not received by the District, postmarked, or electronically paid within 30 days after- invoices are sent by

mail, electronic mail, or other electronic means 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 G13**

(Adopted January 9, 1976)(Amended November 1, 1985)  
(Amended January 5, 1990)  
(Proposed Amended Rule May 3, 2019)

### **PROPOSED AMENDED RULE 209.      TRANSFER      AND      VOIDING      OF PERMITS**

A permit shall not be transferable, whether by operation of law or otherwise, either from one location to another, from one piece of equipment to another, or from one person to another.

When equipment which has been granted a permit is altered, changes location, or no longer will be operated by the permittee, the permit shall become void. For the purposes of this rule, ~~mergers~~, name changes, or incorporations by an individual owner or partnership composed of individuals shall not constitute a transfer. Other transactions shall be deemed a transfer for purposes of this rule and shall require a change of operator or change of ownership as specified in the Change of Owner/Operator Guidelines adopted by the Executive Officer and in effect as of [date of adoption] or as subsequently modified. The Executive Officer may update those Guidelines as appropriate in accordance with principles of California corporate law, and shall publish such updated Guidelines on the District's website.

## ATTACHMENT H

### SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

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#### **Final Staff Report**

#### **Proposed Amended Regulation III – Fees; and Proposed Amended Rule 209 – Transfer and Voiding of Permits**

##### **Including:**

Proposed Amended Rule 209 – Transfer and Voiding of Permits  
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 and Regulation XXV  
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 – Fees for Architectural Coatings  
Proposed Amended Rule 315 – Fees for Training Classes and License Renewal

#### **May 2019**

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## EXECUTIVE SUMMARY

Regulation III - Fees establishes the fee rates and schedules to recover SCAQMD's reasonable costs of regulating and providing services, primarily to permitted sources. The Permitted Source Program is principally supported by three types of fees, namely permit processing fees for both facility permits and equipment-based permits, annual permit renewal fees, and emission-based annual operating fees, all of which are contained in Rule 301. Rule 209 – Transfer and Voiding of Permits defines the conditions applicable to a transfer of ownership with respect to permitted equipment. Also included in the Permitted Source Program are Rule 222 registration fees and plan fees, since these are similar to permits for the sources to which they apply. Regulation III also establishes fees and rates for other fee programs, unrelated to the Permitted Source Program, including but not limited to Transportation Programs fees and Area Source fees (architectural coatings).

In 2017, the SCAQMD Governing Board adopted a phased-in fee increase applicable to both Title V and non-Title V facilities for permit processing fees and included equipment-based annual renewals. With respect to Title V facilities, the Governing Board approved an increase of 10.67% in each of Fiscal Years (FY) 2017-18 and 2018-19, and 10.66% in FY 2019-20. With respect to non-Title V facilities, the Governing Board approved an increase of 4% in each of FY 2017-18 and 2018-19. There is no non-Title V facility fee increase scheduled for this fiscal year. These fee increases were necessary because SCAQMD was not collecting fees sufficient to recover the reasonable costs of its regulatory programs. In addition, the increases for the Title V facilities were a necessary response to an EPA review of SCAQMD's Title V program that found SCAQMD was not recovering sufficient revenues to support the costs of that program. Deficits for the Permitted Source Program, including the Title V program, had been routinely covered through use of reserves which have been primarily funded with one-time penalty revenue.

With this proposal, SCAQMD's cost recovery efforts continue. Staff is proposing the following amendments to Regulation III and Rule 209:

- Pursuant to Rule 320, an automatic increase of most fees by 3.5% consistent with the increase in California Consumer Price Index from December 2017 to December 2018.
- Two targeted proposals for new fees and three proposals for increased fees, all of which are necessary to either meet the requirements of recently adopted rules and state mandates or to provide more specific cost recovery for other regulatory actions taken by the agency. These proposals include:
  - 1) A fee increase for Toxic Air Contaminants (TAC) listed in Rule 301 Table IV;
  - 2) A new fee to include recently adopted Rule 1118.1 in the notification fees outlined in Rule 301(x);
  - 3) An increase for California Air Resources Board's (CARB) Portable Equipment Registration Program (PERP) inspection fees, consistent with recent increases adopted by CARB;
  - 4) A new fee for Clean Air Solvent (CAS) and Clean Air Choices Cleaner (CACC) certification renewals;

- 5) A proposal to correct fees in Rule 309 whereby they reflect an increase that was previously authorized but not applied due to administrative error.
- Six targeted proposals for fee reduction or relief including:
    - 1) Removal of a fee for worksite deletion from a multi-site or geographic program pursuant to Rule 308(c)(2)(F);
    - 2) Removal and reduction of certain fees related to Rule 1403 notifications;
    - 3) Creation of a cap for change of owner/operator fees in Rule 301 Table Fee Rate-C and Table VII;
    - 4) Removal of Paramount (Delek U.S. Holdings) from the list of facilities in 301(aa)(2), as it is now exempt from Rule 1180 O&M fees;
    - 5) Eliminating the surcharge for certain late AER amendments pertaining to emissions developed from source tests; and
    - 6) Reducing certain certified copy and permit reissuance fees.
  - Four proposed administrative changes to Regulation III and one for Rule 209, which have no fee impact, but include clarifications, deletions, or corrections to existing rule language.

SCAQMD continues to be fiscally prudent by seeking out cost-containment opportunities and by maintaining reserves in an effort to address challenges expected in future years. These challenges include, but are not limited to: changes in federal grant funding levels, increased retirement costs due to actuarial and investment adjustments, variations in one-time penalties, and uncertainty associated with external factors affecting the economy.

## **I. BACKGROUND**

### **A. LEGAL AUTHORITY, DESCRIPTION OF SCAQMD'S PERMITTED SOURCE PROGRAM AND OTHER FEES, AND RELATIONSHIP OF FEES TO SCAQMD'S BUDGET**

The California Health and Safety Code (H&SC) provides SCAQMD with the authority to adopt various fees to recover the costs of its programs. Section 40510(b) authorizes 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.” Virtually every cost related to regulating permitted sources may be recovered under this type of fee (H&SC Section 40506). Entities regulated through the Permitted Source Program receive two types of permits: facility permits and equipment-based permits. These permits apply to each permitted facility or each piece of permitted equipment. RECLAIM<sup>1</sup> and Title V facilities receive a facility permit, in addition to equipment-based permits; whereas other sources receive equipment-based permits.

The SCAQMD has adopted three basic types of Permitted Source Program fees: permit processing fees, annual renewal operating fees (equipment-based), and emissions-based operating fees.

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<sup>1</sup> RECLAIM stands for REgional CLean Air Incentives Market, a cap-and-trade program that regulates the emissions of NOx and SOx in the South Coast Air Basin.

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 necessary to overall Permitted Source Program regulatory activities, including related planning, monitoring, rule development and outreach programs, from emissions-based operating fees.<sup>2</sup> In recent years, some of these indirect costs have been recovered from annual operating fees rather than emissions-based fees, since emissions fees are a declining source of revenue, without a corresponding reduction in necessary rulemaking efforts and other permit-related activities.

The current structure for permit processing fees derives ultimately from a study of actual time spent processing permits, conducted by KPMG Peat Marwick for the 1990 fee amendments. Permit processing fee schedules were subsequently developed and updated based on actual time spent processing various types of equipment as gathered by permit processing staff.<sup>3</sup> 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 fee for equipment-based permits to construct or operate are based on the type of equipment involved, with higher fees for equipment with higher emissions and/or more complex relationships between operation and emissions, which require a higher level of staff effort to review and evaluate the associated permit applications for compliance with applicable rules and regulations. Each type of basic equipment and control equipment is assigned a fee schedule, A through H, as set forth in Rule 301, Tables IA and IB. For some equipment, a permit to construct is issued prior to issuing a permit to operate. For other equipment or application types, a permit to operate is issued directly.

The fees for renewal of permits to operate are further divided into two components: an equipment-based permit renewal fee and an emissions-based annual operating fee. The equipment-based permit renewal fee is based on the same equipment schedules used for the permit to construct/operate fee, i.e., the categories A through H, but some of the schedules are grouped together, resulting in only four fee rates for the equipment-based annual permit renewal fees. Each equipment fee schedule is assigned to one of the four annual permit renewal fee rates, based on the complexity of inspection and compliance activities and the emissions potential.

The emissions-based annual 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., volatile organic

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<sup>2</sup> California courts have upheld the use of emissions-based fees to cover these types of costs, holding that such an allocation method is reasonably related to an air district's costs of regulating a permit holder's air pollution. (*San Diego Gas & Electric Co. v. San Diego County APCD* (1988) 203 Cal. App. 3d 1132, 1148).

<sup>3</sup> In November 1989, the consulting firm of Peat Marwick Main and Co. "...began a comprehensive study, in concert with SCAQMD staff to assess the status of District fee programs which are outlined in Regulation III." The resulting "Recommendation Regarding Fee Assessment Study" report was presented to the SCAQMD Governing Board on March 28, 1990 (Agenda Item #10).

On August 11, 1994, the SCAQMD Governing Board authorized an independent study of the SCAQMD's fee structure and authority. A panel composed of representatives from Chevron, LA County Sanitation District, Hughes Environmental Corporation, Orange County Transportation Authority and the SCAQMD recommended the firm of KPMG to perform the study. A final "Report on the Study of the AQMD's Fee Structure and Authority" was presented to the SCAQMD Governing Board on March 10, 1995 (Agenda Item #11).

compounds (VOCs), nitrogen oxides (NO<sub>x</sub>), sulfur oxides (SO<sub>x</sub>), and particulate matter (PM)) and lesser 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 annual permit-related renewal fees to recover the additional costs associated with these types of facilities. SCAQMD uses schedules based on equipment type to ensure that permit to construct/operate fees and the equipment-based annual permit renewal fees reflect the costs required for permit processing and ongoing enforcement-related activities. For sources with fee schedules F, G, and H, the potential variability in time required for permit processing of large/complex sources is addressed through the use of a minimum permit processing fee, with an option for billing hours above a specified baseline, up to a maximum total fee. For other types of equipment, permit processing fees are flat fees.

SCAQMD has further subdivided certain permit-related activities and imposed fees to at least partially recover their costs, such as Source Testing Review, CEQA analysis, and newspaper noticing, rather than grouping these costs into the basic permit processing or operating fees. This enables SCAQMD to more closely allocate the costs of specific permit-related activities to the payor responsible for the costs. While there are many sub-types of fees within the basic structure, such as special processing fees for CEQA analysis or health risk assessments (HRA), the three permit-related fees (permit processing, equipment-based annual permit renewal, and emissions-based annual operating fee) comprise the basic fee structure.

Also included in the Permitted Source Program are Rule 222 registration fees and plan fees, since these are similar to permits for the sources to which they apply (H&SC Sections 40510(b), 40522; Rules 301(u) and 306).

Additional fees also have been authorized by the legislature and are included in SCAQMD's existing fee regulation. These fees include: variance and other Hearing Board fees (H&SC 52510(b); Rule 303); fees for the costs of programs related to indirect sources and area-wide sources (H&SC Section 40522.5 and Rules 2202 and 314); fees to recover the costs to the air district and state agencies of implementing and administering the Air Toxics Hot Spots Program (AB 2588) (H&SC Section 44380 et seq; 17 CCR Section 90700; and Rule 307.1); fees for refinery-related community air monitoring systems (H&SC Section 42705.6); and fees for notices and copying documents (H&SC Section 40510.7 and Rule 301(f).)<sup>4</sup>

The above-referenced fees comprise approximately 62% of SCAQMD's revenue. Other sources of revenue for SCAQMD include revenue from mobile sources, including the Clean Fuels Fee, Carl Moyer and Proposition 1B funds. These are special revenue funds outside of the General Fund budget which pay for specific technology advancement or emission reduction projects approved by the SCAQMD Governing Board and are consistent with the specific limits on the use of those funds. Periodically, funds to reimburse SCAQMD for its administrative costs in carrying out these projects are transferred by SCAQMD Governing Board action into SCAQMD's General

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Both these documents are on file and available at the SCAQMD Library, 21865 East Copley Drive, Diamond Bar, CA 91765, (909-396-2600).

<sup>4</sup> The rule references are intended to provide examples of the different types of statutorily authorized fees. They are not intended to be a comprehensive listing of all applicable rule provisions.

Fund budget. A second type of mobile source revenue is provided by AB 2766 (Motor Vehicle Subvention Program) from the 1992 legislative session, which provides SCAQMD with 30% of a four-dollar fee assessed on each motor vehicle registered within SCAQMD's jurisdiction. 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 Section 44223). Specific mobile-source related programs are funded with 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 motor vehicle fees are currently set at the statutory maximum. AB 2766 fees have not been increased in over 20 years. Thus, based on CPI, the real value of AB 2766 fees has declined by about 59%. The remainder of the AB 2766 revenues provided to SCAQMD is divided between a share that is subvented to cities and counties for mobile source emission reduction programs and a share that is used to fund mobile source emission reduction projects recommended by the Mobile Source Air Pollution Reduction Review Committee (MSRC) and approved by the SCAQMD Governing Board.

The legislature also has imposed certain limits on SCAQMD's fee authority. If SCAQMD proposes to increase existing permit fees by more than the change in the CPI, the increase must be phased in over a period of at least two years (H&SC Section 40510.5(b)). Also, if a fee increase greater than CPI is adopted, the SCAQMD Governing Board must make a finding, based on relevant information in the rulemaking record, that the increase is necessary and will result in an apportionment of fees that is equitable. This finding shall include an explanation of why the fee increase meets these requirements (H&SC Sections 40510(a)(4) and 40510.5(a)). These findings will be included in the SCAQMD Governing Board Resolution presented for the Public Hearing on Regulation III.

Moreover, the total amount of fees collected by SCAQMD shall not be more than the total amount collected in the 1993-1994 fiscal year, except that this total may be adjusted by the change in the CPI from year to year (H&SC Section 40523). Also, this limitation does not apply to fees adopted pursuant to a new state or federal mandate imposed on and after January 1, 1994 (H&SC Section 40523). SCAQMD has consistently complied with this limit. Total fees (other than mobile source fees which are not covered by this section) collected in FY 1993-94 were approximately \$69.6 million; adjusted by CPI since that time the cap would be approximately \$125.4 million.<sup>5</sup> Total projected fees (except mobile source fees) for FY 2019-20 are approximately \$107 million,<sup>6</sup> which remains below the CPI adjusted cap and includes the projected revenue impacts associated with the proposed rule amendments discussed below.

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<sup>5</sup> H&SC Section 40523 specifies that the limit for the total amount of fees collected by SCAQMD "may be adjusted annually in the 1994-95 fiscal year and subsequent fiscal years to reflect any increase in the California Consumer Price Index for the preceding calendar year, from January 1 of the prior year to January 1 of the current year, as determined by the Department of Industrial Relations." However, the California CPI is compiled bi-monthly and no data is available for the month of January. Therefore, the adjustment has been made using the December CPI's, similar to the CPI-based adjustment pursuant to Rule 320.

<sup>6</sup> Preliminary estimate as of March 2019, subject to revisions in the next versions of Staff Report. Note that this estimate is inclusive of fees adopted pursuant to new state or federal mandates imposed on and after January 1, 1994. Even so, it still remains below the CPI adjusted cap.

## **B. PROPOSITION 26 COMPLIANCE**

On November 2, 2010, the voters of California enacted Proposition 26, which was intended to limit certain types of fees adopted by state and local governments. Proposition 26 broadly defines a tax to mean any charge imposed by a local government that does not fall within seven enumerated exceptions for valid fees. If a charge does not fall within an enumerated fee exception, it is considered a tax, and must be adopted by vote of the people. 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.

Proposition 26 requires that the local government prove by a preponderance of the evidence that the amount of the fee “[1] is no more than necessary to cover the reasonable costs of the governmental activity, and that [2] the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor’s burdens on, or benefits received from, the governmental activity.” Cal. Const. art. XIII C §1. In this report, staff has provided a detailed explanation of the Permitted Source Program and the method of allocating program costs to the fee payors.

Proposition 26 also provides that an agency must establish by a preponderance of the evidence that the fee fits within one of the fee exceptions. (Cal. Const., art. XIII C, §1). In addition to the enumerated exceptions found in Proposition 26, courts have found that the proposition does not apply to fees adopted before its effective date. (*Brooktrails Township County. Servs. Dist. v. Bd. of Supervisors of Mendocino County* (2013), 218 Cal. App. 4<sup>th</sup> 195, 206).

All of the proposed fee increases discussed in this report fall within a recognized exception. In addition, all of the proposed increases bear a fair and reasonable relationship to a payor’s burdens on, or benefits received from SCAQMD’s activities.

## **II. RULE 320 AUTOMATIC ADJUSTMENT BASED ON CPI FOR REGULATION III**

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 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.

Pursuant to Rule 320, most fees as set forth in Regulation III “[...] shall be automatically adjusted by the change in the California Consumer Price Index for the preceding calendar year, as defined in H&SC Section 40500.1(a)” (Appendix A). Therefore, staff is planning, where applicable, to update fees in Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315 on July 1, 2019, to correspond with the increase in the Calendar Year 2018 CPI of 3.5%.

Appendix B – Summary of Proposed Amended Rules lists specific fees in Regulation III that would be adjusted based on the CPI increase. Table 1 lists the fees in Regulation III that are specifically excluded from CPI-based fee rate increase and the reason for exclusion.

With respect to the proposed CPI adjustment, this increase is not subject to Proposition 26 because it is based on Rule 320, which was adopted prior to the effective date of Proposition 26. Rule 320 provides for an automatic adjustment of all SCAQMD fees by the change in the CPI from the previous year. By design, the CPI increase is reasonable because it recovers only the increase in SCAQMD's costs as a result of inflation and the manner in which those increased costs are allocated bears a fair and reasonable relationship to the burdens on SCAQMD's activities as established by the underlying fee schedule.

**TABLE 1: FEES EXCLUDED FROM CPI-BASED FEE RATE ADJUSTMENT**

<b>Fee</b>	<b>Reason for exclusion from CPI-based fee rate increase</b>
Returned check service fee in various rules	Currently set by state law at \$25 (California Civil Code § 1719(a)(1))
Rule 301(w) – Enforcement Inspection Fees for Statewide Portable Equipment Registration Program (PERP) fees	Fee rates set by the state (California Code of Regulations title 13, §2450 et. seq.)
Rule 307.1(d)(2)(D) – Maximum fee for a small business as defined in Rule 307.1	Currently set by state law at \$300 (California Code of Regulations title 17, §90704(h)(2))
Rule 307.1 Table I – Facility Fees By Program Category; “State Fee” column figures only	Fee rates set by the state (H&SC Section 44380 et. seq.)
Rule 311(c) Air Quality Investment Program Fees	These fees pay for programs to reduce emissions under Rule 2202 – On Road Vehicle Mitigation Options and do not support SCAQMD's Budget.

### III. PROPOSED RULE AMENDMENTS WITH FEE IMPACTS

In addition to Rule 320 CPI-based fee rate increase, staff is proposing to amend Rule 301 to include new or increased fees for toxic emissions, Rule 1118.1 notification fees, PERP inspection fees, and Rule 309 fees for certain plans required by Regulation XVI and XXV. These fees are necessary to recover the reasonable costs of SCAQMD's regulatory activities. In addition, SCAQMD is proposing to reduce or limit several other fees. These include: the elimination of a fee under Rule 308 for adding or deleting a worksite from a Rule 2202 multi-site or geographic program; the reduction of certain asbestos notification fees; the capping of change of owner/operator fees for RECLAIM facilities; the new CAS/CACC renewal fees; and the elimination of a late surcharge for certain AER fees based on sources tests that are submitted but later disapproved of by the District.



**1. INCREASE AIR TOXIC CONTAMINANT (TAC) FEES TO RECOVER TAC-RELATED REPORTING, AUDITING, MONITORING AND INVESTIGATION COSTS ASSOCIATED WITH CURRENT AND UPCOMING DISTRICT TOXICS WORK, INCLUDING RECENTLY ADOPTED AB 617, AND CLARIFY OUTDATED AND REDUNDANT RULE LANGUAGE**

**Description  
of Proposed  
Amendment:**

Staff is proposing to update both the fee structure and the fee level for toxic emissions fees paid for by permitted facilities. Upon final phase-in, the current requirements in Rule 301(e)(7) and fee rates in Table IV would be replaced as follows:

- Any facility that emits Toxic Air Contaminants (TACs) above reporting thresholds in Table IV would pay a new Base Toxics Fee of \$78.03 per facility.
- A new Flat Rate Device Fee of \$341.89 for each piece of permitted and unpermitted equipment that emits any toxic air contaminant above reporting thresholds in Table IV.
- A new Cancer Potency-Weighted Fee of \$10 for each cancer-potency weighted pound of emissions
- Three pollutants currently listed in Table IV would not be subject to the above fees, including ammonia and the two ozone depleters, (chlorofluorocarbons and 1,1,1 trichloroethane). The fees for these pollutants would not change (other than regular CPI adjustments) and their fee rates would be moved to Table III. Finally, Diesel Particulate Matter (DPM) would be added as a pollutant that must be reported and for which fees would be paid. Speciated toxics emissions (e.g., benzene) from diesel-fueled internal combustion engines would still be reported along with DPM, but fees would not be paid for those speciated emissions.

In addition, some language within Rule 301(e) is unclear, outdated, or redundant. Rule language is proposed to be clarified to remove outdated and redundant language, and to ensure that existing rule provisions are consistent with the proposed new toxics fees. In particular, general applicability provisions have been consolidated into paragraph (e)(1) in subparagraphs (A), (B), and (C). Later paragraphs in Rule 301(e) then refer back to these subparagraphs in paragraph (e)(1) [e.g., facilities subject to subparagraph (e)(1)(A) pay fees according to paragraph (e)(4), facilities subject to subparagraph (e)(1)(B) pay fees according to paragraphs (e)(2), (e)(7), and Tables III and IV, facilities subject to subparagraph (e)(1)(C) pay fees according to paragraph (e)(7) and Table IV]. Clarifying text has been added to paragraph (e)(7)(A) on the proposed phase-in of

the toxics emissions fees to make clear that the phase-in of the new toxics emissions fee structure begins in 2021 for emissions that occurred in 2020.

**Proposed  
Amended  
Rule(s):**

***Rule 301***

(e) Annual Operating Emissions Fees

(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 fees based on~~ if any of the criteria in subparagraphs (e)(1)(A) through (e)(1)(C) are met.

(A) The owner/operator of a facility operates equipment under at least one permit.

(B) The total weight of emissions at a facility are greater than or equal to the thresholds for each any of the contaminants specified in Table III paragraph (e)(5), except for ammonia, 1,1,1 trichloroethane, and chlorofluorocarbons, from all equipment used by the owner/operator at all locations, including The total weight of emissions of each of the contaminants specified in Table III paragraph (e)(5) includes:

(i) Emissions from permitted equipment

(ii) Emissions 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.

(iii) Emissions from equipment or processes not requiring a written permit pursuant to Regulation II.

~~(A)(C)~~ The owner/operator of a facility that reports emissions to the District pursuant to CARB's Criteria and Toxics Reporting Regulation (17 California Code of Regulations section 93400 et seq.) or pursuant to CARB's AB 2588 Air Toxics "Hot

Spots" Emission Inventory Criteria and Guidelines Regulation  
(17 California Code of Regulations section 93300.5).

(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~~ 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 subject to subparagraph (e)(1)(B) 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 annually report all emissions for all pollutants above thresholds listed in paragraph (e)(5) and Table IV 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 subject to paragraph (e)(1)(A) operating under at least one permit (not including certifications, registrations or plans) shall each year be assessed a flat annual emissions fee of ~~\$131.79~~136.40.

(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.~~

Air Contaminant(s)	Annual Emissions Threshold <del>(TPY)</del>
Gaseous sulfur compounds (expressed as sulfur dioxide)	≥4 TPY
Total organic gases (excluding methane, and exempt compounds as <del>specified defined in Rule 102 paragraph (c)(13)</del> , and specific organic gases as specified in <del>paragraph subdivision (b)(28)</del> )	≥4 TPY
Specific organic gases <u>as specified in subdivision (b)</u>	≥4 TPY
Oxides of nitrogen (expressed as nitrogen oxide)	≥4 TPY
Total particulate matter	≥4 TPY
Carbon monoxide	≥100 TPY
<u>Ammonia</u>	<u>≥0.1 TPY</u>
<u>Chlorofluorocarbons</u>	<u>≥1 lb per year</u>
<u>1,1,1 Trichloroethane</u>	<u>≥1 lb per year</u>

(6) Clean Fuels Fee Thresholds

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

(7) Fees for Toxic Air Contaminants ~~or Ozone Depleters~~

Each facility subject to subparagraph (e)(1)(B) or (C) 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 fees as indicated in subparagraphs (e)(7)(A) therein.~~ The annual emissions fees 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) For emissions reported ~~B~~before January 1, 2021, any facility subject to paragraph (e)(7) that emits any toxic air contaminant greater than the thresholds listed in Table IV shall pay the fees listed in Table IV. For emissions reported ~~A~~after January 1, 2021, any facility subject to paragraph (e)(7) that emits any toxic air contaminant greater than the thresholds listed in Table IV shall not pay the fees in Table IV and shall instead pay the following fees:

(i) A Base Toxics Fee of \$78.03;

(ii) A Flat Rate Device Fee of \$170.95, and \$341.89, starting January 1, 2021, and January 1, 2022, respectively, for each device, including permitted and unpermitted equipment and activity including, but not limited to, material usage, handling, processing, loading/unloading; combustion byproducts, and fugitives (equipment/component leaks) with emissions of any pollutant above the annual thresholds listed in Table IV;

(iii) A Cancer-Potency Weighted Fee of \$5.00 and \$10.00, starting January 1, 2021, and January 1, 2022,

respectively, per cancer-potency weighted pound of facility-wide emissions for each pollutant listed in Table IV. The cancer-potency weighted emissions of each toxic air contaminant listed in Table IV shall be calculated as follows:

$$\text{CPWE} = \text{TAC} \times \text{CPF} \times \text{MPF}$$

Where:

CPWE = Cancer Potency Weighted Emissions

TAC = Emissions (pounds) of a Table IV toxic air contaminant

CPF = Cancer Potency Factor for the reported toxic air contaminant

MPF = Multi-Pathway Factor for the reported toxic air contaminant

The CPF and MPF shall be equal to those specified in the Rule 1401 Risk Assessment Procedures that were current at the time that the emissions were required to be reported.

(B) The following facilities are exempt from paying specified toxics emissions fees:

- (i) Any dry cleaning facility that emits less than two (2) tons per year of perchloroethylene, and qualifies as a small business as defined in the general definition of Rule 102 shall be exempt from paying any fees listed in subparagraph (e)(7)(A). ~~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.~~
- (ii) Any facility that emits less than two (2) tons per year, 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 fees for formaldehyde, perchloroethylene, or methylene chloride fees as— required in subparagraph (e)(7)(A) ~~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.

~~(ii)~~(iii) Any facility that is located more than one mile from a residential or other sensitive receptor shall be exempt from paying fees in clause (e)(7)(A)(iii).

- (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—listed in Table III and Table IV 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) 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.

- (C) A facility owner/operator shall report to the Executive Officer, in the same manner, and quantify any emissions of air contaminants in previous reporting periods which had not been reported correctly and should have been reported under the requirements in effect in the reporting period in which the emissions occurred.
- (9) Request to Amend Emissions Report and Refund of Emission Fees
- (A) A facility owner/operator shall submit a written request (referred to as an “Amendment Request”) for any proposed revisions to previously submitted annual emissions reports. Amendment requests with no fee impact, submitted after one (1) year and seventy five (75) days from the official due date of the subject annual emissions report shall include a non-refundable standard evaluation fee of ~~\$343.96~~\$355.99 for each subject facility and reporting period. Evaluation time beyond two hours shall be assessed at the rate of ~~\$172.04~~\$178.03 per hour and shall not exceed ten (10) hours. Amendment requests received within one year (1) and seventy five (75) days from the official due date 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 seventy five (75) days from the official due date 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 seventy five (75) days from the official due date 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~~The facility owner/operator shall submit an annual emissions report and pay any associated emissions fees if a notice to report emissions ~~and pay the any associated emission fees will be~~ is sent by mail, electronic mail, or other electronic means, annually to the owners/operators of all equipment (as shown in District records) ~~to~~for which this subdivision applies. A notice to pay the semi-annual fee specified in paragraph (e)(11) will also be sent by mail, electronic mail, or other electronic means, 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~~payment ~~submittals~~ are the responsibility of the owner/operator regardless of whether the owner/operator was notified.

If both the fee payment and the completed emissions report are not received by the seventy-fifth (75<sup>th</sup>) day following July 1 (for semi-annual reports), or January 1 (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 delivered, postmarked, or electronically paid on or before the seventy-fifth (75<sup>th</sup>) day following the official due date. If the seventy-fifth (75<sup>th</sup>) day falls on a Saturday, Sunday, or a state holiday, the fee payment and emissions report may be delivered, postmarked, or electronically paid on the

next business day following the Saturday, Sunday, or the state holiday with the same effect as if they had been delivered, postmarked, or electronically paid on the seventy-fifth (75<sup>th</sup>) day.

- (B) If fee payment and emissions report are not received within the time prescribed by subparagraph (e)(10)(A) or (e)(11)(C), 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 seventy-fifth (75<sup>th</sup>) 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 seventy five (75) days from the official fee due date, fee rates and surcharges will be assessed based on subparagraph (e)(10)(D).

- (D) The fees due and payable for the emissions reported or reportable pursuant to subparagraph (e)(8)(C) shall be assessed according to the fee rate for that contaminant specified in Tables III, IV, and V, and paragraph (e)(7) 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) Effective July 1, 2019, if the underpayment is a result of emissions related to a source test that was submitted to the Source Test unit for approval prior to or at the time the official AER submittal due date of the subject annual emission report, the difference or underpayment shall be paid, but with no surcharges added. If the underpayment is paid within one year after the seventy-fifth (75<sup>th</sup>) day from the official due date, 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 paid after one year after the seventy-fifth (75<sup>th</sup>) day from the official due date, the fee rate to be applied shall be the fee rate in effect for the year in which the emissions are actually reported.
- ~~(E)~~(F) 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.

Air contaminant(s)	Annual emissions threshold (TPY)
Gaseous sulfur compounds (expressed as sulfur dioxide)	≥10 TPY
Total organic gases (excluding methane and, exempt compounds as specified <del>defined in paragraph (e)(13)</del> <u>Rule 102</u> , and specific organic gases as specified in <del>paragraph subdivision (b)(28)</del> )	≥10 TPY
Specific organic gases as specified in <u>subdivision (b)</u>	≥10 TPY
Oxides of nitrogen (expressed as nitrogen dioxide)	≥10 TPY
Total particulate matter	≥10 TPY
Carbon monoxide	≥100 TPY

- (B) In lieu of payment of one half the estimated annual emission fees, the owner/operator may choose to report and pay on actual emissions for the first six months (January 1 through June 30). By January 1 of the year following the reporting period, the permit holder shall submit a final Annual Emission Report together with the payment of the balance; the annual emission fees less the installment previously paid. 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 shall be~~ considered late ~~and is subject to a surcharge~~ if not received by the District, or postmarked, on or before the within seventy five (75) days seventy-fifth (75<sup>th</sup>) day following July 1 of the current reporting period of the due date and shall be subject to a surcharge pursuant to subparagraph (e)(10)(B).
- (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 reporting period of January 1 through December 31, emission fees shall be determined in accordance with fee rates specified in Tables III, ~~IV~~ and V, and paragraphs (e)(2) and (e)(7). Installment fees that have been paid for Semi-Annual Emission Fees shall not be subject to this provision.

TABLE III - EMISSION FEES

Annual Emissions (tons/yr)	Organic Gases*	Specified Organic Compounds*	Nitrogen Oxides	Sulfur Oxides	Carbon Monoxide	Particulate Matter
(tons/yr)	(\$/ton)	(\$/ton)	(\$/ton)	(\$/ton)	(\$/ton)	(\$/tons)
4—25	\$625.17647.0 5	\$111.8511 5.76	\$365.753 78.55	\$433.6 3448.8 0	-	\$478.05 494.78
>25—75	\$1,015.03050. 55	\$177.2318 3.43	\$580.976 01.30	\$700.9 7725.5 0	-	\$774.62 801.73

>75 and <100	<u>\$1,519.37572.</u> <u>54</u>	<u>\$265.</u> <u>8227</u> <u>5.12</u>	<u>\$874.979</u> <u>05.59</u>	<u>\$1,052.</u> <u>41089.</u> <u>24</u>	-	<u>\$1,159.8</u> <u>1200.40</u>
≥100	<u>\$1,519.37572.</u> <u>54</u>	<u>\$265.</u> <u>8227</u> <u>5.12</u>	<u>\$874.979</u> <u>05.59</u>	<u>\$1,052.</u> <u>41089.</u> <u>24</u>	\$7.50	<u>\$1,159.8</u> <u>1200.40</u>

<u>Annual Emissions</u> <u>(tons/year)</u>	<u>≥1</u> <u>(lb/year)</u>	<u>≥0.1</u> <u>≥200</u> <u>(lb/year)</u>	<u>4 – 25</u> <u>(ton/year)</u>	<u>&gt;25 – 75</u> <u>(ton/year)</u>	<u>&gt;75 -</u> <u>&lt;100</u> <u>(ton/year)</u>	<u>&gt;100</u> <u>(ton/year)</u>
<u>Organic Gases*</u> <u>(\$/ton)</u>	-	=	<u>\$647.05</u>	<u>\$1,050.5</u> <u>5</u>	<u>\$1,572.5</u> <u>4</u>	<u>\$1,572.54</u>
<u>Specific Organics**</u> <u>(\$/ton)</u>	-	=	<u>\$115.76</u>	<u>\$183.43</u>	<u>\$275.12</u>	<u>\$275.12</u>
<u>Nitrogen Oxides</u> <u>(\$/ton)</u>	-	=	<u>\$378.55</u>	<u>\$601.30</u>	<u>\$905.59</u>	<u>\$905.59</u>
<u>Sulfur Oxides</u> <u>(\$/ton)</u>	-	=	<u>\$448.80</u>	<u>\$725.50</u>	<u>\$1,089.2</u> <u>4</u>	<u>\$1,089.24</u>
<u>Carbon Monoxide</u> <u>(\$/ton)</u>	-	=	=	=	=	<u>\$7.75</u>
<u>Particulate Matter</u> <u>(\$/ton)</u>	-	=	<u>\$494.78</u>	<u>\$801.73</u>	<u>\$1,200.4</u> <u>0</u>	<u>\$1,200.40</u>
<u>Ammonia</u> <u>(\$/lb)</u>	-	<u>\$0.04</u>	<u>\$0.04</u>	<u>\$0.04</u>	<u>\$0.04</u>	<u>\$0.04</u>
<u>Chlorofluorocarbons</u> <u>(\$/lb)</u>	<u>\$0.43</u>	<u>\$0.43</u>	<u>\$0.43</u>	<u>\$0.43</u>	<u>\$0.43</u>	<u>\$0.43</u>
<u>1,1,1-trichloroethane</u> <u>(\$/lb)</u>	<u>\$0.06</u>	<u>\$0.06</u>	<u>\$0.06</u>	<u>\$0.06</u>	<u>\$0.06</u>	<u>\$0.06</u>

\* Excluding methane, and exempt compounds as defined in Rule 102, and specific organic gases as defined in subdivision (b) of this rule.

\*\* See specific organic gases as defined in subdivision (b) of this rule.

TABLE IV  
TOXIC AIR CONTAMINANTS AND OZONE DEPLETERS

<u>TOXIC AIR CONTAMINANTS CAS</u>	<u>TOXIC COMPOUNDS</u>	<u>Annual Emission Thresholds (lbs)</u>	<u>Fees Before January 1, 2021 \$/1 lb</u>
<u>1332214</u>	<u>Asbestos</u>	<u>0.0001</u>	<u>6.74</u>
<u>71432</u>	<u>Benzene</u>	<u>2</u>	<u>2.27</u>
<u>7440439</u>	<u>Cadmium</u>	<u>0.01</u>	<u>6.74</u>
<u>56235</u>	<u>Carbon tetrachloride</u>	<u>1</u>	<u>2.27</u>
<u>106934</u>	<u>Ethylene dibromide</u>	<u>0.5</u>	<u>2.27</u>
<u>107062</u>	<u>Ethylene dichloride</u>	<u>2</u>	<u>2.27</u>
<u>75218</u>	<u>Ethylene oxide</u>	<u>0.5</u>	<u>2.27</u>
<u>50000</u>	<u>Formaldehyde</u>	<u>5</u>	<u>0.50</u>
<u>18540299</u>	<u>Hexavalent chromium</u>	<u>0.0001</u>	<u>9.01</u>
<u>75092</u>	<u>Methylene chloride</u>	<u>50</u>	<u>0.09</u>
<u>7440020</u>	<u>Nickel</u>	<u>0.1</u>	<u>4.49</u>
<u>127184</u>	<u>Perchloroethylene</u>	<u>5</u>	<u>0.50</u>
<u>106990</u>	<u>1,3-Butadiene</u>	<u>0.1</u>	<u>6.74</u>
<u>7440382</u>	<u>Inorganic arsenic</u>	<u>0.01</u>	<u>6.74</u>
<u>7440417</u>	<u>Beryllium</u>	<u>0.001</u>	<u>6.74</u>
<u>75014</u>	<u>Vinyl chloride</u>	<u>0.5</u>	<u>2.27</u>
<u>7439921</u>	<u>Lead</u>	<u>0.5</u>	<u>2.27</u>
<u>123911</u>	<u>1,4-Dioxane</u>	<u>5</u>	<u>0.50</u>
<u>79016</u>	<u>Trichloroethylene</u>	<u>20</u>	<u>0.18</u>
<u>1080</u>	<u>Chlorinated dibenzofurans, without individual isomers reported</u>	<u>0.000001</u>	<u>11.28</u>
<u>1086</u>	<u>Chlorinated dioxins, without individual isomers reported</u>	<u>0.000001</u>	<u>11.28</u>
<u>1746016</u>	<u>2,3,7,8-TCDD</u>	<u>0.000001</u>	<u>11.28</u>
<u>3268879</u>	<u>1-8OctaCDD</u>	<u>0.000001</u>	<u>11.28</u>
<u>19408743</u>	<u>1-3,7-9HxCDD</u>	<u>0.000001</u>	<u>11.28</u>
<u>35822469</u>	<u>1-4,6-8HpCDD</u>	<u>0.000001</u>	<u>11.28</u>
<u>39227286</u>	<u>1-4,7,8HxCDD</u>	<u>0.000001</u>	<u>11.28</u>
<u>40321764</u>	<u>1-3,7,8PeCDD</u>	<u>0.000001</u>	<u>11.28</u>
<u>57653857</u>	<u>1-3,6-8HxCDD</u>	<u>0.000001</u>	<u>11.28</u>
<u>39001020</u>	<u>1-8OctaCDF</u>	<u>0.000001</u>	<u>11.28</u>
<u>51207319</u>	<u>2,3,7,8-TCDF</u>	<u>0.000001</u>	<u>11.28</u>
<u>55673897</u>	<u>1-4,7-9HpCDF</u>	<u>0.000001</u>	<u>11.28</u>
<u>57117314</u>	<u>2-4,7,8PeCDF</u>	<u>0.000001</u>	<u>11.28</u>
<u>57117416</u>	<u>1-3,7,8PeCDF</u>	<u>0.000001</u>	<u>11.28</u>
<u>57117449</u>	<u>1-3,6-8HxCDF</u>	<u>0.000001</u>	<u>11.28</u>
<u>60851345</u>	<u>2-4,6-8HxCDF</u>	<u>0.000001</u>	<u>11.28</u>
<u>67562394</u>	<u>1-4,6-8HpCDF</u>	<u>0.000001</u>	<u>11.28</u>
<u>70648269</u>	<u>1-4,7,8HxCDF</u>	<u>0.000001</u>	<u>11.28</u>

<u>72918219</u>	<u>1-3,7-9HxCDF</u>	<u>0.000001</u>	<u>11.28</u>
<u>1151</u>	<u>Polycyclic aromatic hydrocarbons, PAHs (without individual isomers reported)</u>	<u>0.2</u>	<u>6.74</u>
<u>50328</u>	<u>Benzo[a]pyrene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>53703</u>	<u>Dibenz[a,h]anthracene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>56495</u>	<u>7,12-Dimethylbenz(a) Anthracene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>56553</u>	<u>Benz[a]anthracene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>91203</u>	<u>Naphthalene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>189559</u>	<u>Dibenzo[a,i]pyrene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>189640</u>	<u>Dibenzo[a,h]pyrene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>191300</u>	<u>Dibenzo[a,l]pyrene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>192654</u>	<u>Dibenzo[a,e]pyrene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>193395</u>	<u>Indeno[1,2,3-cd]pyrene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>194592</u>	<u>7H-Dibenzo(c,g)Carbazole [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>205823</u>	<u>Benzo[j]fluoranthene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>205992</u>	<u>Benzo[b]fluoranthene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>207089</u>	<u>Benzo[k]fluoranthene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>218019</u>	<u>Chrysene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>224420</u>	<u>Dibenz(a,i)Acridine [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>226368</u>	<u>Dibenz(a,h)Acridine [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>602879</u>	<u>5-Nitroacenaphthene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>
<u>607578</u>	<u>2-Nitrofluorene [PAH, POM]</u>	<u>0.2</u>	<u>6.74</u>



<u>3697243</u>	<u>5-Methylchrysene</u> [PAH, POM]	<u>0.2</u>	<u>6.74</u>
<u>5522430</u>	<u>1-Nitropyrene</u> [PAH, POM]	<u>0.2</u>	<u>6.74</u>
<u>7496028</u>	<u>6-Nitrochrysene</u> [PAH, POM]	<u>0.2</u>	<u>6.74</u>
<u>42397648</u>	<u>1,6-Dinitropyrene</u> [PAH, POM]	<u>0.2</u>	<u>6.74</u>
<u>42397659</u>	<u>1,8-Dinitropyrene</u> [PAH, POM]	<u>0.2</u>	<u>6.74</u>
<u>57835924</u>	<u>4-Nitropyrene</u> [PAH, POM]	<u>0.2</u>	<u>6.74</u>
<u>9901</u>	<u>Diesel Particulate Matter</u>	<u>0.1</u>	<u>0.00</u>

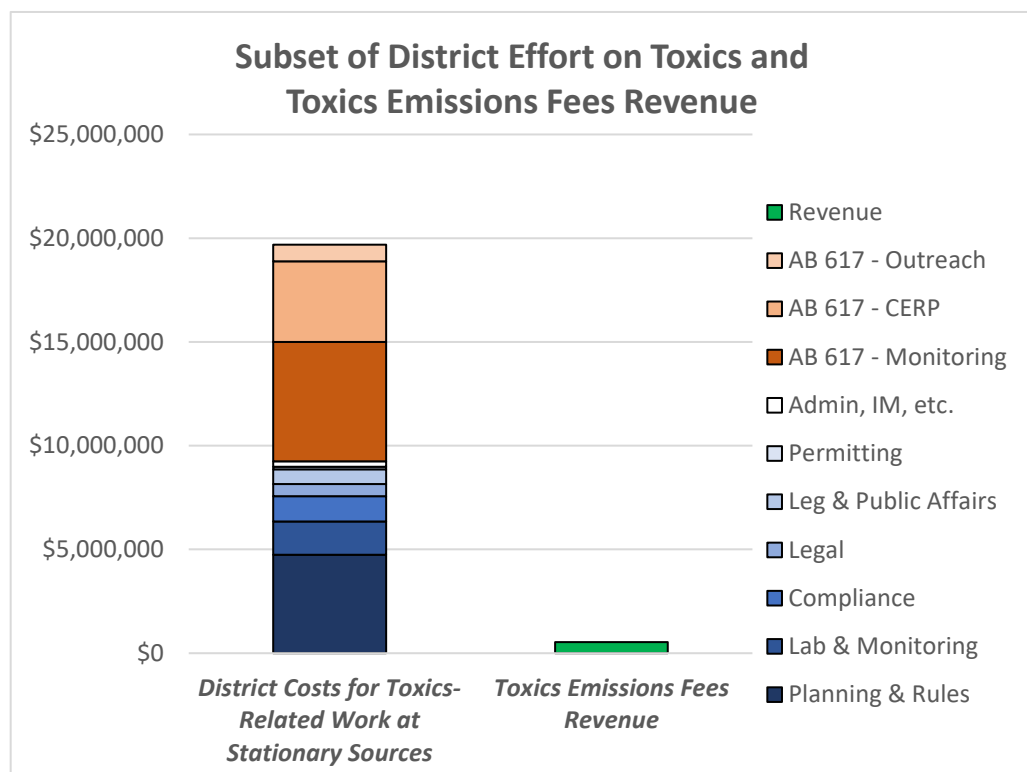
**Justification/  
Necessity/  
Equity:**

Health and Safety Code 40510 authorizes use of emissions fees to pay for planning, monitoring, and enforcement functions of the District. Toxic emissions fees are one component of total emissions fees that are paid annually by permitted facilities subject to Rule 301(e). In recent years, SCAQMD's efforts have substantially increased on monitoring, rulemaking, and enforcement of rules for toxic air contaminants currently in the Rule 301 Table IV list. Some notable examples include: the Community Air Toxics Initiative and hexavalent chromium monitoring in the cities of Paramount and Compton, the work on fugitive toxic metal emissions (e.g., nickel, arsenic, lead) from other facilities such as battery recyclers and others in the metal-working industry, fugitive hydrocarbon emissions from oil production and refining facilities, and significant new work just getting under way with the implementation of AB 617.<sup>7</sup> Much of this work has come about due to the emerging science and understanding of fugitive emissions, as well as recent updates to state risk assessment guidance that has found a nearly three-fold increase of cancer risk associated with TACs compared to previous estimates (and even higher increases for many pollutants in Table IV). As a result of these efforts, the amount of time staff spends monitoring, inspecting, and auditing facilities' TAC emission inventories has substantially increased. Because of this recent increased workload and the expectation that it will continue into the future, staff has estimated the costs associated with the amount of toxics work conducted by the District at stationary sources (see chart below). More specifically, in FY 2017-18, the District spent approximately \$19.5 million for

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<sup>7</sup> AB 617 work includes monitoring, enforcement, development of Community Emission Reduction Plans (CERPs), and rulemaking on stationary sources of toxics emissions. ([www.aqmd.gov/ab617](http://www.aqmd.gov/ab617))

work at stationary sources related to toxic emissions even though the toxic air contaminant fees collected amounted to just \$0.5 million during the same period.



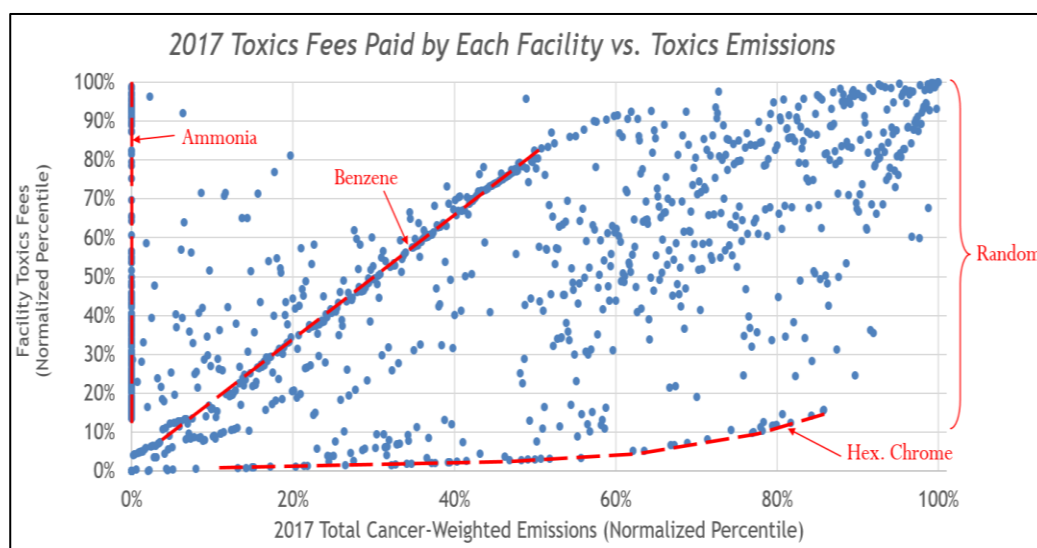
This work identified in the chart does not include additional work that the District conducts on toxic air contaminants in other contexts (e.g., AB 2588 Toxic Hot Spots, mobile source toxics, etc.). Additional explanation of these costs is presented in Appendix C. Revenue for stationary source toxics work has come from existing emissions fees revenues and one-time sources, including penalties, grants, or allocations from the state legislature. In particular, the District has received two one-time allocations totaling about \$31 million to implement AB 617 for the first two years of the program. While the District will continue to pursue these revenue streams, there is no guarantee that these one-time revenues will continue.<sup>8</sup>

With respect to costs incurred by the District, there are two key drivers when considering how District resources are spent to conduct work related to the permitting, investigation, auditing, and enforcement of limits on toxics emissions.

<sup>8</sup> As an example, Section 9 of the authorizing bill for AB 617 states: “No reimbursement is required by this act ... because a local agency ... has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act...”

First, facilities with high toxicity-weighted emissions require greater effort because the District informs its permitting and enforcement-related activities in large part by the potential for public health impacts.<sup>9</sup> While high toxicity-weighted emissions do not necessarily directly equate to higher health risk due to factors such as how pollutants disperse from a facility and the distance to nearby receptors, overall more District resources are spent to monitor, enforce, and conduct associated planning work such as inventorying, auditing, and rulemaking on facilities with higher toxicity-weighted emissions.<sup>10</sup>

Second, staff spends more overall time working on facilities with more emissions sources (e.g., permitted devices) with toxics emissions than facilities with the same level of toxic emissions but fewer emissions sources. The staff time therefore is also a function of the number of permitted devices, because the emissions from each device and process must be confirmed by staff. Despite these two drivers between District workload and toxic emissions, the current fee schedule in Table IV does not result in higher fees collected from facilities with higher toxicity of emissions or with more emission sources (see chart below).



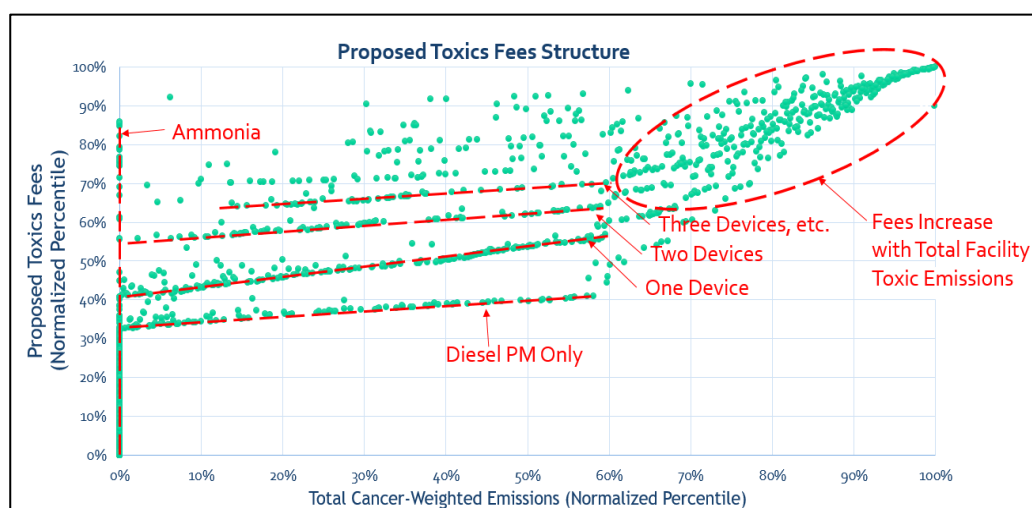
Further, because of DPM's high cancer potency, its prevalence throughout the South Coast Air Basin (Basin) as indicated in the District's Multiple Air Toxics Exposure studies (MATES) and the 2016 Air Quality Management Plan

<sup>9</sup> Due to health risk assessment methodologies, cancer-causing pollutants are the most common risk driver and a much higher focus of District efforts compared to non-cancer causing toxic pollutants.

<sup>10</sup> 301(e)(7)(B)(iii) of the proposed amendment exempts a facility from the cancer potency-weighted fees in 301(e)(7)(A)(iii) if it is located more than one mile from a sensitive receptor.

(AQMP)<sup>11</sup>, and the subsequent amount of District resources spent on this pollutant, staff is proposing to add DPM<sup>12</sup> as a toxic air contaminant that must be reported and for which fees must be paid. In addition, there are three pollutants currently in Table IV (ammonia, 1,1,1 trichloroethane, and chlorofluorocarbons) that are being moved to Table III.<sup>13</sup> The fees for those pollutants are not being changed other than typical CPI adjustments because the toxics-related work described above does not apply to these pollutants. Most staff work associated with ammonia is related to criteria pollutants as it is a precursor to regional particulate matter. The ozone depleters – 1,1,1 trichloroethane and chlorofluorocarbons – do not have cancer potency factors and there is no associated toxics workload associated with them, though limited inventory work on these pollutants will continue in the future and can be supported at the current fee level.

In order to address the disparity that has developed between District workload and fees paid by facilities, staff is proposing to change the structure of how facilities pay air toxics fees as indicated in the previous section. The result of this change in structure provides toxics fee revenues that are more closely connected to current District workload from higher toxic emitting facilities (see chart below).



<sup>11</sup> Multiple Air Toxics Exposure Studies

<http://www.aqmd.gov/home/air-quality/air-quality-studies/health-studies>

Air Quality Management Plan

<http://www.aqmd.gov/home/air-quality/clean-air-plans/air-quality-mgt-plan>

<sup>12</sup> The addition of DPM to the list of toxic air contaminants with fees pertain only to emissions from permitted stationary sources.

<sup>13</sup> Table III is also being reformatted to simplify and clarify the presentation of information.

Further explanation of the proposed structure and level of toxics fees is included below.

- The new Base Toxics Fee of \$78.03 would cover the basic annual software needs (\$50,000 annually) and minimal staffing needed (0.1 FTE at \$230,037 fully burdened rate) to ensure that facilities can readily report toxics emissions to the District. The necessary base cost of \$73,000 is evenly divided among facilities reporting emissions of any toxic air contaminant above existing reporting thresholds<sup>14</sup> in Table IV. \$78.03 is the projected minimum necessary to recover the base costs of reporting.
- A new Flat Rate Device Fee<sup>15</sup> of \$341.89 would be applied per emission source at a permitted facility that emits a toxic air contaminant above existing reporting thresholds in Table IV. These fees would be equal to the District resources needed to run the entire toxics emissions inventory program that is necessary to support enforcement of District rules. This work includes inventorying, auditing, and coordinating with CARB and EPA to whom the data must be reported, and totals approximately \$1.4M annually. The workload requires approximately 5.8 FTE staff at an average fully burdened rate of \$233,353 (which includes different types of staff – air quality specialists, engineers, supervisors, etc.) to handle the toxics workload in these inventory programs annually. The fee rate of \$341.89 per emission source was derived by dividing the \$1.4M of staff work by the 3,968 devices for which facilities reported toxics emissions above Table IV thresholds from the 2017 emissions reporting year.
- A new Cancer-Potency Weighted Fee of \$10 would be applied per cancer-potency weighted pound of emissions above reporting thresholds in Table IV. As described above, the District conducts approximately \$20 million of work every year in connection with toxics emissions. The proposed Base Toxics Fee and the Flat Rate Device Fee are anticipated to only recover about \$1.5 million from facilities that currently report emissions

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<sup>14</sup> New reporting thresholds are added for DPM and the carcinogenic species of dioxins, furans, and PAH's. The threshold for DPM is derived from AB2588 Quadrennial Reporting Guidance, which is consistent with all other Table IV pollutants. The species for dioxins, furans, and PAH's were added as an option for facilities to reduce their fee burden. In particular, facilities can choose to report more specific information that indicates that their total cancer-potency weighted speciated emissions are lower than if emissions were reported at the unspciated level.

<sup>15</sup> Devices would continue to be reported in the same way as is currently required for the Annual Emissions Reporting program through its web-tool. Existing guidance for reporting emissions at the device level will continue to be used and is available on the AER website at:  
<http://www.aqmd.gov/home/rules-compliance/compliance/annual-emission-reporting>

to the District, leaving a significant shortfall. Much of the remaining District work not covered by those fees is focused on facilities in which there is significant public health concern. For example, AB 617 communities are chosen largely due to public health concerns from local toxic emissions, and much of the work in those communities is focused on investigating and enforcing rules on those stationary sources with the highest cancer-potency weighted emissions (e.g., refineries). Similar work is conducted outside of AB 617 communities on other facilities, again focused on facilities with the potential greatest public health impact. Therefore, in order to ensure that toxics emissions fees beyond the Base Toxics Fee and the Flat Rate Device Fee are equitably distributed, the Cancer-Potency Weighted Fee weights each facility's toxics emissions using the state-mandated cancer potency factors used to determine potential health risks in all other District programs. Those facilities with higher potential public health concern due to their emissions will therefore pay higher fees to cover the higher level of effort from the District for investigating and enforcing rules on those facilities.

These newly proposed fees are expected to have the following effect:

<b>Fee</b>	<b>New Revenue</b>
Base Toxics Fee	\$0.1 million
Flat Rate Device Fee	\$1.4 million
Cancer-Potency Weighted Fee	\$3.4 million
Total Toxics Fees	\$4.9 million

This fee increase represents approximately an average 22% increase in total emissions fee revenue, including criteria pollutants. The three new fees (Base Toxics Fee, Flat Rate Device Fee, and Cancer-Potency Weighted Fee) would start on January 1, 2021.<sup>16</sup> These fees would phase in over a two year period (50% each year for the Flat Rate Device and the Cancer-Potency Weighted Fees and 100% of the Base Toxicity Fee in 2021). Once phased in, total new net revenue is expected to be approximately \$4.4 million per year because the District will be losing the \$0.5 million which it currently collects. In anticipation of the potential for this work to fluctuate, as well as the uncertainty associated with one-time funding from the Legislature, staff anticipates revisiting this fee and District

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<sup>16</sup> The fee would apply to emissions that occurred in 2020 and that are required to be reported in 2021.

workload in future years and will propose rebalancing this fee up or down as necessary.

A sample equation below shows how the fee would be calculated for a facility with one pound of hexavalent chromium emissions split equally between two permitted devices. A table with cancer potency factors, multi-pathway factors, and reporting thresholds is included as an appendix to this staff report.

- Base Toxics Fee = \$78.03 because 1 lb. Cr VI is >0.00001 threshold
- Flat Rate Device Fee = \$683.78 = \$341.89 x 2 devices (each with Cr VI emissions above threshold)
- Cancer-Potency Weighted Fee  
     = CPF x MPF x Emissions (pounds) x \$10  
     = 510 x 1.6 x 1 x \$10 = \$8,160.00
- Total toxics Fees = \$8,921.81 = \$78.03 + \$683.78 + \$8,160.00

Some minor clarifications to the proposed amendments have been made since the draft rule was made available publicly on April 2, 2019 in sections (e)(2), (e)(5), (e)(7)(A), (e)(7)(B)(ii), and Tables III and IV. The update to (e)(2) removes a duplicate reference to thresholds that is already specified in (e)(1) and clarifies that reporting facilities must continue to report emissions from all pollutants listed in (e)(5) and Table IV, consistent with the existing rule. Paragraph (e)(5) has been updated to be consistent to previously proposed amendments in (e)(11) and Table III. Clarifying text has been added to paragraph (e)(7)(A) on the proposed phase-in of the toxics emissions fees to make clear that the phase-in of the new toxics emissions fee structure begins in 2021 for emissions that occurred in 2020. Clause (e)(7)(B)(ii) includes a grammatical edit. Table III now includes greater than or equal to symbols (>) before the 1 lb/year and 200 lb/year thresholds to clarify that these fees apply above these levels, consistent with all other thresholds in this table. Table IV includes those PAHs with a cancer potency factor that were inadvertently omitted from the April 2, 2019 draft.

## 2. **ADD NEW RULE 1118.1 NOTIFICATION FEE TO RULE 301(x)**

### **Description of Proposed Amendment:**

In order to recover costs incurred by SCAQMD to process required notifications, Rule 1118.1 would be subject to the notification fee described in Rule 301(x). The fee for the Rule 1118.1 notification is \$65.12 per notification, and is subject to the annual automatic CPI adjustment pursuant to Rule 320.

**Proposed  
Amended  
Rule(s):**

***Rule 301***

(x) ~~Rule 1149, Rule 1166, and Rule 1466 Notification Fees~~ Notification Fees for Rules 1118.1, 1149, 1166, and 1466

- (1) Any person who is required by the District to submit a written notice pursuant to Rules 1118.1, 1149, ~~Rule~~ 1166, ~~Rule~~ 1466, or for soil vapor extraction projects shall pay a notification fee of ~~\$62.92~~ \$65.12 per notification.

**Justification/  
Necessity/  
Equity:**

Rule 1118.1 was adopted on January 4, 2019, to control emissions from non-refinery flares. This rule establishes emission limits for NOx and VOC, as well as for CO for new, replaced, or relocated flares, and establishes an industry specific capacity threshold for existing flares. Owners and operators of flares that require a SCAQMD permit at certain non-refinery facilities are required to submit several notifications to the SCAQMD to comply with Rule 1118.1 requirements. Required notifications include:

- Notification of Flare Inventory and Capacity
- Notification of Intent
- Notification of Annual Percent Capacity Greater than Threshold
- Notification of Flare Throughput Reduction
- Notification of Increments of Progress

The deadline to submit the Notification of Flare Inventory and Capacity occurred before the amendments to Rule 301; therefore, no fee will be required for that notification. New or replaced flares will pay for submittal of a permit application, for which a fee is already included in Rule 301. Therefore, and per Rule 1118.1(d)(10), this proposed amendment impacts only the remaining notification types under Rule 1118.1.

This new fee is necessary to recover the reasonable regulatory costs related to the notification requirements of Rule 1118.1. The fee is identical to the amount charged for Rule 1149, 1166, and 1466 notifications. Moreover, the amount to be charged is necessary to recover the costs to the District for processing the notifications. As set forth in the table below, staff estimates that it will take an Office Assistant approximately 30 minutes to receive the notification, enter the information, and file the notification, and 20 minutes for a Staff or Air Quality Specialist to review the notification. Therefore, the recovery cost is calculated to be approximately \$69.27 based on the FY 2018-19 hourly burdened rates. This estimate is approximate and does not exceed the CPI adjusted rate of \$65.12. The proposed Rule 1118.1 notification fee will be the same fee rate as Rules 1149, 1166, and 1466 notification fees for



similar notification requirements. Thus, the proposed Rule 1118.1 notification fee does not exceed the estimated cost of processing required notifications and is apportioned equitably because it will be paid by the permit holder required to submit the specified notification.

**Table 1: Cost Estimates for Processing the Rule 1118.1 Notifications**

Staff Position	Estimated Processing Time (in Hours)	×	FY 2018-19 Hourly Burdened Rate	=	Estimated Cost
Office Assistant	0.50		\$66.88		\$33.44
Staff Specialist	0.33		\$108.58		\$35.83
<b>Total Cost</b>	<b>0.83</b>				<b>\$69.27</b>

### 3. INCREASE PERP ENFORCEMENT INSPECTION FEES

**Description of Proposed Amendment:** In order to recover costs incurred by SCAQMD to inspect portable equipment units and Tactical Support Equipment (TSE) registered in the California Air Resources Board's (CARB) Portable Equipment Registration Program (PERP), staff is proposing to amend Rule 301 (w) to increase the TSE and hourly inspection fees. These proposed increases are consistent with the fees recently updated and authorized by CARB in the PERP regulation.

**Proposed Amended Rule(s):**

***Rule 301***

(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~~115.00 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~~590.00 per unit.

(2)(A)(i)(a) A fee for the annual inspection of a single registered TSE unit shall be assessed at a unit cost of ~~\$75.00~~90.00.

(2)(A)(i)(b)(1) The actual time to conduct the inspection the rate of ~~\$400.25~~115.00 per hour, or

(2)(A)(i)(b)(2) A unit cost of ~~\$75.00~~90.00 per registered TSE unit inspected.

- (2)(A)(ii)(b)(1) The actual time to conduct the inspection the rate of ~~\$100.25~~115.00 per hour, or
- (2)(A)(ii)(b)(2) A unit cost of ~~\$75.00~~90.00 per registered TSE unit inspected.
- (3) 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~~60.00 per hour for the time necessary to complete the inspection.
- (4) 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 due 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.~~

**Justification/  
Necessity/  
Equity:**

CARB has established the Statewide Portable Equipment Registration Program (PERP) to facilitate the operation of portable equipment throughout California without having to obtain individual permits from local air districts. Under PERP, the District conducts inspections of that equipment and is authorized to charge fees consistent with amounts determined by CARB. On November 30, 2018, CARB amended the PERP Regulation to increase the uniform fee schedule for all districts enforcing PERP through inspections of registered portable equipment and TSE equipment. PERP Regulation Section 2461 (g) allows districts to collect fees that do not exceed the fees listed in Section 2461.1 of the PERP Regulation.

The fees set forth in PAR 301(w) reflect the reasonable regulatory costs of the SCAQMD and do not exceed the maximums set forth by CARB. Table 2 provides the cost estimates for a PERP equipment inspection. Based on staff estimates it takes a Staff Assistant approximately 20-25 minutes to receive an

inspection request, enter the information, assign to an inspector, receive the billing from the inspector, create an invoice and mail to the facility. Based on staff estimates it takes an inspector approximately 60-65 minutes to arrange the inspection, inspect the equipment, submit a PERP field inspection survey, fill out a billing form, and submit the forms to a Staff Assistant. These activities result in cost to the District of approximately \$124.32 - \$131.87 per hour at the FY 2018-19 hourly burdened rates. Although this cost estimate slightly exceeds the maximum hourly inspection fee of \$115.00 fee authorized by CARB in Section 2461.1, the proposed fees are necessary to recover the reasonable costs of the District and they will be equitably apportioned because they will be paid by the owners of the equipment subject to inspection.

**Table 2: Cost Estimates for a PERP Inspection**

Staff Position	Range of Processing time (in Hours)		FY 2017-19 Hourly Burdened Rate		Range of Cost
			x	=	
Staff Assistant	0.33	0.42	\$73.62		\$30.85 - \$30.92
AQ Inspector II	1.0	1.08	\$93.47		\$93.47 - \$100.95
<b>Total Cost</b>					<b>124.32 - \$131.87</b>

#### **4. ADDING A RENEWAL FEE FOR CAS AND CACC CERTIFICATION FEES**

**Description of Proposed Amendment:** The Clean Air Solvents (CAS) and Clean Air Choices Cleaners (CACC) Certifications are voluntary programs that issue certificates for clean air solvents and cleaners. Manufacturers can apply for a CAS certification, which is valid for five years and can be renewed upon approval by the SCAQMD. Similarly, manufacturers can apply for a CACC certification, which is valid for three years and can be renewed upon approval by the SCAQMD. Current Rule 301 (r) and (s) provide a flat fee covering the laboratory analysis of product samples submitted for testing for certification. These sections do not provide a fee for certificate renewal; instead facilities have to pay the larger application fee even though the level of work associated with issuance of a renewal may be substantially lower.

**Proposed  
Amended  
Rule(s):**

***Rule 301***

**(r) Fees for Certification of Clean Air Solvents**

At the time of filing for a Clean Air Solvent certificate, the applicant shall submit a fee of ~~\$1,503.77~~\$556.40 for each product to be tested. Additional fees will be assessed at the rate of ~~\$135.77~~\$145.43 per hour for time spent on the analysis/certification process in excess of 12 hours. 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. The renewal fee shall be \$145.43 per certificate.

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

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 ~~\$1,503.77~~\$556.40 for each product to be tested, plus an additional fee of ~~\$300~~\$310.50 for quantification of total nitrogen, total phosphorous, and trace metals by a contracting laboratory. Additional fees will be assessed at the rate of ~~\$135.77~~\$145.43 per hour for time spent on the analysis/certification process in excess of 12 hours. 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. The renewal fee shall be \$145.43 per certificate.

**Justification/  
Necessity/  
Equity:**

This amendment is necessary in order to specify costs associated with CAS and CACC certificate renewal. The protocol for issuing a CAS or CACC certification includes laboratory analysis of submitted products for testing, and if the product is approved as a CAS or CACC, an issuance of the certificate.

The current fee for the certifications is \$1,556.40 per sample, plus an additional fee of \$310.50 for additional analysis required for CACC certification, with time spent on the analysis/certification process in excess of 12 hours assessed at the current CPI-adjusted hourly rate of \$145.43 per hour. The flat fee covers costs for the laboratory staff's analysis and review of the submitted sample, but it does not include cost of the certificate. Certificate renewal involves approximately an hour to review the product and subsequently issue a renewed certificate. In keeping with the current fee mechanism laid out for these certifications, the \$145.43 per hour rate would address the cost for time spent to issue a renewed certificate.

This proposed fee is for voluntary certification programs and is not being imposed on any payor. Participation in these programs is not a result of any

SCAQMD rule requirements. The fee is not part of SCAQMD's Permitted Source Program. The VOC content of the product is performed by the SCAQMD laboratory pursuant to SCAQMD Method 313.

Currently, after five years, a facility would have to re-submit the full fee for another five or three year certificate. In circumstances where a new certificate is being sought for a formula that is identical to a formula previously analyzed by the District, then it makes sense to charge a reduced renewal fee of \$145.43. This amount covers the amount of time necessary to issue a renewed certificate and is necessary to recover the reasonable cost of services provided. The proposed fee is equitable because it is paid by the person requesting services to certify a product for a voluntary certification program.

## 5. ALIGNING INSPECTION FEE RATES IN RULE 306 AND 309

**Description of Proposed Amendment:** This amendment corrects fee amounts Rule 309. The 3% fee increase authorized in 2014 was inadvertently not applied and that failure created a confusing discrepancy with Rule 306. The fees in Rule 306 and 309 have typically been aligned because the services provided are similar.

**Proposed Amended Rule(s):**

### *Rule 309*

#### (c) Fee Assessments

(1) Rule 1610 Scrapping Plans shall be assessed a filing and evaluation fee of ~~\$1,936.38~~2,004.15. The fee shall be paid at the time of plan submittal.

(2) Regulation XVI and Regulation XXV as defined in paragraph (b)(2), except Scrapping Plans, shall be assessed a filing fee of \$161.25 ~~and an evaluation fee of \$489.61 at the time of submittal.~~ Evaluation fees shall be billed for the amount of total actual and reasonable time incurred by District staff, assessed at the hourly rate of \$161.25.

#### (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 ~~\$117.42~~128.94 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.

**Justification/ Necessity/ Equity:** In 2006, the filing and inspection fees in Rule 309(c)(2) and (d) were aligned with the filing and inspection fees in Rule 306. This alignment of fees recognized the equivalent amount of resource expenditure for these services whether conducted pursuant to Rule 306 or Rule 309. The filing and inspection fees remained the same for both rules until June 6, 2014. For FY 2014-15 most Regulation III fees including Rule 309 were increased by the Consumer Price Index (CPI) rate of 1.6%. In addition, permit and plan fees were increased by a further 3% resulting in a cumulative 4.64% increase. Even though the fee assessments and inspection fees in Rule 309 reference Regulation XVI and XXV Plans and Rule 1610 Scrapping Plans, respectively, these fees were inadvertently only increased by the 1.6% increase in the CPI and were not given the additional 3% fee increase for plan fees.

The actual amount of resources expended for Rule 1610 implementation is equivalent to similar types of fees already in Rule 306. Although the majority of the Reg. XVI and XXV rules are either credit or investment based, they do require plans and, as such, should have also received the additional 3% increase. This increase, is in line with the 3% increase in Rule 306 fees and correctly recovers the cost associated with Rule 1610 plan filings, evaluations and inspections.

The proposed filing, evaluation, and inspections fees for plans submitted for Reg. XVI and XXV are necessary to recover the cost of staff resources expended in implementation of these plans, which require similar time, personnel, and materials associated with other plans typically assessed per Rule 306. Reg. XVI and XXV plans are subject to similar plan verification procedures as other plans assessed per Rule 306, and therefore, it is equitable for Reg. XVI and XXV plan holders to pay the proposed fees. Furthermore, these fees are equitable since they are paid by the entities to which the service is provided.

## **6. ELIMINATE FEE IN RULE 308 FOR ADDING/DELETING SITE FROM A MULTI-SITE OR GEOGRAPHIC PROGRAM**

**Description of Proposed Amendment:** Staff is proposing to eliminate the fee for employers who are amending their Rule 2202 Employee Commute Reduction Program strategies by adding or deleting a worksite from their program. Rule 308(c)(2)(F) requires that regulated entities be charged a CPI-adjusted fee of \$182.81 each time a worksite is added to or deleted from a multi-site or geographic program.

**Proposed Amended Rule(s):** *Rule 308*  
(c)(2)(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 ~~\$176.63~~182.81 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 \$176.63 per worksite being added or deleted, unless the worksite being deleted is no longer subject to Rule 2202.~~

**Justification/ Necessity/ Equity:** Under Rule 2202, employers with more than 250 employees are required to annually register with the District and implement an emissions reduction program, including but not limited to Employee Commute Reduction Programs (ECRP). Rule 308 sets forth the registration fees and the specific ECRP fees. Covered facilities with multiple sites pay various submittal and amendment fees. On occasion, facilities seek to amend their program strategies with either substantive amendments to the strategies or through the addition or deletion of a work-site from a multi-site or geographic program. The addition or deletion of a site from a multi-site or geographic program does not result in any significant additional work that would not sufficiently be covered by the initial registration fees. The fee would remain for any substantive amendment of strategies. This change is necessary because charging a separate fee for adding or deleting a worksite from a multi-site program appears to discourage regulated entities from accurately reporting real-time worksite population levels and inaccurate records of sites covered by the plan increases the compliance costs for the District. Removing the fee promotes accurate reporting and is not expected to have a significant impact on revenue.

**7. REDUCING CERTAIN NOTIFICATION FEES IN TABLE VI TO RULE 1403 (ASBESTOS EMISSIONS FROM DEMOLITION/RENOVATION ACTIVITIES)**

**Description of Proposed Amendment:** Rule 1403 specifies work practice requirements to limit asbestos emissions from building demolition and renovation activities. Table VI in Rule 301 sets forth the applicable demolition, asbestos, and lead notification fees as well as additional service charge fees. Staff proposes the following clarifications and amendments to Table VI:

- a) Remove “and Lead” from the title of the table;

b) Under “Additional Service Charge Fees,” add a new Footnote 2 to clarify that the proposed \$25 fee applies to notifications changing the End Date to a later date only. Existing footnotes 2 and 3 would be renumbered as footnotes 3 and 4;

c) Under “Additional Service Charge Fees,” eliminate fees for revisions for earlier End Date only, and reduce the Revision to Notification fee (\$62.92) to \$25.00 because automation of the process has reduced staff costs. Also clarify that the Revision to Notification fee applies, save for the exception outlined in Footnote 2, to Revision to Notification for Start Date, Quantity, and/or End Date; and,

d) Under “Additional Service Charge Fees,” change “postmarked” to “received” in Footnotes 3 and 4, as renumbered.

**Proposed  
Amended  
Rule(s):**

**Rule 301**

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

Demolition and Renovation by Project Size (square feet) <sup>1</sup>					
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>\$62.92</del> 65.1 <u>2</u>	<del>\$192.40</del> 19 <u>9.13</u>	<del>\$450.38</del> 46 <u>6.14</u>	<del>\$706.21</del> 73 <u>0.92</u>	<del>\$1,023.47</del> 59.29	<del>\$1,705.79</del> 7 <u>65.49</u>

Additional Service Charge Fees				
Revision to Notification for <u>Start Date, Quantity, and/or End Date</u> <sup>2</sup>	Special Handling Fee <sup>23</sup>	Planned Renovation	Procedure 4 or 5 Plan Evaluation	Expedited Procedure 4 or 5 Fee <sup>34</sup>
<del>\$62.92</del> 25.00	<del>\$62.92</del> 65.1 <u>2</u>	<del>\$706.21</del> 730.9 <u>2</u>	<del>\$706.21</del> 730. <u>92</u>	<del>\$353.10</del> 365.4 <u>5</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.

For renovation, the fee is based on the amount of asbestos/~~lead~~ removed.



<sup>2</sup> For revisions to notifications to change the End Date to a later date only.

<sup>23</sup> ~~For all notifications postmarked~~ received less than 14 calendar days prior to project start date.

<sup>34</sup> ~~For all expedited Procedure 4 or 5 plan evaluation requests postmarked~~ received 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).

**Justification/  
Necessity/  
Equity:**

These amendments are necessary to clarify and reduce certain fees in circumstances where District costs have been reduced by certain automated processes. More specifically:

- a) Staff is proposing to amend the title of Table VI (Demolition, Asbestos and Lead Notifications) because there is no lead removal rule requiring notifications.
- b) Staff is proposing to remove the fee to revise End Dates in circumstances where the end date is being advanced. Doing so removes a disincentive for facilities to update notifications for completed asbestos removal and demolition projects, and reduces District costs which are triggered when an inspector unnecessarily travels to a job that has already been completed. The expected loss of revenue is offset by the reduction of inspection-related costs of travelling to and from a completed job in circumstances where there is nothing left to inspect.
- c) Staff is also proposing to reduce the fee for revising notifications regarding start dates, quantity, and end dates. Originally this fee of \$62.92 was determined based on the amount of time SCAQMD office staff required to update paper notifications in the CLASS database. Presently, the information is entered by the notifier directly via the Rule 1403 Web App rather than SCAQMD office staff. Staff proposes that the fee be reduced to \$25, but not eliminated, so as to still account for Compliance staff time reviewing inspection plans affected by revisions to notifications, particularly for project dates. The revised column header simply specifies the typical instances (start date, quantity, and/or end date) where a Revision to Notification Fee would be charged.
- d) Staff is proposing to change language in Footnotes 2 and 3, which are being re-numbered to Footnotes 3 and 4. Previously, Rule 1403 notifications were typically submitted via standard mail. With the implementation of the Rule 1403 Web App, the notifications are now received electronically and there is no postmark.

## 8. CREATION OF A FEE CAP FOR CERTAIN CHANGE OF OWNER/OPERATOR APPLICATIONS

**Description of Proposed Amendment:** This proposal will provide fee relief for larger RECLAIM facilities that apply for a change of owner/operator by adding a new fee cap.

In addition, all references to “change of operator” will be replaced with “change of owner/operator” to clarify the applicability of this administrative change to both changes of owner and changes of operator permit applications. Currently, Rule 301 consistently refers to owner/operator in all instances except when referring to change of operator. These edits will add consistency and clarity and reflects current practice.

**Proposed Amended Rule(s):**

### *Rule 301*

- (c) Fees for Permit Processing
  - (1) Permit Processing Fee
    - (A) Permit Processing Fee Applicability

...

- (iv) 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 Owner/Operator table according to the applicable schedule under the Change of Owner/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.

...

- (G) Fees for Permit Processing for Certified Equipment Permits and Registration Permits
  - (i) ...
  - (ii) A permit processing fee equal to 50% of Schedule A Permit Processing Fee of Table FEE RATE-A shall be assessed to a person applying for a Change of Owner/Operator for a Certified Equipment Permit.

...

(2) Fee for Change of Owner/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 owner/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 Table FEE RATE-C for equipment at one location so long as the new owner/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 Owner/Operator or Additional Operator application is filed, and all facility-specific fees (such as “Hot Spots” fees), must be paid before the Change of Owner/Operator or Additional Operator application is accepted. If after an application is received and SCAQMD determines that fees are due, the new owner/operator shall pay such fees within 30 days of notification. If the fees are paid timely, the owner/operator will not be billed for any additional fees billed to the previous owner/operator.

(B) If an application for change of owner/operator of a permit is not filed within one (1) year from the last annual renewal of the permit under the previous owner/operator, the new owner/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)(C), shall apply.

(d) Annual Operating Permit Renewal Fee

...

(7) Annual Renewal Date for Change of Owner/Operator

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

...

- (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 owner/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.

...
  - (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 owner/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:

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

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

...
  - (E) CEMS, FSMS, or ACEMS Change of Owner/Operator

Every applicant who files an application for a change of owner/operator of a RECLAIM or non-RECLAIM facility permit shall also file an application for a change of owner/operator of a CEMS, FSMS, or ACEMS, if applicable, and be subject to a processing fee equal to ~~\$273.64~~\$283.18 for the first CEMS, FSMS,

or ACEMS, plus ~~\$54.57~~56.48 for each additional CEMS, FSMS, or ACEMS.

...

(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 Owner/Operator;

...

- (6) Fee for Change of Owner/Operator

The Permit Processing Fee for a Change of Owner/Operator of a RECLAIM facility permit shall be determined from Table FEE RATE-C. In addition, a Facility Permit Amendment fee as specified in paragraph (1)(4) 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 Owner/Operator or Additional Operator application is filed, and all facility-specific fees (such as “Hot Spots” fees), must be paid before a Change of Owner/Operator or Additional Operator application is accepted. If after an application is received and SCAQMD determines that fees are due, the new owner/operator shall pay such fees within 30 days of notification. If the fees are paid timely the new owner/operator will not be billed for any additional fees billed to the previous owner/operator.

...

(n) All Facility Permit Holders

...

- (5) Fee for Change of Owner/Operator

The Permit Processing Fee for a Change of Owner/Operator of a facility permit shall be determined from Table FEE RATE-C. In addition, an administrative permit revision fee, as specified in Table VII, 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 Owner/Operator or Additional Operator application is filed, and all facility specific fees (such as “Hot Spots” fees), must

be paid before the Change of Owner/Operator or Additional Operator application is accepted. If, after an application is received, ~~and the~~ SCAQMD determines that additional fees are due, the new owner/operator shall pay such fees within 30 days of notification. If the fees are paid timely, the new owner/operator will not be billed for any additional fees billed to the previous owner/operator.

...

(t) All Facility Registration Holders

...

(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 owner/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 ~~\$216.14~~223.70 for the first equipment listed in the Facility Registration plus ~~\$1,972.03~~ for each additional equipment listed in the Facility Registration.

(u) Fees for Non-permitted Emission Sources Subject to Rule 222

...

(2) Change of Owner/Operator or 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 ~~\$209.98~~217.32 for each emission source.

...

(ab) 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~~ applicant or permit holder. 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.

TABLE FEE RATE-C. SUMMARY OF PERMIT FEE RATES  
CHANGE OF OWNER/OPERATOR<sup>a</sup>

Facility Type	Non-Title V	Title V
Small Business	<del>\$248.03</del> <u>256.71</u>	<del>\$280.86 for FY 2018-19 and \$340.79</del> <u>321.66</u> for FY 2019-20 and thereafter
Non-Small Business	<del>\$681.14</del> <u>704.98</u>	<del>\$771.30 for FY 2018-19 and \$853.53</del> <u>883.40</u> for FY 2019-20 and thereafter

<sup>a</sup> Fees are for each permit unit application and apply to all facilities, including RECLAIM facilities. The change of owner/operator fee for Non-RECLAIM Title V facilities shall not exceed ~~\$9,593.22 for FY 2018-19 and \$10,615.86~~987.41 for FY 2019-20 and thereafter per facility and for all other Non-RECLAIM facilities shall not exceed ~~\$16,943.43~~17,536.45 per facility. ~~The change of owner/operator fee~~ There is no limit to the change of operator fees for RECLAIM facilities shall not exceed \$50,000.

TABLE VII  
FACILITY PERMIT FEES FOR FACILITIES THAT ARE  
~~RECLAIM ONLY, TITLE V ONLY, AND BOTH RECLAIM &~~  
TITLE V

Description	Rule section	FY 2018-19	FY 2019-20 and thereafter
Facility Permit Amendment/Revision Fee • RECLAIM Only or non- <u>RECLAIM/non-Title V</u> • Title V Only* • RECLAIM & Title V*  * Includes administrative, minor, de minimis significant, or significant amendment/revision	(l)(4) (m)(4)	<del>\$1,170.63</del>  <del>\$1,325.61</del> <del>\$2,496.24</del>	<del>\$1,170.63</del> <u>211.60</u>  <del>\$1,466.92</del> <u>518.26</u> <del>\$2,637.55</del> <u>729.86</u>
Facility Permit Change of <u>Owner/Operator</u> • Facility Permit Amendment Fee  Plus  • Application Processing Fee for Each Application	(c)(2), (l)(6), (m)(4), (n)(5)	Facility Permit Amendment/Revision Fee (See Above) Plus  Processing Fees (See Table FEE RATE-C))	
Title V Facility Permit Renewal Fee (Due at Filing)  Plus  Hourly Rate for Calculation of Final Fee for Evaluation Time in Excess of 8 hours (Due upon Notification)	(m)(5), (m)(9)	<del>\$3,010.95</del>  Plus  <del>\$210.67</del> <del>per hour</del>	<del>\$3,331.91</del> <u>448.52</u>  Plus  <del>\$233.13</del> <u>241.29</u> per hour

**Justification/  
Necessity/  
Equity:**

This proposal will reduce fees associated with filing applications for changes of owner/operator at large facilities. Recent implementation of streamlined procedures for processing change of owner/operator applications has made cost recovery possible at lower fees. Change of owner/operator is an administrative process that requires no engineering evaluation, but creates a new facility ID and new application numbers for every permit transferred to the new owner/operator. For RECLAIM facilities, the current fees associated with this administrative change can be as high as \$300,000 due to the absence of a fee cap. The proposal is to add a cap of \$50,000 for RECLAIM (or RECLAIM/TV) facilities (which is equivalent to the per-permit fee for ~65 permits). There are currently 23 RECLAIM (or RECLAIM/TV) facilities anticipated to benefit from this proposed fee cap.

Additional amendments are also being proposed for purposes of clarification and consistency. The edits to replace “change of operator” with “change of owner/operator”. There are currently 52 instances in Rule 301 of the term “owner/operator”, and consistently using the term per the proposed changes will not change the way these actions have been historically treated.



**9. AMEND RULE 301 PARAGRAPH (aa) TO REMOVE DELEK U.S. HOLDINGS, INC. (PARAMOUNT), AS IT IS NO LONGER SUBJECT TO RULE 1180 REQUIREMENTS (301(aa))**

**Description of Proposed Amendment:** This amendment is necessary will remove Delek U.S. Holdings Inc. (Paramount) from the list of affected facilities responsible for paying the annual O&M fees listed in paragraph (aa) of Rule 301 as it is no longer subject to the Rule 1180 requirements.<sup>17</sup>

**Proposed Amended Rule(s):** *Rule 301*

(aa) Refinery Related Community Air Monitoring System Annual Operating and Maintenance Fees

- (1) The owner or operator of a petroleum refinery subject to Rule 1180 shall pay an annual operating and maintenance fee for a refinery-related community air monitoring system designed, developed, installed, operated, and maintained by SCAQMD in accordance with California Health and Safety Code Section 42705.6.
- (2) The annual operating and maintenance fee per facility required by paragraph (aa)(1) shall be as follows:

Facility Name* and Location	Annual Operating and Maintenance Fee
Andeavor Corporation (Carson)	<del>\$871,086.00</del> 901,574.01
Andeavor Corporation (Wilmington)	<del>\$435,543.45</del> 0,787.00
Chevron U.S.A, Inc. (El Segundo)	<del>\$871,086.00</del> 901,574.01
<del>Delek U.S. Holdings, Inc. (Paramount)</del>	<del>\$217,771.50</del>
Phillips 66 Company (Carson)	<del>\$435,543.45</del> 0,787.00
Phillips 66 Company (Wilmington)	<del>\$435,543.45</del> 0,787.00
PBF Energy, Torrance Refining Company (Torrance)	<del>\$871,086.00</del> 901,574.01
Valero Energy (Wilmington)	<del>\$435,543.45</del> 0,787.00

<sup>17</sup> Changes to the remaining O&M fees in the table within 301(aa) reflect CPI increases as a result of Rule 320.

\*Based on the current facility names. Any subsequent owner(s) or operator(s) of the above listed facilities shall be subject to this rule.

**Justification/ Necessity/ Equity:** Rule 1180 – Refinery Fenceline And Community Air Monitoring (*approved in December 2017*), which implements Health and Safety Code §42705.6, requires affected facilities to pay an annual operating and maintenance (O&M) fee for refinery-related community air monitoring system(s) in communities near these refineries, pursuant to paragraph (aa) of Rule 301, when applicable. Petroleum refineries that have a maximum capacity to process less than 40,000 barrels per day are exempt from Rule 1180. One facility, Delek U.S. Holdings Inc. (Paramount) now known as AltAir Fuels was originally subject to the rule requirements, including the capital cost to establish a refinery-related community monitoring system and applicable annual O&M fees specified in paragraph (aa) of Rule 301. Since the latest amendment of Rule 301 in May 2018, Paramount has voluntarily accepted a permit condition limiting the operator’s throughput of crude oil to no more than 39,500 barrels per day, thus qualifying for the exemption under Rule 1180 requirements. In turn, Paramount is alleviated from paying the cost for a community monitoring system and the corresponding annual O&M fees set-forth in paragraph (aa) of Rule 301. This is an equitable approach as only those facilities with a community monitoring system should be responsible for annual O&M fees.

#### 10. **ELIMINATING SURCHARGE FOR CERTAIN LATE AER AMENDMENTS PERTAINING TO EMISSIONS DEVELOPED FROM SOURCE TESTS**

**Description of Proposed Amendment:** The revision provides relief from fee surcharges/penalties to owner/operators that had in good faith submitted source tests for review to the SCAQMD Source Test Unit prior to or at the time the AER was due, but had to base AER emissions on these source tests before they were approved.

**Proposed Amended Rule(s):** *Rule 301*  
(e)(10)(E) Effective July 1, 2019, if the underpayment is a result of emissions related to a source test that was submitted to the Source Test unit for approval prior to or at the time the official AER submittal due date of the subject annual emission report, the difference or underpayment shall be paid, but with no surcharges added. If the underpayment is paid within one year after the seventy-fifth (75<sup>th</sup>) day from the official due date, 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 paid after one year after the seventy-fifth (75<sup>th</sup>) day from the official due date, the fee rate to be applied shall be the fee rate in effect for the year in which the emissions are actually reported.

(EF) 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.

**Justification/  
Necessity/  
Equity:**

According to Rule 301 (e)(10)(C), if emission fees are paid timely, and if, within one year after the 75<sup>th</sup> day from the official due date is determined to be less than 90 percent of the full amount that should have been paid, a 15 percent surcharge should be added, and is calculated based on the difference between the amount actually paid and the amount that should have been paid. According to Rule 301 (e)(10)(D), one year and 75 days after the official due date of the AER, any fees due and payable for emissions reported or reportable pursuant to subparagraph Rule 301 (e)(8)(C) are assessed fees according to Rule 301 Tables III, IV, and V; and further increased by a penalty of 50 percent.

This amendment would eliminate the surcharge/penalty for emissions developed from source tests, where the source tests were submitted in good faith for approval to the SCAQMD Source Test Unit prior to or at the time the AER was due, but the source tests were not approved before the date surcharges/penalties would be currently assessed. Fees would still be required for any emissions that were underreported related to these source tests pursuant to fee rates discussed in Rule 301 (e)(10)(C) and (D). This amendment is necessary because of delays that sometimes occur in SCAQMD approval of source tests. SCAQMD staff believes surcharges/penalties are not appropriate in circumstance where emissions are reported based on source tests that were promptly submitted to the District, but were not approved by the District until a later date.

## **11. REDUCING CERTAIN CERTIFIED COPY FEES**

**Description  
of Proposed  
Amendment:**

This is a clarification and simplification of existing fees currently referenced in multiple (overlapping) sections. Currently, the fees to obtain a certified copy of a permit and the fees to obtain a reissued permit are mentioned in three locations. In Section (f)(1)-(2), flat fees are listed for non-Title V and Title V permits. In (l)(10)-(11), nearly identical fees are listed for RECLAIM facilities (both RECLAIM-only and RECLAIM/TV), but additional per-page fees apply for each page after the first page. In (n)(7)-(8), a single fee is listed for non-RECLAIM facility permits (notably lower than the other fees from sections (f) and (l)), with an additional fee (also lower than in section (l)), for each page after the first page. All Title V permits are facility permits, as are all

RECLAIM and RECLAIM/TV permits. This makes the rates in (n)(7)-(8) appear to be in conflict with those in sections (f) and (l).

By consolidating all certified copy and permit reissue fees in a single section that requires payment at the lowest rate in all three sections, the discrepancy between sections would be eliminated and future discrepancies would be avoided. The currently implemented procedure for printing certified copies or reissued permits has been streamlined and makes the per-page fee no longer necessary. Although this may result in a decrease in revenue for facility permits, the current annual number of requests for facility permit copies and reissued facility permits is negligible, so there is no anticipated impact on revenue. Also, in most cases, facility permits are not reissued, but instead required to submit an administrative amendment fee to reflect the types of changes that result in a reissuance.

**Proposed  
Amended  
Rule(s):**

*(note that sections (f), (f)(1), and (f)(2) are unchanged, but are provided here for clarity)*

**Rule 301**

(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) Certified Permit Copy

Facility Type	Non-Title V	Title V
<del>FY 2018-19</del>	<del>\$30.19</del>	<del>\$34.19</del>
FY 2019-20 and thereafter	<del>\$30.19</del> <u>\$31.24</u>	<del>\$37.84</del> <u>\$39.16</u>

(2) Reissued Permit

Facility Type	Non-Title V	Title V
<del>FY 2018-19</del>	<del>\$233.77</del>	<del>\$264.71</del>
FY 2019-20 and thereafter	<del>\$233.77</del> <u>\$241.95</u>	<del>\$292.93</del> <u>\$303.18</u>

...

(l) RECLAIM Facilities

~~(10) Certified Permits Copies~~

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

Facility Type	Non Title V	Title V
FY 2018-19	\$30.19	\$34.19
FY 2019-20 and thereafter	\$30.19	\$37.84

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

Facility Type	Non Title V	Title V
FY 2018-19	\$2.13/page	\$2.42/page
FY 2019-20 and thereafter	\$2.13/page	\$2.68/page

~~(11) Reissued Permits~~

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

Facility Type	Non Title V	Title V
FY 2018-19	\$233.78	\$264.71
FY 2019-20 and thereafter	\$233.78	\$292.93

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

Facility Type	Non Title V	Title V
FY 2018-19	\$2.13/page	\$2.42/page
FY 2019-20 and thereafter	\$2.13/page	\$2.68/page

## (n) All Facility Permit Holders

## (1) Applicability

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

~~(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 \$27.92 for the first page and \$1.97 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 \$216.14 for the first page plus \$1.97 for each additional page in the Facility Permit.~~

**Justification/  
Necessity/  
Equity:** The discrepancy between certified copy and permit reissuance fees was introduced as an error during rule amendment in 2017. The intent to recover increased costs from the Title V program is not met by assessing a lower fee for Title V-only Facility Permits, and the current configuration of multiple conflicting references is confusing and unclear.

By removing references to certified copy and reissuance fees in sections (l)(10)-(11) and (n)(7)-(8), fees are reduced and the correct fees are more clearly identified in sections (f)(1)-(2).

The adjustment is warranted to correct a mistake from an earlier rule revision. The adjustment will align and consolidate the fees for certified copies and reissuance of permits (and facility permits). In addition, for Title V-only facilities, the fee adjustment will continue to recover costs required to implement the Title V program, which is required by the Clean Air Act.

#### IV. PROPOSED RULE AMENDMENTS WITH NO FEE IMPACTS AND/OR ADMINISTRATIVE CHANGES

The proposed rule amendments in this section do not have fee impacts. Rather, these amendments generally include administrative changes, including clarifications, deletions, re-numbering, and corrections to existing rule language.

In addition to the proposed amendments to specific rule language as discussed below, and additional amendments that represent renumbering of rule sections/tables, due solely to any proposed addition and/or deletion of preceding rule sections/tables, are not separately listed below. Finally, all of the amended fee rates shown below reflect the proposed CPI-based fee increase and do not include any additional increase beyond the CPI-based adjustment.

##### 1. CREATION OF “NON-RECLAIM/NON-TITLE V” FACILITY CATEGORY IN TABLE VII OF RULE 301

**Description of Proposed Amendment:** Table VII of Rule 301 specifies fees applicable to holders of facility permits. In particular, Table VII identifies three separate categories of facility permits: Title V, RECLAIM, and Title V/RECLAIM. Currently, there are about 130 facilities in the “RECLAIM” category. As the RECLAIM program ends, and these non-Title V facilities exit the RECLAIM program, they will continue to hold their facility-wide permits unless they voluntarily apply to convert their facility-wide permit to individual equipment-based permits. The sunset of the RECLAIM program results in a re-naming of the category pertaining to these facilities. They will no longer be known as “RECLAIM” facilities. Instead, they will be known as “non-RECLAIM/non-Title V” facilities. This category name change requires an updating/clarification of Table VII to capture their new name/status/category. These facilities will continue to possess their same facility-wide permit and the fee they were paying for that facility permit will be unchanged.

**Proposed Amended Rule(s):**

##### ***Rule 301***

(n) All Facility Permit Holders

(3) Facility Permit Revision

Except as provided in paragraphs (m)(4) and (m)(5), 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 (j). For a non-Title V facility, the facility permit revision fee shall be the applicable facility permit fee in Table VII.

TABLE VII

~~FACILITY PERMIT FEES FOR FACILITIES THAT ARE RECLAIM ONLY, TITLE V ONLY, AND BOTH RECLAIM 7 TITLE V~~

Description	Rule section	<del>FY 2018-19</del>	FY 2019-20 and thereafter
Facility Permit Amendment/Revision Fee  • <u>RECLAIM Only or non-RECLAIM/non-Title V</u>  • Title V Only*  • RECLAIM & Title V*  * Includes administrative, minor, de minimis significant, or significant amendment/revision	(l)(4) (m)(4) (n)(3)	<del>\$1,170.63</del>  <del>\$1,325.61</del>  <del>\$2,496.24</del>	<del>\$1,170.63</del> <u>211.60</u>  <del>\$1,466.92</del> <u>518.26</u>  <del>\$2,637.55</del> <u>729.86</u>
Facility Permit Change of <u>Owner/Operator</u>  • Facility Permit Amendment Fee  Plus  • Application Processing Fee for Each Application	(c)(2) (l)(6) (m)(4) (n)(5)	<i>Facility Permit Amendment/Revision Fee</i> <i>(See Above)</i>  Plus  <i>Processing Fees</i> <i>(See Table FEE RATE-C)</i>	
Title V Facility Permit Renewal Fee (Due at Filing)  Plus  Hourly Rate for Calculation of Final Fee for Evaluation Time in Excess of 8 hours (Due upon Notification)	(m)(5) (m)(9)	<del>\$3,010.95</del>  Plus  <del>\$210.67</del> <del>per hour</del>	<del>\$3,331.91</del> <u>448.52</u>  Plus  <del>\$233.13</del> <u>241.29</u> per hour



**Justification/  
Necessity/  
Equity:**

Facility permits have additional administrative costs due to their comprehensive nature. The creation of a new category in Table VII is necessary to ensure the continued recovery of administrative costs associated with the processing of facility permits. The proposed revision makes clear that facility permit fees continue to apply to non-Title V facilities that exit the RECLAIM program.

## **2. UPDATE RULE 2002 REFERENCE FOR PERMIT REISSUANCE FEE**

**Description of Proposed Amendment:** This proposed amendment to Rule 301(l)(16) changes the reference from “Rule 2002(f)(7)” to “Rule 2002(f)(8)” to reflect renumbering that occurred as a result of the Rule 2002 amendment process in 2018.

**Proposed  
Amended  
Rule(s):**

***Rule 301***

(l) RECLAIM Facilities

*Renumbered as a result of another proposed amendment*

~~(46)(14)~~ Facility Permit Reissuance Fee for Facilities Exiting RECLAIM

A facility exiting the NO<sub>x</sub> RECLAIM program pursuant to Rule 2002(f)(~~7~~8) shall be assessed a Facility Permit Reissuance Fee for the conversion of its RECLAIM Facility Permit to a Command-and-Control Facility Permit. The conversion consists of removal of non-applicable RECLAIM provisions and addition of requirements for applicable command-and-control rules. The Facility Permit Reissuance Fee includes an initial flat fee, plus an additional time and materials (T&M) charge where applicable. Both the initial flat fee and T&M charge are tiered based on the number of permitted RECLAIM NO<sub>x</sub> sources at the facility. Both the initial flat fee and T&M charge are also differentiated based on a facility’s Title V status.

The initial flat fee to transition from NO<sub>x</sub> RECLAIM Facility Permit to Command-and-Control Facility Permit per Rule 2002(f)(~~7~~8) shall be paid at the time of filing and assessed according to the following fee schedule.

**Justification/  
Necessity/  
Equity:**

The proposed amendment would simply revise Rule 301 to reflect updated rule language by properly referencing Rule 2002(f)(8) instead of 2002(f)(7). No new fee or revision to existing fees would occur because of this amendment.

### 3. LATE SURCHARGE CLARIFICATION

**Description of Proposed Amendment:** This amendment would clarify rule references with respect to late surcharges. Rule 301(e)(11)(C) currently refers to Rule 301(e)(10) in regards to the surcharge if an installment fee payment is considered late. Since Rule 301(e)(10) has several subsections that apply to different conditions, some clarification/amendment to the rule language seem to be necessary to prevent confusion. The proposed amendment to Rule 301(e)(11)(C) would more specifically identify the subsections which is applicable, i.e. Rule 301(e)(10)(B). Subparagraph (e)(10)(B) would also be amended to include an appropriate cross-reference to subparagraph (e)(11)(C).

**Proposed Amended Rule(s):** *Rule 301*

(e)(10)(B) If fee payment and emissions report are not received within the time prescribed by subparagraph (e)(10)(A) or (e)(11)(C), 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))

(e)(11)(C) An installment fee payment shall be ~~is~~ considered late ~~and is subject to a surcharge~~ if not received by the District, or postmarked, on or before the ~~within seventy five (75) days~~ seventy-fifth (75<sup>th</sup>) day following July 1 of the current reporting period of the due date and shall be subject to a surcharge pursuant to subparagraph (e)(10)(B).

**Justification/ Necessity/ Equity:** The proposal would clarify which subparagraph should be used to estimate the surcharge in Rule 301(e)(10) to prevent confusion.

### 4. OWNER/OPERATOR CLARIFICATION IN RULE 209

**Description of Proposed Amendment:** Staff is proposing to amend Rule 209 with language that clarifies when a change of owner/operator occurs.

**Proposed  
Amended  
Rule(s):**

***Rule 209***

A permit shall not be transferable, whether by operation of law or otherwise, either from one location to another, from one piece of equipment to another, or from one person to another.

When equipment which has been granted a permit is altered, changes location, or no longer will be operated by the permittee, the permit shall become void. For the purposes of this rule, ~~mergers~~, name changes, or incorporations by an individual owner or partnership composed of individuals shall not constitute a transfer. Other transactions shall be deemed a transfer for purposes of this rule and shall require a change of operator or change of ownership as specified in the Change of Owner/Operator Guidelines adopted by the Executive Officer and in effect as of July 1, 2019 or as subsequently modified. The Executive Officer may update those Guidelines as appropriate in accordance with principles of California corporate law, and shall publish such updated Guidelines on the District's website.

**Justification/  
Necessity/  
Equity:**

Rule 209 currently states that a merger does not result in a transfer of owner/operator at a facility. This position is inconsistent with the principles of California corporate law. The rule is being amended to remove that inconsistency. In addition, the rule is being updated to include a reference to District issued Change of Operator/Owner Guidelines prepared by the District.

**5. SEVERABILITY IN RULE 301**

**Description  
of Proposed  
Amendment:**

Staff is proposing to add a severability clause to Rule 301.

**Proposed  
Amended  
Rule(s):**

***Rule 301***

**(ac) 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.

**Justification/  
Necessity/  
Equity:**

Rule 301 contains multiple fees associated with the District's permit processing program. These fees constitute a significant portion of the District's revenue. Staff is proposing to add a severability clause to protect revenue in circumstances when one or more of these fees are successfully challenged.

**V. IMPACT ASSESSMENT****A. FISCAL IMPACT FOR SCAQMD**

The fiscal impact of the proposed amendments, including except for those impacted only by the CPI increase, have not been taken into consideration by the FY 2019-20 budget and the related five-year projections is estimated to be -\$0.30 million in FY 2019-20, \$1.76 million in FY 2020-21, and \$4.12 million in FY 2021-22 and thereafter.

**B. CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)**

The proposed project is comprised of amendments to Regulation III, and Rule 209. Proposed Amended Regulation III – Fees, consists of: 1) an increase in fees consistent with the increase in the California Consumer Price Index (pursuant to Rule 320); 2) new and increased fees to meet the requirements of recently adopted rules and state mandates; 3) new or increased fees for cost recovery; 4) the removal, reduction, and capping of certain fees to provide fee reduction and relief; and 5) administrative changes that include clarifications, deletions, or corrections to existing rule language for multiple rules that comprise Regulation III (Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315). Proposed Amended Rule 209 – Transfer and Voiding of Permits, consists of a clarification on how permit transfers are considered when there is a change of owner/operator. Pursuant to the California Environmental Quality Act (CEQA) and SCAQMD Rule 110, the SCAQMD, as lead agency for the proposed project, has reviewed the proposed amendments to Regulation III and Rule 209 pursuant to: 1) CEQA Guidelines Section 15002(k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA; and 2) CEQA Guidelines Section 15061 – Review for Exemption, procedures for determining if a project is exempt from CEQA. With respect to the proposed new and increased fees, and the administrative changes in Proposed Amended Regulation III and Proposed Amended Rule 209 that are strictly administrative in nature, it can be seen with certainty that there is no possibility that the proposed project may have a significant adverse effect on the environment. Thus, the project is considered to be exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Common Sense Exemption. Additionally, the entirety of Proposed Amended Regulation III is statutorily exempt from CEQA requirements pursuant to CEQA Guidelines Section 15273 – Rates, Tolls, Fares, and Charges, because the proposed new and increased fees, and the proposed amendments to Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315 involve charges by public agencies for the purpose of meeting operating expenses and financial reserve needs and requirements. Also, the proposed amendments to Rule 209 isare categorically exempt because they are it is designed to further protect or enhance the environment pursuant to CEQA Guidelines Section 15308 – Action by Regulatory Agencies for Protection of

the Environment. Further, SCAQMD staff has determined that there is no substantial evidence indicating that any of the exceptions to the categorical exemptions apply to the proposed amendments to Rule 209 pursuant to CEQA Guidelines Section 15300.2 – Exceptions. Therefore, the proposed project is exempt from CEQA. A Notice of Exemption will be prepared pursuant to CEQA Guidelines Section 15062 – Notice of Exemption. If the project is approved, the Notice of Exemption will be filed with the county clerks of Los Angeles, Orange, Riverside, and San Bernardino counties.

### **C. SOCIOECONOMIC IMPACT ASSESSMENT**

A draft socioeconomic impact assessment for the automatic CPI increase has been prepared as a separate report and was posted online on March 15, 2019 (available on SCAQMD's website at: [http://www.aqmd.gov/docs/default-source/finance-budgets/fy-2019-20/draft-socioeconomic-assessment-for-automatic-cpi-increase\\_2019.pdf](http://www.aqmd.gov/docs/default-source/finance-budgets/fy-2019-20/draft-socioeconomic-assessment-for-automatic-cpi-increase_2019.pdf).) A socioeconomic impact assessment of other proposed rule amendments with fee impacts will be conducted and released for public review and comment at least 30 days prior to the SCAQMD Governing Board Hearing on Proposed Amended Regulation III and Fiscal Year 2018-19 Proposed Draft Budget and Work Program, which is anticipated to be heard on May 4, 2019.

## **VI. DRAFT FINDINGS UNDER CALIFORNIA HEALTH AND SAFETY CODE**

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 in H&SC Section 40727, as well as findings of equity under H&SC Section 40510.5(a). The draft findings are as follows:

### **A. NECESSITY**

Based on the analysis provided in Sections II, III, and IV of this report, ~~the SCAQMD Governing Board has determined that~~ a need exists to add or increase certain fees in Rules 301 and 309 in order to recover reasonable and actual costs incurred by SCAQMD in implementing necessary clean air programs. These fees include fees for toxic emissions, Rule 1118.1 notification fees, PERP inspection fees, Rule 309 fees for certain plans required by Regulation XVI and XXV, and new renewal fees for CAS/CACC certifications. In addition, ~~the SCAQMD Governing Board has determined that~~ other fees in Rule 301 and 308, should be eliminated, reduced, or capped because such fees are resulting in collateral and unanticipated costs to the District and/or are no longer necessary due to process improvements at the SCAQMD. Finally, the amendments set forth in the no fee impact/administrative change section of this report are necessary to add rule clarity or make necessary administrative changes to Rule 301. CPI updates to Regulation III – Fees, including Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314 and 315 are necessary to recover SCAQMD's costs as a result of inflation. All fees are necessary to fund the Fiscal Year 2019-20 Budget. It is also necessary to amend Rule 209 to clarify when a change of owner/operator occurs. As currently written, it is inconsistent with California corporate law insofar as it provides that a merger that does not result in a transfer of owner/operator at a facility.

## **B. EQUITY**

H&SC Section 40510.5(a) 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. Based on the analysis provided in Section III of this report, the proposed new fees or increases in fee rates in Proposed Amended Rules 301, 308, and Rule 309 are found to be equitably apportioned.

## **C. AUTHORITY**

The SCAQMD Governing Board obtains its authority to adopt, amend, or repeal rules and regulations from H&SC Sections 40000, 40001, 40440, 40500, 40501.1, 40502, 40506, 40510, 40510.5, 40512, 40522, 40522.5, 40523, 40702, and 44380, and Clean Air Act section 502(b)(3) [42 U.S.C. §7661(b)(3)] .

## **D. CLARITY**

~~The SCAQMD Governing Board has determined that Regulation III – Fees, including Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, 315 and 209, as proposed to be amended, are written or displayed so that their meaning can be easily understood by the persons directly affected by them.~~

## **E. CONSISTENCY**

~~The SCAQMD Governing Board has determined that Regulation III – Fees, including Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, 315, and Rule 209 as proposed to be amended, are in harmony with, and not in conflict with or contradictory to, existing statutes, court decisions, or state or federal regulations.~~

## **F. NON-DUPLICATION**

~~The SCAQMD Governing Board has determined that Regulation III – Fees, including Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, 315, and Rule 209, 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, i~~In amending these rules, references the following statutes which the SCAQMD hereby references, implements, interprets, or makes specific: H&SC Sections 40500, 40500.1, 40510, 40510.5, 40512, 40522, 40522.5 40523, 41512, and 44380, and Clean Air Act section 502(b)(3) [42 U.S.C.S. 7661 (b)(3)].

**APPENDIX A – RULE 320**

(Adopted October 29, 2010)

**RULE 320. AUTOMATIC ADJUSTMENT BASED ON CONSUMER PRICE INDEX FOR REGULATION III FEES****(a) Purpose**

The purpose of this rule is to automatically adjust most fees established in Regulation III by the California Consumer Price Index each year, unless a rule adopted for a specific year provides otherwise for some or all of those fees.

**(b) Applicability**

Effective July 1 of each calendar year after October 29, 2010, each fee set forth in Regulation III as of October 29, 2010 shall be automatically adjusted by the change in the California Consumer Price Index for the preceding calendar year, as defined in Health and Safety Code §40500.1(a).

**(c) Exceptions**

- (1) The provisions of subdivision (b) shall not apply for any fiscal year for which a rule is adopted for a specific fee or fees or for all fees that provides for a different adjustment or no adjustment. In such a case, subdivision (b) shall again apply for the subsequent years.
- (2) The provisions of subdivision (b) shall not apply to any fee which is charged for a dishonored check, which shall be as set forth by statute, nor to Rule 317, which shall instead be automatically adjusted as stated in Rule 317(d)(2).

- (d) This rule shall become inoperative if the voters do not enact Proposition 26 on the November 2, 2010 ballot.

**APPENDIX B – SUMMARY OF PROPOSED AMENDED RULES**

Rule	Referencing	CPI	Fee Impacts	No Fee Impacts and/or Administrative Changes
301(aa)	Amend Rule 301 Paragraph (aa) to remove Delek U.S. Holdings, Inc. (Paramount)	✓	✓	
301(e)	TAC Fee Increases for AER, AB 2588, and Special Monitoring Cost Recovery	✓	✓	
301 (e)(10)(E)	New subparagraph Rule 301 (e)(10)(E), existing subparagraph Rule 301 (e)(10)(E) would be renumbered Rule 301 (e)(10)(F)	✓		✓
301(e)(10)(B)	Clarification to Rule 301(e)(10)(B)	✓		✓
301(e)(11)(C)	Clarification to Rule 301(e)(11)(C)	✓		✓
301(f)(1)	Certified Copy Fees for Title V Facilities in Rule 301	✓	✓	
301(l)(10)	Certified Copy Fees for Title V Facilities in Rule 301	✓	✓	
301(l)(16)	Change Reference to Rule 2002 (f)(7) to Rule 2002 (f)(8)	✓		✓
301(n)(3)	Creation of “former RECLAIM/non-Title V” facility category in Table VII of Rule 301	✓		✓
301(n)(7)	Certified Copy Fees for Title V Facilities in Rule 301	✓	✓	
301(r)	Clean Air Solvent Certification Fees	✓	✓	
301(v)	Update Rule 301 Fee and update Table VI applying to Rule 1403	✓	✓	
301(w)	Enforcement Inspection Fees for PERP Regulations		✓	
301(x)	Include Rule 1118.1 in rules subject to fees in Rule 301 (x)	✓	✓	



Rule	Referencing	CPI	Fee Impacts	No Fee Impacts and/or Administrative Changes
301 Table IV	TAC Fee Increases for AER, AB 2588, and Special Monitoring Cost Recovery	✓	✓	
301 Table VI	Certified Copy Fees for Title V Facilities in Rule 301	✓	✓	
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(c)(2)	Remove Fee in Rule 308 for Adding/Deleting Site from a Multi-Site or Geographic Program	✓	✓	
308	On-Road Motor Vehicle Mitigation Options Fees	✓		
309(c)(2)	Aligning Inspection Fee Rates in Rule 306 and 309	✓	✓	
309(c)	Aligning Inspection Fee Rates in Rule 306 and 309	✓	✓	
309	Fees for Regulation XVI and Regulation XXV	✓		
311	Air Quality Investment Program (AQIP) Fees	✓		
313	Authority to Adjust Fees and Due Dates	✓		
314	Fees for Architectural Coatings	✓		
315	Fees for Training Classes and License Renewal	✓		

## **APPENDIX C – DETAILED BREAKDOWN OF DISTRICT COSTS FOR STATIONARY SOURCE TOXICS: EXISTING SOUTH COAST AQMD PROGRAMS**

SCAQMD Division	District Work Programs Eligible to be Paid for by Emissions Fees*	Total FTE Staff in Work Programs (FY 18-19)	Portion of Program Paid for with Emissions Fees (FY 18-19)	Percent of Program Effort on Stationary Source Toxics**	Program Cost for Stationary Source Toxics	Division Total	<p>This analysis used as a baseline every South Coast AQMD work program that is at least partially paid for with emissions fees. The amount of emissions fees used to pay for each work program is listed in the middle column. Staff from each program then provided estimates for the resources that were spent on toxics emissions from permitted facilities. This percentage was then multiplied by the middle column. The subtotals from this calculation were then summed, resulting in the total of ~\$9.25 million.</p>
Compliance	Public Complaints/Breakdowns	14.1	\$1,140,113	60%	\$684,068	\$1,207,708	
	Compliance Guidelines		\$316,698	50%	\$158,349		
	Compliance Testing		\$219,132	50%	\$109,566		
	Rulemaking/Support PRA		\$10,937	41%	\$4,484		
	Compliance/IM Related Activities		\$108,566	100%	\$108,566		
Permitting	Emergency Response	4.3	\$20,480	100%	\$20,480	\$137,343	
	Perm Proc/IM Programming		\$58,131	25%	\$14,533		
	Rulemaking/Support PRA		\$10,937	41%	\$4,484		
	School Siting		\$56,991	100%	\$56,991		
	Rulemaking		\$50,722	41%	\$20,796		
Planning & Rules	Environmental Justice	31.1	\$302,926	50%	\$151,463	\$4,747,199	
	Customer Service		\$17,097	50%	\$8,549		
	Rulemaking/Toxics		\$2,492,700	100%	\$2,492,700		
	Annual Emission Reporting		\$2,297,884	60%	\$1,378,730		
	Socio-Economic		\$1,024,833	41%	\$415,218		
	SCAQMD Projects		\$326,949	25%	\$81,737		
	CEQA Document Projects		\$106,598	50%	\$53,299		
	Regional Modeling		\$197,933	25%	\$49,483		
	AQMP/Emissions Inventory		\$117,384	10%	\$11,738		
	Emissions Inventory Studies		\$83,845	50%	\$41,923		
	Health Effects		\$66,283	100%	\$66,283		
	Ch Communities Plan		\$28,326	100%	\$28,326		
Leg & Public Affairs	MATES V	22.1	\$27,136	100%	\$27,136	\$695,360	
	El-AQ Guidance Document		\$5,212	100%	\$5,212		
	Intergov Geographic Deployment		\$571,483	50%	\$285,742		
	Environmental Justice		\$302,926	50%	\$151,463		
	Small Business/Permit Streamln		\$230,107	30%	\$69,032		
	Outreach/Business		\$93,208	35%	\$32,623		
	Public Education/Public Events		\$76,504	30%	\$22,951		
	Clean Air Connections		\$53,595	30%	\$16,078		
	Public Notification		\$47,778	90%	\$43,001		
	Fee Review		\$14,318	0%	\$0		
	Lab & Monitoring		Public Information Center	18.6	\$41,993		90%
Environmental Education		\$25,632	30%		\$7,690		
Advisory Group/Ethnic Comm		\$21,438	70%		\$15,006		
Ambient Air Analysis		\$347,848	50%		\$173,924		
ST Methods Development		\$207,811	75%		\$155,858		
Quality Assurance		\$131,249	33%		\$43,312		
Spec Monitoring/Emerg Response		\$109,374	50%		\$54,687		
ST Sample Analysis/Air Program		\$54,687	75%		\$41,015		
ST Sample Analysis/Air Program		\$54,687	75%		\$41,015		
VOC Sample Analysis/Rules		\$52,500	41%		\$21,525		
Air Quality Data Management		\$28,437	10%		\$2,844		
NATTS(Natl Air Tox Trends Sta)		\$22,969	100%		\$22,969		
Legal		Environmental Justice	10.7		\$302,926	50%	\$151,463
	DB/Computerization	\$14,437		33%	\$4,764		
	Rulemaking/Support PRA	\$10,937		41%	\$4,484		
	Ongoing lab/monitoring consumables	\$1,046,000		85%	\$887,264		
	Case Disposition	\$810,146		25%	\$202,536		
	Legal Rep/Litigation	\$699,670		25%	\$174,917		
Admin, IM, etc.	Rules/Legal Advice	20.8	\$341,114	41%	\$139,857	\$257,166	
	CEQA Document Projects		\$106,598	50%	\$53,299		
	Interagency Coordination		\$52,304	33%	\$17,260		
	Legal Rep/Legislation		\$49,746	25%	\$12,436		
	New System Development		\$473,234	15%	\$70,985		
	Systems Maintenance		\$387,287	25%	\$96,822		
TOTAL		121.6				\$9,250,209	
* Consistent with Health and Safety Code 40510							
** Estimates provided by each Division							

## **DETAILED BREAKDOWN OF DISTRICT COSTS FOR STATIONARY SOURCE TOXICS: AB 617 WORK PROGRAMS**

AB 617 Work Programs	Full Time Equivalent Staff***	AB 617 Sub-Programs	Anticipated Costs for Year 1 of AB 617 Sub-Programs	Anticipated Percent of Sub-Program Focused on Stationary Source Toxics****	Anticipated Sub-Program Costs for Stationary Source Toxics	Anticipated Program Total for Stationary Source Toxics
Community Monitoring and Analysis	23	Equipment, Sensors, Monitoring Sites, Vehicles	\$3,271,500	50%	\$1,635,750	\$5,752,056
		Recurring Costs (hazardous wst, license, software, etc)	\$1,145,000	50%	\$572,500	
		Recurring Costs (Equipment, Vehicles, real estate)	\$302,000	50%	\$151,000	
		Contract (remote sensing, laboratory)	\$1,380,000	50%	\$690,000	
		Staff Expense	\$5,385,612	50%	\$2,692,806	
		Travel	\$20,000	50%	\$10,000	
Community Emission Reduction Plans	23.5	Software & Website	\$100,000	70%	\$70,000	\$3,363,941
		Steering Committee/Community Meetings	\$404,440	70%	\$283,108	
		Steering Committee/Community Engagement	\$44,400	70%	\$31,080	
		Staff Expense	\$4,256,791	70%	\$2,979,754	
Uniform Emissions Reporting	6.0	Inventory Protocol Implementation Staff	\$1,457,065	60%	\$874,239	\$1,054,239
		Software, Data Enhancements & Programming	\$300,000	60%	\$180,000	
<b>TOTAL</b>	<b>52.5</b>					<b>\$10,170,236.3</b>

\*\*\* Estimate based on expected workload to implement AB 617 and is consistent with previous Board approvals when recognizing one time revenues from the state in January and December 2018

\*\*\*\* Estimated percentages for Community Monitoring and Emission Reduction Plans based on expected long-term implementation of AB 617 across many communities. In addition, District efforts on Emission Reduction Plans are expected to focus on stationary sources while CARB resources are expected to focus more on mobile sources. Estimated percentages for Emissions Reporting are consistent with current Annual Emissions Reporting workload.

This analysis used as a baseline a budgeting analysis conducted for Year 1 implementation of the South Coast AQMD AB 617 program. This baseline estimate is consistent what has previously been discussed with Community Steering Committees (e.g., <http://www.aqmd.gov/docs/default-source/ab-617-ab-134/steering-committees/wilmington/presentation-feb12-2019.pdf>). The baseline total estimated workload is \$27.7 million for all South Coast AQMD AB 617 work. Note that costs are expected to increase in future years due to the addition of more AB 617 communities. Costs for all work programs that may address toxics emissions from permitted facilities, at least in part, are listed in the middle column.

Staff then estimated the amount of work dedicated to toxics emissions from permitted facilities for each program. Because AB 617 is a new program, these estimates are uncertain as work proceeds, and as new communities are added, each with its own unique needs. These estimated percentages are based on staff's experience in conducting similar work in the past in other communities (e.g., Paramount), and in the recognition that South Coast AQMD has primary authority over stationary sources while CARB has primary authority over mobile sources. Hence, while many communities may be impacted largely by mobile sources, much of that work would be conducted by CARB, while South Coast AQMD would focus on permitted stationary sources.

Similar to the analysis for existing South Coast AQMD work programs on the previous page, the percentages for each program were multiplied by the middle column, and the resulting subtotals were summed to arrive at the estimate of approximately \$10.2 million for AB 617 work on toxics emissions from permitted sources. This estimate comes out to about one third of all AB 617 work being focused on toxics emissions from permitted facilities.

**APPENDIX D – PUBLIC COMMENTS**

**From:** [jmeyer@aviation-repair.com](mailto:jmeyer@aviation-repair.com) [<mailto:jmeyer@aviation-repair.com>]  
**Sent:** Friday, April 12, 2019 8:15 PM  
**To:** Shah Dabirian <[SDabirian@aqmd.gov](mailto:SDabirian@aqmd.gov)>  
**Cc:** [john.kabateck@nfib.org](mailto:john.kabateck@nfib.org); 'Wesley Turnbow' <[wturnbow@emeplating.com](mailto:wturnbow@emeplating.com)>  
**Subject:** FW: Webinar To Discuss Proposed New Toxics Emissions Fees

Hi Shah,

These are not ready for a review by the board. You should consider:

- 1) How would a facility determine how many devices to which it should apply the “flat rate device fee” to? How would we count the “unpermitted” items? What are they? and how would you define what is countable? Are you counting my stacks (1), or my tanks (6), or my rectifiers (many)? And what unit of measure would be used to count an activity? Is duration of activity important? This seems to be a pretty fundamental problem with the proposal. Obviously without these definitions the public from whom you are seeking comment input can only estimate the MINIMUM they would pay based on their known number of permits. The maximum is an undefined unknown. I hope this is not intentional. 1-1
- 2) I am curious how the “TEF Impact by Industry” analysis dealt with my business. We are an FAA repair facility, a 100% service business, and a small business with 16 employees but somehow not included in the 146 establishments the industry analysis has in the “Services: Repair and Maintenance” category. Our fees ALONE would total more than are attributed as the entire amount that segment of 146 companies would pay. The proper inclusion of us in that category would cause the category average to more than double and we would be the top impacted business in the category. We are NAICS 488190. What category does AQMD think we are in? What category are the other metal finishers in? They are all service businesses. Makes me suspicious of the entire page. Obviously this also taints the line purporting to represent the impact on small business as well. I would think the small business advocates might take more interest if higher values are shown in the small business line. 1-2
- 3) My kids and grandkids sometimes fly in airplanes. When they do, I am very happy that the following systems, which are designed to include hexavalent chromium, cadmium, and nickel work effectively: Landing Gear, Thrust Reversers, Rudder Actuators, Ball-screws, and Propeller Actuators. I am glad that police forces are able to fly safely in helicopters that use the same materials in Rotor Servos and Actuators. I am glad that our Armed Forces are able to rely on the safe operation of aircraft. We maintain all of the above. We are keeping you and your children safe, every day. As you consider how beneficial it would be to the nation to roll AQMD policies nationwide, consider the impact on lives if critical aircraft maintenance could only be performed economically in countries without the same environmental rules we have. 1-3

Best Regards,  
 Jim Meyer

**Response to Comment 1-1**

As stated in the staff report on page 28, footnote 15, devices will continue to be reported in the same manner as is currently required for the Annual Emissions Reporting (AER) program through its web tool. Since 2014, all facilities have been required to report emissions through AER at the device level (often called an ‘Emission Source’ within the web-tool). Therefore, the methodology for reporting the number of devices within AER is not changed. Several guidance documents are available online to guide facilities in reporting emissions for their facility, including instructions for reporting emissions at the device level (<http://www.aqmd.gov/home/rules-compliance/compliance/annual-emission-reporting>). For example, in the Frequently Asked Questions document located on the AER website, Questions 18 and 19 state:

**18. What is An Emission Source (ES)?**

Emission source (ES) and its numbers are generated by the reporting tool for tracking purposes. It is designated to a source of emission, whether permitted or not. Each ES is assigned to a device/equipment in facility’s permit profile. User can always add ES to the list for the missing source of emissions, permitted or not.

**19. How Do I Add an Emission Source (ES)?**

User can add an emission source for the operation that either does not require a written permit (Rule 219 equipment or un-permitted operations) or missing from the uploaded permit profile. Please see “Add an Emission Source” section in Help and Support manual for detailed instructions.

The number of devices for each facility will vary depending on the specific nature of each facility’s operations. In general, every permitted device is an emissions source, as are unpermitted non-vehicular equipment with emissions (e.g, Rule 219 registered equipment). Facilities may contact AER staff to discuss how many devices must be reported for their facility [(909) 396-3660, [aer@aqmd.gov](mailto:aer@aqmd.gov)].

**Response to Comment 1-2**

The commenter’s facility is not included in the ‘TEF Impact by Industry’ table because Proposed Amended Rule 301 will not require the facility to report emissions. This facility’s emissions are below the thresholds required to report emissions in paragraphs (e)(1) and (e)(5). CARB is proposing a new regulation (Criteria and Toxics Reporting [CTR]) that may require more facilities to report their emissions to air districts, however this regulation has not been finalized, and the additional reporting requirements from that regulation are unknown. Because the commenter’s facility is not required to report emissions (or pay the proposed toxics emissions fees) to South Coast AQMD pursuant to Proposed Amended Rule 301, no socioeconomic impacts for this facility are presently expected if the Board approves this rule. Staff confirms the commenter’s facility categorization, *Other Support Activities for Air Transportation*, which is classified as 488190 in NAICS.

If this facility is required to report emissions (and subsequently pay toxics emissions fees) by the new state regulation, then the South Coast AQMD’s workload is expected to increase in proportion to all other facilities currently reporting under Rule 301 – and fees will be tied to the facility’s reported toxics emissions level and number of devices.

**Response to Comment 1-3**

Proposed amendments to Regulation III do not prohibit the use of hexavalent chromium, cadmium, and nickel in industrial and commercial applications. The South Coast AQMD has no plan or authority to “roll [its] policies nationwide.” Unfortunately, the use of toxic metals, even if necessary or beneficial, creates work and costs for the South Coast AQMD. The new fee schedule is proposed to recover costs incurred by the agency in relation to activities such as monitoring, rulemaking, and enforcement of rules for toxic air contaminants currently in the Rule 301 Table IV list. Some notable examples of recent efforts undertaken by the South Coast AQMD include: the Community Air Toxics Initiative and hexavalent chromium monitoring in the cities of Paramount and Compton, the work on fugitive toxic metal emissions (e.g., nickel, arsenic, lead) from facilities such as battery recyclers and others in the metal-working industry and fugitive hydrocarbon emissions.

The proposed increased in toxic emission fees would increase the cost of services rendered by the affected industries in the region. The magnitude of the impact depends on the size and diversification, and infrastructure in a local economy as well as interactions among industries. The socioeconomic analysis for Regulation III found that our region’s large, diversified, and resourceful economy is expected to absorb the impact described above with minimal impact. The socioeconomic assessment of the proposed amendments shows that nearly 40 percent of the facilities currently subject to toxic emission fees will have no future difference in their total annual toxics fees compared with the 2017 reporting year, and only about 132 out of about 22,000 permitted facilities are expected to incur more than \$5,000 in toxics emissions fees annually.

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**From:** Ahn, Terry [mailto:tahn@ocsd.com]  
**Sent:** Friday, April 19, 2019 2:28 PM  
**To:** REG 3 Questions <reg3questions@aqmd.gov>  
**Subject:** [EXTERNAL]

1. There should be a discount given for device fee for identical equipment similar to discount given for permit processing fee.
2. AB 617 work related costs should be recovered only from those facilities that are located in the communities that are selected by CARB.

} 2-1  
 } 2-2

Thank you!



**Terry Ahn**  
 Orange County Sanitation District  
 Laboratory, Monitoring, and Compliance | Regulatory Specialist  
 Office: 714.593.7082  
[www.ocsd.com](http://www.ocsd.com)

### **Response to Comment 2-1**

The current proposal for the device-level fee corresponds with the workload associated for each individual device in auditing by South Coast AQMD staff the emission reporting. While some devices may be similar for permitting purposes, their annual emissions often vary due to differences in throughput, etc., hence the toxics inventory workload for each device generally cannot be streamlined even for similarly permitted equipment.

### **Response to Comment 2-2**

Under the new fee structure, higher toxics emitting facilities will pay higher fees, consistent with the expected increased South Coast AQMD workload. This is more equitable than allocating fees based on geography, as suggested by the commenter. With respect to AB617 new communities need to be added every year, and many facilities located outside of AB 617 communities impact residents inside AB 617 communities. This fact, along with the nature of the work required for the South Coast AQMD, means that AB 617 has impacts that extend beyond the initially chosen communities. For example, monitoring-related investigations instigated at the request of a particular community will generate knowledge that has impacts beyond that individual community. The District's past work at specific lead or metal finishing facilities contributed immensely to the District's knowledge about the behavior of fugitive emissions. That knowledge has been applied in other contexts. In addition, work in an AB 617 community is expected to result in additional rulemaking responsibilities for the agency. That rulemaking will not be targeted at a single facility in a single community. Instead, it will be a rule of general application throughout the South Coast Air Basin. Under these circumstances, it would not be equitable to seek recovery of these expenses from a single or limited number of facilities in a single community.

It is also significant that much of the current South Coast AQMD work on toxics emissions from permitted sources is also associated with non-AB 617 work as illustrated in the Final Staff Report in Chapter III and Appendix C. Finally, the Board resolution also contains a requirement for staff to report back to the Administrative Committee within one year of final phase in of the toxics emissions fee on the revenues raised by the fee, the costs of toxics work covered by the fee, and the District's efforts to obtain funding for toxics work covered by this fee.

**From:** Natasha Meskal [mailto:nmeskal@ecotek.com]

**Sent:** Friday, April 19, 2019 2:29 PM

**To:** REG 3 Questions <reg3questions@aqmd.gov>

**Subject:** [EXTERNAL]So when will toxic emissions fee be assigned for emissions < 1 pound?

Hi,

So when will toxic emissions fee be assigned for emissions < 1 pound?

} 3-1

Are you planning to re-evaluate default emission factors?

} 3-2

Will you add option to add control, when applicable, to combustion worksheets?

} 3-3

Thank you.

Best Regards,

Natasha Meskal

**Ecotek**

17610 Beach Blvd. Ste. 47

Huntington Beach, CA 92647

714-596-8836 Ext. 304

714-596-8837 Fax

WWW.ECOTEK.COM

### **Response to Comment 3-1**

The current proposal uses thresholds specific to each Table IV listed pollutant, and therefore some compounds have thresholds that exceed 1 pound per year, while others have thresholds that are significantly less than one pound. The thresholds used are consistent with thresholds used for reporting emissions under the AB 2588 Toxics Hot Spots Program. Reporting under the new toxics emissions fee structure is proposed to begin in January 1, 2021 for emissions that occurred in 2020.

### **Response to Comment 3-2**

South Coast AQMD is committed to improving default emission factors for emission reporting, which are largely based on source testing. As estimation methods improve, emission reporting will reflect the best available methodologies. California Air Resources Board is similarly looking into new reporting methods as part of AB617 and the requirement for uniform emission reporting of toxic air contaminants. In addition, the Board resolution contains a requirement for South Coast AQMD staff to convene a working group and review and update default emission factors as appropriate, and report back to its Stationary Source Committee within 12 months on the status of this work.

### **Response to Comment 3-3**

The current AER web tool allows users to include the effect of controls to all emission sources, including combustion worksheets. If the commenter has detailed suggestions for improvements to the web-tool, she is encouraged to contact AER staff directly at [(909) 396-3660, aer@aqmd.gov].



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**From:** Natasha Meskal [mailto:nmeskal@ecotek.com]

**Sent:** Friday, April 19, 2019 2:32 PM

**To:** REG 3 Questions <reg3questions@aqmd.gov>

**Subject:** [EXTERNAL]Questions

Hi,

What will be toxic fee threshold?

} 4-1

Will toxic emissions affect AER applicability?

} 4-2

Thank you.

Best Regards,

Natasha Meskal

Ecotek

17610 Beach Blvd. Ste. 47

Huntington Beach, CA 92647

714-596-8836 Ext. 304

714-596-8837 Fax

WWW.ECOTEK.COM

#### **Response to Comment 4-1**

The requirements for toxics fees are stated in Rule 301 (e) and thresholds are listed in TABLE IV.

#### **Response to Comment 4-2**

These amendments are not designed to require more facilities to report emissions. The requirements for reporting emissions to the South Coast AQMD are listed in paragraph 301(e)(1). If a facility emits more than 4 TPY of any criteria pollutant, that facility must report all criteria pollutant emissions and the emissions for all toxics listed in TABLE IV of Rule 301. CARB is currently in the process of drafting a regulation related to criteria pollutant and toxics emissions reporting. This regulation entitled Criteria Toxics Reporting (CTR) may require additional facilities to report toxic emissions in the future to air districts, however proposed amendments to Rule 301 do not duplicate any potential requirements from CARB's proposed CTR regulation.

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From: James Simonelli [mailto:james@metalscoalition.com]

Sent: Friday, April 19, 2019 2:27 PM

To: REG 3 Questions <reg3questions@aqmd.gov>

Subject: [EXTERNAL]Questions

Hi Ian:

- |  |   |     |
|--|---|-----|
| <p>1) Slide 7. Since the phase-in of the TAC fee is not imminent, what is the objection to taking more time to discuss these fees? Is there a deadline to hear this May 3?</p>   | } | 5-1 |
| <p>2) Slide 6. Many companies will see a 400-600% increase in a TAC fee (ex: fee would increase from \$2000 to \$8000). Was this addressed in Slide 6. And how often does SCAQMD increase fees at this high level?</p>   | } | 5-2 |
| <p>3) General question. Does the SCAQMD acknowledge that the same companies are getting hit with higher fees and taxes from 10-20+ California government agencies? Each agency takes \$5,000-\$10,000 each, but it adds up to hundreds of thousands of dollars every year.</p> | } | 5-3 |
| <p>4) General comment. Friday afternoon of a major holiday weekend is probably the worst timing. Any reason why this webinar couldn't have been done next week?</p>  | } | 5-4 |

Thank you!

James Simonelli, Executive Director  
 California Metals Coalition  
<http://www.metalscoalition.com>  
 916-933-3075

### **Response to Comment 5-1**

The Commenter's questions are in reference to the slide presentation made on April 19, 2019. Regulation III is customarily packaged with the annual budget update, and staff is proposing rule amendments and the budget together at the May 3 Governing Board hearing. One of the objectives of the delayed implementation schedule and proposed three year phase-in was to offer facilities ample time to evaluate the proposed amendments and their potential impacts. Delaying implementation allows facilities to take a closer look at their current emissions profile and to also look into the possibility of more source testing. The current phase-in allows facilities the opportunity to look at their emissions profile and plan for the optimal way to report their emissions under this new fee structure.

### **Response to Comment 5-2**

Some facilities would experience increases in toxic fees relative to current toxic fees, consistent with the level indicated by the commenter. Some facilities are expected to pay even higher fees, as shown in Table 4 of the Socioeconomic Assessment. The current fee level is relatively low and does not cover all costs associated with current and anticipated work on toxic emissions at stationary sources. That shortfall, if allowed to continue, has the potential to create inequities in the overall permitted source program. The SCAQMD is committed to reasonable cost recovery and equitable allocation of its fees. Looking across all emissions fees, including criteria pollutants,

staff anticipates these amendments will result in an approximately 22% increase in total emissions fees collected. Staff continually evaluates the level of fees collected from facilities relative to the workload associated with permitting and other activities related to permitted facilities. Fees are increased or decreased as appropriate. For example, most recently in 2017 Regulation III was amended to include an increase in Title V fees that totaled approximately \$4 million in additional revenue to address that program's needs. In contrast, staff also proposes fee reductions when appropriate. The proposed amendments this year also include an approximate \$300,000 reduction in fees for asbestos demolition notifications consistent with expected streamlining of staff work for that program.

### **Response to Comment 5-3**

The South Coast AQMD provided a detailed Socioeconomic Impact Assessment for the proposed amendments to Regulation III. As part of the socioeconomic analysis, staff projects the macroeconomic impacts resulting from the proposed amendments using Regional Economic Model, Inc. (REMI). The REMI model takes the projected incremental costs to various economic sectors as an input and estimates job impacts for each sector relative to a baseline scenario. This baseline scenario attempts to account for all regulatory and other costs that all regional economic sectors currently encounter.

In general, the South Coast AQMD is not in a position to address the impacts of additional fees imposed by other California government agencies. The proposed toxic air contaminants (TACs) fees are necessary to recover the recent increases in South Coast AQMD's efforts on monitoring, inspecting, auditing facilities' TAC emission inventories, rulemaking, and enforcement of rules for toxic air contaminants. The proposed fees were based on actual costs incurred for toxics related work which is expected to continue.

### **Response to Comment 5-4**

The Governing Board's request to conduct the Regulation III Webinar in response to stakeholder feedback was made on April 12, with the Public Hearing scheduled on May 3. Staff scheduled the Webinar at the earliest opportunity (on April 19), in order to allow stakeholders the most time to provide comment. This Webinar was provided to supplement the previous public meetings that served as opportunities for public comment. In addition, staff has made and will continue to make themselves available to discuss any and all inquiries regarding the proposed amendments to Regulation III. In addition, a recording of this April 19<sup>th</sup> Regulation III Webinar is available online (<http://www.aqmd.gov/home/rules-compliance/rules/scaqmd-rule-book/proposed-rules#REG%20III>).

---

**From:** Bill LaMarr [mailto:billlamarr@msn.com]  
**Sent:** Friday, April 19, 2019 2:34 PM  
**To:** REG 3 Questions <reg3questions@aqmd.gov>  
**Subject:** QUESTION

The terms in the pie chart only shows percentages and is too vague (e.g., “manufacturing”). Can staff delineate what industry “families” are included in manufacturing” (e.g., auto body shops, dry cleaners, metal finishing job shops, restaurants, etc.)

6-1

**Response to Comment 6-1**

Additional material was made available on April 16 to provide more detailed information on the impacts to industry resulting from the proposed TAC fee increase. This table “Toxic Emissions Fee Impact by Industry” is currently available online (<http://www.aqmd.gov/home/rules-compliance/rules/scaqmd-rule-book/proposed-rules#REG%20III>) and provides percentile, average, and maximum estimates of the fee increase resulting from the proposed amendments for various industry sectors. In addition, this same information can also be found in Table 4 in the Final Socioeconomic Impact Assessment for Proposed Amended Regulation III – Fees.

---

**From:** Davenport, Neal [mailto:neal.davenport@davenport-co.com]

**Sent:** Friday, April 19, 2019 2:35 PM

**To:** REG 3 Questions <reg3questions@aqmd.gov>

**Subject:** Reg III Question

Is the District planning to update its default EF profile for natural gas external combustion to replace the 1151 PAH listing with individual species?

It would seem that many reporters that burn utility natural gas would benefit.

7-1

**Neal Davenport**

**Davenport Engineering, Inc. | Principal Engineer**

**Los Angeles:** (310) 787-4600 x15 | **Houston:** (832) 317-6530 | **Cell:** (310) 625-0025

23705 Crenshaw Blvd., Suite 101, Torrance, California 90505

2600 South Shore Blvd., Suite 300, League City, Texas 77573

neal.davenport@davenport-co.com

### **Response to Comment 7-1**

Please refer to the response to comment 3-2 regarding the improvement of the AER reporting methodologies.

**From:** Natasha Meskal [mailto:nmeskal@ecotek.com]

**Sent:** Friday, April 19, 2019 2:37 PM

**To:** REG 3 Questions <reg3questions@aqmd.gov>

**Subject:** [EXTERNAL]Question

Hi,

Did I understand correctly that the current Toxic reporting thresholds will become Toxic fee thresholds?

} 8-1

Thank you.

Best Regards,

Natasha Meskal

Ecotek

17610 Beach Blvd. Ste. 47

Huntington Beach, CA 92647

714-596-8836 Ext. 304

714-596-8837 Fax

WWW.ECOTEK.COM

### **Response to Comment 8-1**

Correct. The proposed amendment to Rule 301(e)(7) requires facilities to pay toxics emissions fees if facility-wide emissions exceed thresholds in Table IV, and to pay Flat Rate Device fees if device-level emissions exceed Table IV thresholds per Rule 301(e)(7)(A)(ii).<sup>18</sup>

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<sup>18</sup> Emissions thresholds in Table IV are derived from CARB guidelines. See Appendix A of CARB's Emission Inventory Criteria and Guidelines Report (<https://www.arb.ca.gov/ab2588/2588guid.htm>)

**From:** Bob Rost [mailto:brost@cla-val.com]  
**Sent:** Friday, April 19, 2019 2:44 PM  
**To:** REG 3 Questions <reg3questions@aqmd.gov>  
**Subject:** Rule III

Will the socio-economic study be release to the public, and when?

} 9-1

**Response to Comment 9-1**

The Final Socioeconomic Impact Assessment for Regulation III- Fees is being released with the entire May 3 Board package. The Draft Socioeconomic Impact Assessment for Regulation III- Fees was previously released on April 2, 2019.

---

From: Suzanne Gornick [mailto:[sgornick@worldoilcorp.com](mailto:sgornick@worldoilcorp.com)]

Sent: Friday, April 19, 2019 2:46 PM

To: REG 3 Questions <[reg3questions@aqmd.gov](mailto:reg3questions@aqmd.gov)>

Subject: [EXTERNAL]Question

Ian,

Is the number of devices the total number contributing to an over-threshold TAC or only an individual device that is over the threshold?

} 10-1

Sue

**Response to Comment 10-1**

In the proposed amendments, the Flat Rate Device fee applies only to those devices that emit any toxic pollutant above the thresholds listed in Table IV. If a device emits toxics below all Table IV thresholds, then the Flat Rate Device fee will not be applied to that device.

---



**From:** [Natasha Meskal \[mailto:nmeskal@ecotek.com\]](mailto:nmeskal@ecotek.com)

**Sent:** Friday, April 19, 2019 2:52 PM

**To:** REG 3 Questions <[reg3questions@aqmd.gov](mailto:reg3questions@aqmd.gov)>

**Subject:** [EXTERNAL]Question

Hi,

Is Flat Device fee applicable to permitted and non-permitted devices?

} 11-1

Thank you.

Best Regards,

Natasha Meskal

Ecotek

17610 Beach Blvd. Ste. 47

Huntington Beach, CA 92647

714-596-8836 Ext. 304

714-596-8837 Fax

WWW.ECOTEK.COM

### **Response to Comment 11-1**

The flat device fee applies to any device (permitted and non-permitted) that has emissions exceeding the thresholds listed in Rule 301 Table IV

---

**From:** Torres, Alison [mailto:torresa@emwd.org]

**Sent:** Monday, April 22, 2019 8:13 AM

**To:** Shah Dabirian <SDabirian@aqmd.gov>

**Subject:** Regulation III Estimates -Fee calculator

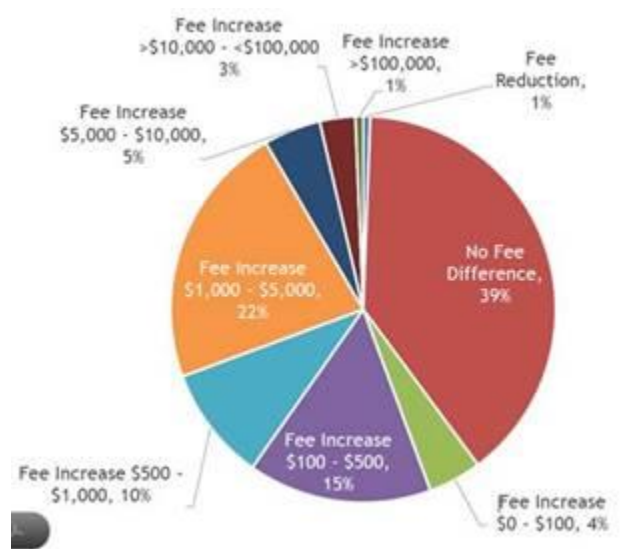
Good morning Shah,

Thank you for the distribution of the Toxic Fee Calculator for the proposed Regulation III changes. It is very helpful in estimating the fee impacts.

Staff has presented the fee increases as less than \$5,000 for a large majority of facilities.

What total number of facilities is used for these estimates?

} 12-1



Thank you in advance for your help.

### **Alison Torres**

Senior Air Quality Compliance Analyst  
Environmental & Regulatory Compliance Dept  
Eastern Municipal Water District  
(951) 928-3777, ext. 6345  
torresa@emwd.org

*Serving our community today and tomorrow*

### **Response to Comment 12-1**

The total number of facilities reflected in this chart is 1,541. The number of facilities with fee impacts greater than \$5,000 increase annually was determined to be 132. The numerical breakdown associated with the different categories in this chart can be found in Table A1 of the Final Socioeconomic Impact Assessment.

**From:** Suzanne Gornick [mailto:sgornick@worldoilcorp.com]

**Sent:** Friday, April 19, 2019 3:08 PM

**To:** Ian MacMillan <imacmillan@aqmd.gov>

**Cc:** Shah Dabirian <SDabirian@aqmd.gov>

**Subject:** Question about Toxics fee calculations

Ian,

I'm trying to calculate the new proposed toxics fees with the calculator. Can you confirm which one is correct?

Scenario 2 - Total Individual devices that "individually" are over a TAC threshold - 12

Scenario 1 - Total individual devices that "contribute" to over-threshold quantities - 315

I'm including fugitives as devices. Double counting devices is a given with either approach - not sure how you get around that. Ammonia, fluorocarbons, and 1,1,1 trichloroethane are calculated at set fees independent of device count.

Regards,

Sue Gornick

VP, EHS

World Oil Corp.

562-307-6353

-

<u>TAC Group</u>	<u>TAC / ODC</u>	<u>Annual Emissions (lbs)</u>	<u>Threshold</u>
<u>14</u>	<u>Arsenic and Compounds (inorganic)</u>	<u>0.011</u>	<u>0.01</u>
<u>2</u>	<u>Benzene</u>	<u>27.851</u>	<u>2</u>
<u>3</u>	<u>Beryllium</u>	<u>0.003</u>	<u>0.001</u>
<u>4</u>	<u>Butadiene [1,3]</u>	<u>0.539</u>	<u>0.1</u>
<u>13</u>	<u>Chromium, hexavalent (and compounds)</u>	<u>0.001</u>	<u>0.0001</u>
<u>12</u>	<u>Formaldehyde</u>	<u>14.263</u>	<u>5</u>
<u>19</u>	<u>PAHs [PAH, POM]</u>	<u>1.829</u>	<u>0.2</u>
<u>21</u>	<u>Vinyl chloride</u>	<u>0.992</u>	<u>0.5</u>

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**Scenario 1**

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ALL FACILITIES PAY FLAT RATE FEE of \$78.03		2021 Facility Fee	2022 Facility Fee	2020 TAC Fee Total	2021 TAC Fee Total	2022 TAC Fee Total
		\$78.03	\$78.03	\$173.31	\$54,865.80	\$109,565.78
ENTER NUMBER OF PERMITTED DEVICES, UNPERMITTED DEVICES, OR REPORTABLE TAC ACTIVITY ABOVE ANNUAL THRESHOLDS LISTED IN TABLE IV		2021 Device Fee	2022 Device Fee			
315		\$53,849.25	\$107,695.35			

## Scenario 2

ALL FACILITIES PAY FLAT RATE FEE of \$78.03		2021 Facility Fee	2022 Facility Fee	2020 TAC Fee Total	2021 TAC Fee Total	2022 TAC Fee Total
		\$78.03	\$78.03	\$173.31	\$3,067.95	\$5,973.11
ENTER NUMBER OF PERMITTED DEVICES, UNPERMITTED DEVICES, OR REPORTABLE TAC ACTIVITY ABOVE ANNUAL THRESHOLDS LISTED IN TABLE IV		2021 Device Fee	2022 Device Fee			
12		\$2,051.40	\$4,102.68			

Chemical Abstract #	Ammonia and Ozone Depleters	ENTER EMISSIONS (in lbs.) FOR EACH COMPOUND LISTED IN COLUMN 'D'	2020 Emissions Fee	2021 Emissions Fee	2022 Emissions Fee
7664417	Ammonia	2116.12	\$84.64	\$84.64	\$84.64
1104	Chlorofluorocarbons	0	\$0.00	\$0.00	\$0.00
71556	1,1,1-trichloroethane	0.0361	\$0.00	\$0.00	\$0.00
		Total	\$84.64	\$84.64	\$84.64

## Response to Comment 13-1

It should be scenario 2. All devices need to report all toxics in Table IV. Also facility-wide emissions over threshold will be used to determine the cancer-potency weighted fees. But devices are only counted if they emit at least one toxic over a Table IV threshold.



April 23, 2019

Mr. Wayne Nastri  
Executive Officer  
South Coast Air Quality Management District  
21865 Copley Drive  
Diamond Bar, CA 91765

**Re: Proposed Amended Regulation III (Fees)**  
**Significant concerns over proposed air toxics fee changes**

Dear Mr. Nastri,

We are writing on behalf of the Los Angeles County Business Federation (BizFed) - a grassroots alliance of more than 180 top business groups representing 390,000 employers with 3.5 million employees throughout Los Angeles County. Our members include large and small employers, minority business owners, and job creators from a wide range of industries. We appreciate the opportunity that the South Coast Air Quality Management District (AQMD or District) has given our members to participate in working groups on various rulemakings.

BizFed is writing to express our concerns regarding the proposed amendments to Regulation III. Specifically, we are very concerned about the proposed modifications to the toxics emissions fees in Rule 301(e).

- 1. Proposed changes to Rule 301(e) would significantly alter the applicable fee structure, reportedly increasing the fees collected by over 800 percent.<sup>1</sup> As of the writing of this letter, these proposed updates to the rule have not been adequately disclosed to all the affected stakeholders.**

The District's proposed changes to Rule 301(e) would significantly alter the fee structure applied to Southern California business with applicable toxics emissions. Some stakeholders will be subject to large increases in fees, driven largely by a complicated new "cancer potency-weighted fee" which would recover costs for District enforcement and related efforts for facilities with higher emissions of toxics. District have estimated a large increase in air toxics fees from a baseline of \$0.4M (2018) to \$4.9M (2022 for the 2021 reporting year) from this provision alone.<sup>2</sup> The District cites recent and anticipated District workload as part of the justification for the need to recover increasing costs for addressing toxics emissions from stationary sources. However, the claim that costs derived from workload is directly correlated to the toxicity and the complexity of emission sources at a facility (e.g., number of devices) does not appear to be sufficiently supported in the rulemaking documents made public thus far. These proposed changes were not presented to a Working Group at first, and thus stakeholders were not afforded sufficient opportunity to digest the proposed changes and provide comments. Simply put, more time is needed.

14-1

- 2. The notice period provided for the proposed changes to Rule 301(e) has not been sufficient given the potential for significant impacts and limited timeframe for public comment.**

<sup>1</sup> SCAQMD, Presentation for Proposed Amended Regulation III, Public Consultation Meeting, Draft, March 22, 2019. See slide 9.

<sup>2</sup> Ibid.

The District's notice of this radical change in Rule 301's fee structure and (projected) fees collected has been inadequate for public review and comment necessary for proposed changes of this magnitude. The first time any information regarding proposed toxics fee increases was made public appears to be the slideshow for the March 22, 2019 Public Consultation Meeting.<sup>3</sup> However, neither the meeting notice nor the subsequent April 2, 2019 Draft Staff Report<sup>4</sup> indicate that some facilities would be significantly impacted by the proposed changes. The Draft Staff Report does not explain that for certain industrial sectors, the annual toxics fees could increase as much as \$15,000 to \$427,000).

Another example highlighting this issue is that the March 27, 2019 "Notice of Public Hearing" letter<sup>5</sup> does not mention the word "toxics". This is a concern, considering the most consequential of the proposed fee changes are associated with toxics emissions fees. Assuming no other notifications were distributed directly, facilities reporting air toxics were given no indication that their fees would be significantly increased by the proposed changes. The Draft Staff Report also describes how the increased toxics fees would represent a significant increase in total emissions fees collected (for both criteria and air toxics) but does not detail the potential range of impacts on individual facilities, including those which do not report air toxics emissions. More detailed information on impacts to specific industry sectors and subsectors, is only found in the April 2, 2019 Socioeconomic Report.<sup>6</sup> According to that report, more than 1500 facilities are expected to be affected by the proposed increases to toxics fees. It has not been made clear that AQMD conducted any outreach to these facilities beyond the public hearing and public workshop notices that omitted important information.

Finally, AQMD is also proposing to apply these new toxics fees to diesel particulate matter (DPM). This would impact every facility with a diesel generator (including emergency generators), including local government facilities, hospitals, etc. which may assume that they would not be affected by the fee proposal. This important proposed change does not appear to have been detailed or even disclosed in the Public Hearing notice.

14-2

### **3. The justification for the proposed Rule 301(e) fee increases have not been adequately supported.**

The District's justification of the fee increases is presented in a stack chart in the Draft Staff Report that claims to detail AQMD efforts on toxics that can be paid for with toxics emissions fees. However, supporting information is not provided to explain the specific District efforts or their relation to existing toxics emissions at facilities, nor to explain the justification that those efforts are related solely to stationary source emissions. In addition, over half of these efforts are (according to the District presentations) related to the AB617 program. We cannot tell if the District has partitioned those efforts between stationary sources and area or mobile source emissions. Nor can we determine if the District has accounted for the new AB 617 mandates (and related resources) already affecting some of the facilities that would also be affected by these fees. On top of this, the District has also introduced the new concept of "cancer potency-weighted fees" without sufficient justification

14-3

<sup>3</sup> SCAQMD, Presentation for Proposed Amended Regulation III, Public Consultation Meeting, Draft, March 22, 2019.

<sup>4</sup> SCAQMD, Preliminary Draft Staff Report for Proposed Amended Regulation III – Fees; and Rule 209 – Transfer and Voiding of Permits, March 15, 2019.

<sup>5</sup> SCAQMD, Notice of Public Hearing for Proposed Amended Regulation III, March 27, 2019.

<sup>6</sup> SCAQMD, Draft Socioeconomic Impact Assessment of Proposed Amended Regulation III – Fees, April 2019.



for the claim that Staff workload is correlated to the toxicity of the emissions. Facilities with greater reported emissions often are paying higher permit fees and other District fees.

There is no known analysis of the program costs for specific air toxics and how these program costs might relate to the toxicity, if at all. Justification of how this fee structure was developed according to the anticipated level of effort on the part of the District would be important and may actually be necessary per California state laws covering tax/fee increases. In short, the proposed changes to the Rule 301(e) toxics emissions fees have not been sufficiently workshopped and are not ready for consideration by the Governing Board.

14-3 cont.

BizFed strongly recommends that the proposed amendments to Rule 301(e) toxics emissions fees should be considered separately from the less significant Regulation III amendments and postponed to a later Governing Board hearing. This bifurcation is necessary to allow time for additional working group consideration for Staff's proposed modifications to the toxics emissions fees in Rule 301(e). These changes are significant and are subject to Prop 26 limitations, and therefore should not be hurriedly rushed to decision. Working groups are needed so that stakeholders are given the opportunity to fully understand and provide comments on these proposed changes.

14-4

Sincerely,



Steve Bullock  
BizFed Chair  
Cerrell Associates



David Fleming  
BizFed Founding Chair



Tracy Hernandez  
BizFed Founding CEO  
IMPOWER, Inc.

cc:  
Philip Fine  
AQMD Board Members

**Response to Comment 14-1**

For a justification of the correlation between District workload and the proposed new toxic emissions fee structure, please see Response to Comment 14-3.

The commenter states that the rule concept was not discussed first with a Working Group, and notes that the proposed amendments were first discussed publicly at a Public Consultation meeting. Unlike many rules the South Coast AQMD adopts or amends that are focused on specific industries or specific emissions sources, the annual Regulation III update affects every permitted facility. Outreach is therefore focused on providing an opportunity for all permitted facilities to provide feedback. Even so, as shown in the table on the following page, staff conducted extensive outreach above and beyond what was legally required for these proposed amendments including reaching out to all stakeholders through multiple mailings, targeted emails, newspaper notices, two public consultation meetings (with supplemental conference call-in access), a Budget Advisory Committee meeting, a webinar, a Special Governing Board Meeting, in addition to many phone conversations and meetings with individual facilities.



<u>Public Outreach Activity</u>	<u>Type of Outreach*</u>	<u>Date of Activity</u>
<u>Notice of Public Consultation Meetings</u>	-Newspaper notice (3/6 & 3/8) <b><u>-Letters mailed to all ~22,000 permitted facilities**</u></b> <b><u>-Email to 881 facilities and stakeholders</u></b> <b><u>-Posted online (3/15)</u></b>	<u>3/13/19</u>
<u>Preliminary Draft Staff Report and Rule</u>	<b><u>-Materials posted to website</u></b>	<u>3/15/19</u>
<u>Public Consultation Meeting #1</u>	<b><u>-Public meeting</u></b> <b><u>-Slides emailed and posted online (3/20)</u></b>	<u>3/22/19</u>
<u>Notice of Budget Advisory Committee</u>	<b><u>-Email notice with entire Committee package attached</u></b>	<u>3/29/19</u>
<u>Draft Staff Report, Rule, Socioeconomic Assessment, and Toxics Fees Calculator</u>	<b><u>-Posted online</u></b> <b><u>-Paper copies made available in SCAQMD Public Information Center</u></b>	<u>4/2/19</u>
<u>Notice of Public Hearing</u>	-Newspaper notice -Letters mailed to all ~22,000 permitted facilities** -Posted online & <b><u>-Email to 6,533 facilities** and stakeholders</u></b>	<u>4/3/19</u>
<u>Budget Advisory Committee</u>	<b><u>-Public Meeting</u></b>	<u>4/5/19</u>
<u>Governing Board Meeting - Set Hearing</u>	<b><u>-Agenda noticed (3/29)</u></b> <b><u>-Public Meeting</u></b>	<u>4/5/19</u>
<u>Notice of Governing Board Special Meeting - Budget Study Session</u>	-Agenda provided to county clerks and newspapers <b><u>-Board package posted online</u></b>	<u>4/9/19</u>
<u>Public Consultation Meeting #2</u>	<b><u>-Public Meeting</u></b>	<u>4/9/19</u>
<u>Targeted Emails to All Facilities with &gt;\$5,000 Increase in Toxics Fees</u>	<b><u>-132 Emails to facilities</u></b>	<u>4/11/19</u>
<u>Governing Board Budget Study Session</u>	<b><u>-Public Meeting</u></b>	<u>4/12/19</u>
<u>Supplemental Materials on Toxics Emissions Fees</u>	<b><u>-Emailed materials to 6,214 facilities** and stakeholders</u></b> <b><u>-Posted online (4/16)</u></b>	<u>4/12/19</u>
<u>Toxics Emissions Fees Webinar</u>	<b><u>-Email notice of meeting to 6,214 facilities** and stakeholders (4/12)</u></b> <b><u>-Public webinar</u></b> <b><u>-Recording of webinar posted (4/23)</u></b>	<u>4/19/19</u>
<u>Notice of Governing Board Meeting - Public Hearing</u>	<b><u>-Agenda and Board package posted online</u></b>	<u>4/26/19</u>
<u>Governing Board Public Hearing</u>	<b><u>-Public Meeting</u></b>	<u>5/3/19</u>

*\* Items in **bold** include specific discussion of Proposed Toxics Emissions Fees*

*\*\*Including all facilities subject to toxics emission fees*

**Response to Comment 14-2**

The commenter states that the first time any information regarding the proposed toxics fee increase was made public was the slideshow for the March 22, 2019, Public Consultation Meeting. However, in the Notice of Public Consultation, which was published in newspapers in each county on March 6th and 8th, 2019, emailed to 881 facilities and stakeholders and mailed to approximately 22,000 permitted facilities on March 13, 2019, and posted online on March 15, 2019, the South Coast AQMD lists a summary of Proposed Amendments to Regulation III. This summary included, among other things, notice that amendments to Regulation III would consist of “new or increased fees for cost recovery in Rule 301, including but not limited to *fees for toxic emissions*[.]” The Preliminary Draft Staff Report (“PDSR”), also published on March 15, 2019, included a description of the proposed toxic emissions fee amendment along with suggested rule language and a description of the justification for the proposed amendment. See South Coast AQMD, Preliminary Draft Staff Report, pgs. 24-44. The PDSR clearly delineates the three proposed fee levels, noting the need to cover software and staff needs as well as fees required for inventorying, auditing, monitoring, enforcement, and rulemaking. *Id.* at 41. At its March 22, 2019, Public Consultation Meeting, the South Coast AQMD presented information regarding the potential toxic emissions fee impact, the number of facilities within each impacted sector, and the potential average and maximum differences in fees. See South Coast AQMD, NOPC Slideshow, Slide 11. Note that the Public Consultation Meeting was still held in spite of the fact that California Health and Safety Code Section 40440.7 only requires a public workshop “[w]henever the south coast district intends to propose the adoption, amendment, or repeal of a rule or regulation that will significantly affect air quality or emissions limitations.”

The commenter states that “neither the [Public Consultation] meeting notice nor the subsequent April 2, 2019 Draft Staff report indicate that some facilities would be significantly impacted by the proposed changes.” As relevant here, the South Coast AQMD prepared a socioeconomic assessment consistent with California Health and Safety Code Section 40440.8(a) even though such a report is not statutorily required in these circumstances. Section 40440.8 states that a socioeconomic impact report must provide, among other things, “only the following:” (1) the type of industries affected by the rule or regulation and (2) the range of probable costs, including costs to industry, of the rule or regulation. See *Sherwin-Williams Co. v. South Coast Air Quality Management District* (2001) 86 Cal. App. 4th. 1258, 1276 (“[S]ection 40440.8 defines socioeconomic impact as the type of industries affected by the rule, the impact of the rule on employment and the economy, and the range of probable costs.”). Line 1 of Table 2 of the Draft Socioeconomic Report, published on April 2, 2019, provides estimated fee impacts of the proposed toxics fee amendment, while Table 3 provides detailed information regarding the Fee Impact of Proposed Amended Regulation III by industry. Table A1 (Appendix) of the report breaks down the estimated number of affected facilities *per* industry by proposed amendment. In response to stakeholder feedback, additional analysis was also released on April 16 detailing sub-industry impacts, and percentile breakdowns in a Table titled “Toxics Emissions Fee Impact by Industry” (now incorporated as Table 4 in the Final Socioeconomic Report). It should also be noted that a socioeconomic impact report was not statutorily required for the Proposed Amended Regulation III – Fees. Per Section 40440.8, a socioeconomic impact assessment is to be completed whenever the south coast district intends to propose adoption, amendment, or repeal of a rule or regulation that will significantly affect air quality or emissions limitations.

Still, as shown in the table in Response to Comment 14-1, South Coast AQMD staff efforts to notify facilities of the rule and its impact included extensive public outreach efforts above and beyond any legal requirements. In particular, staff mailed over 20,000 Notices of Public Consultation Meetings on March 13, 2019 (including to every permitted facility). On March 20, 2019 a targeted email with additional updates including the presentation materials was sent to more than 880 stakeholders who had previously requested information on Regulation III updates. The ensuing Public Consultation Meeting on March 22, 2019 discussed the initial concepts of the proposed Toxic Air Contaminant fee modifications among stakeholders, including showing the range of potential costs to industry. On April 3, 2019, another email was sent to a wider list of 6,500+ facilities and stakeholders with links to updated materials posted on the South Coast AQMD Proposed Rules webpage including Draft Socioeconomic Impact Assessment for Rule 320 – CPI Adjustment, the Draft Socioeconomic Impact Assessment for Regulation III – Fees, the Draft Staff Report for Regulation III and Rule 209, proposed amended rule language for all of Reg. III and Rule 209, and a spreadsheet calculator to estimate potential fee impacts. For the FY2019-20 Draft Budget Work Program, CPI Fee Adjustment, and proposed amendments to Regulation III and Rule 209 the following events were also hosted by the South Coast AQMD:

- April 5<sup>th</sup>: Budget Advisory Committee meeting
- April 9<sup>th</sup>: Public Consultation Meeting
- April 12<sup>th</sup>: Governing Board Budget Workshop

On April 11, 2019, an email was sent to all 132 facilities identified to have a projected \$5,000 or more increase in toxics fee as a result of the proposed amendments. This email provided specific fee estimates for each facility, and encouraged recipients to contact staff for more information. Following this email, staff received and responded to about a dozen emails and phone calls regarding the use of the TAC fee calculator for facility-specific fee estimations. At the request of stakeholders and the Board, staff hosted a webinar on April 19, 2019 to discuss the proposed toxics emissions fees in Regulation III as a follow up to previous public consultation meetings. On April 12, 2019 a subsequent email was sent to more than 6,200 recipients (some of the original 6,500+ recipients email addresses had been dropped due to their servers blocking email notifications) that included an update to the previously posted TAC Fee calculator, a table showing toxic emissions fee impacts by industry, and a table showing stationary source toxics work programs giving more detail to the cost recovery for toxic work in South Coast AQMD programs.

The webinar took place on April 19, 2019, with approximately 65 people participating via the web and three attending in person. The webinar audio recording was also made available online as a reference for stakeholders unable to listen in real-time. Staff reviewed the proposed fees, and walked through several example calculations using a spreadsheet available online. Staff then answered clarifying questions submitted by webinar participants (and included in this appendix). Most comments focused on clarifying questions about the fee or emission estimation methodologies. Only one commenter inquired why the fee was being brought in May instead of a later date.

The commenter further states that the March 27, 2019, Notice of Public Hearing (“NOPH”) letter did not mention the word “toxics” and so facilities reporting air toxics were given no indication that their fees would be significantly increased by the proposed changes. The commenter also states that South Coast AQMD staff’s proposal to apply new toxics fees to Diesel Particulate Matter (“DPM”) was not detailed or disclosed in the NOPH. Per Health and Safety Code

Sections 40440.5 and 40725, the South Coast AQMD was required, among other things, to include a summary description of the effect of the proposal. As is required by state law, the NOPH issued on April 3, 2019, indicated that Proposed Amended Regulation III will add new or increased fees necessary to provide more specific cost recovery for other regulatory actions taken by the agency. See South Coast AQMD, NOPH, pg. 1. The proposed toxic fees provide a means for the South Coast AQMD to recover costs associated with recently increased efforts in monitoring, rulemaking, and enforcement of rules for toxic air contaminants. To that end, the NOPH and the proposed amended rule language both specifically contemplate the District's need to recover its costs in relation to a significant uptick in regulatory action. See *Western Oil and Gas Association v. Air Resources Board* (1984) 37 Cal.3d 502, 527 ("the regulation adopted need not be the same as that proposed as long as it deals with the same subject or issue dealt with by the notice.") The NOPH additionally listed all documents prepared for consideration in conjunction with the proposed amended regulation, including the Staff Report and Socioeconomic Impact Assessment for Proposed Amended Regulation III – Fees and Rule 209 – Transfer and Voiding of Permits. The proposed toxics fee amendment was detailed in both the PDSR, published on March 15, 2019, and the DSR, published April 2, 2019. See PDSR at pgs. 24-44; DSR at pgs. 8-28. Note that the PDSR and the DSR also both clearly indicate that DPM is proposed to be added as a pollutant that must be reported and for which fees would be paid. See PDSR at 25; DSR at 8. Both reports clearly state that DPM is proposed to be added as toxic air contaminant because of its high cancer potency, its prevalence throughout the Basin, and the amount of District resources spent on this pollutant. PDSR at pgs. 39-40; DSR at pgs. 24-25. The commenter's statement that the requirement to report DPM will also cause more facilities to report emissions (and subsequently pay fees due to the reporting requirement) is incorrect. The proposed amendments do not require any additional facilities to report emissions. Only those facilities already required to annually report emissions (e.g., those that emit > four tons per year of criteria pollutants) will be required to report DPM if they emit it (see proposed amended Rule 301(e)(1), (e)(2), and (e)(7)).

### **Response to Comment 14-3**

The stacked bar chart in Section III-1 of the Staff Report and the accompanying tables and explanation in Appendix C lists the South Coast AQMD's annual expenditures that relate to emissions of toxic air contaminants. The accompanying tables in Appendix C were previously provided on the South Coast AQMD proposed rules website and emailed to 6,200+ recipients on April 12. In all, the South Coast AQMD annually conducts approximately \$20 million of work in connection with stationary source toxics emissions for which emissions fees can be used as a revenue source. Currently, the South Coast AQMD only collects approximately \$0.5 million in toxic emission fees and the proposed amendments are seeking to increase the total toxic emissions fees collection to \$4.9 million annually. If this shortfall is allowed to continue, it has the potential to create inequities in the overall permitted source program.

As explained in Appendix C of the Final Staff Report, and in all public meetings on the topic, the stacked bar chart was created based on an analysis of South Coast AQMD work program codes that address toxics emissions from permitted facilities. These work program codes, also known as work program codes, are used by staff on their timecards to categorize the work they perform. Rules staff met with Finance staff to identify the costs/work program codes that are at

least partially paid for with emissions fees. These work program codes are set forth in Column 2 of Appendix C of the Final Staff Report. Work program codes that include work on activities unrelated to permitted facilities, like mobile sources, were not included in this analysis. Rules staff then met with responsible Division managers familiar with the work of their subordinates to develop estimates for the subset of activities in that program focused on toxics emissions from permitted facilities. All work program codes are assigned to one or more revenue sources. In creating the stacked bar chart, staff was careful to exclude costs from programs that address toxics emission from permitted facilities that use funding sources besides emissions fees to recover costs (e.g., the AB 2588 Toxics Hot Spots Program). Those costs are not included in this analysis.

Staff has also made a concerted effort to align the new proposed toxic fees to current and anticipated future District workload related to toxic emissions from permitted facilities. As explained in the Preliminary Draft Staff Report, Draft Staff Report, and Final Staff Report, the Base Toxics Fee is intended to cover the basic annual software needs and minimal staffing needed to ensure that facilities can readily report toxics emissions to the District. The Flat Rate Device Fee is tied to the number of devices with toxics emissions at each facility. The number of devices each facility has is highly correlated with the amount of time staff spends auditing each facility's emissions inventory. Revenues generated from this fee are anticipated to fully recover costs for staff conducting toxics inventory work in support of enforcing South Coast AQMD rules.

Finally, the Cancer-Potency Weighted Fee shall be applied per cancer-potency weighted pound of emissions above reporting thresholds in Table IV of Rule 301. Facilities with high toxicity-weighted emissions require greater effort because the District informs its permitting and enforcement-related activities in large part by the potential for public health impacts.<sup>19</sup> While high toxicity-weighted emissions do not necessarily directly equate to higher health risk due to factors such as how pollutants disperse from a facility and the distance to nearby receptors, overall more South Coast AQMD resources are spent to monitor, enforce, and conduct associated planning work such as inventorying, auditing, and rulemaking on facilities with higher toxicity-weighted emissions. Given the role of South Coast AQMD as a public health agency, and expecting that the workload will continue to be most correlated with facilities posing the highest potential public health impact, the most reasonable structure for toxics emissions fees should include a component tied to public health impact. Staff believes that the proposed allocation of fees based on cancer-potency weighted emissions is reasonable. In *San Diego Gas & Electric Co. v. San Diego Air Quality Management District* (1988) 203 Cal. App. 3d 1132, 1147-48, the Court stated:

There is no reason to require the district to show precisely how more emissions generate more costs to justify the emissions-based apportionment formula. The purpose for the district's existence is to achieve and maintain air quality standards [citation omitted], thus from an overall perspective it is reasonable to allocate costs based on a premise that the more emissions generated by a pollution source, the greater the regulatory job of the district.

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<sup>19</sup> Due to health risk assessment methodologies, cancer-causing pollutants are the most common risk driver and a much higher focus of District efforts compared to non-cancer causing toxic pollutants.

Fees must only bear a fair or reasonable relationship to the fee payers’ burden on or benefits from regulatory activity. “A ‘regulatory fee, to survive as a fee, does not require a precise cost-fee ratio.’” *California Building Industry Association v. State Water Resources Control Board* (2018) 4 Cal. 5<sup>th</sup> 1032, 1052.

With respect to AB 617, those communities have been (and will be) chosen largely due to public health concerns from local toxic emissions, and much of the work in those communities is focused on investigating and enforcing rules on those stationary sources with the highest cancer-potency weighted emissions (e.g., refineries). Toxics emissions from many facilities located outside of AB 617 communities also contribute to the air quality impacts for those living within AB 617 communities. Similar work is conducted outside of AB 617 communities on other facilities, again focused on those with the potential greatest public health impact.

The commenter also states that facilities with greater reported emissions often pay higher permit fees and other South Coast AQMD fees. While this may be true in some instances, these other fee categories pay for other South Coast AQMD programs, such as permitting, AB 2588, etc. The proposed toxics emissions fee is not designed to recover costs to pay for these separately funded programs.

#### **Response to Comment 14-4**

In response to stakeholder feedback received throughout the rulemaking process, staff increased its outreach for this rule compared to previous years (see summary table in Response to Comments 14-1), including through targeted emails to all facilities expected to have a fee increase greater than \$5,000 per year, preparation of detailed fee estimates for all facilities, and an extra webinar to specifically discuss the proposed increase in toxics emissions fees. If the proposed amended rule is approved, staff will continue to conduct additional outreach to let facilities know how to prepare for the upcoming phase in.



**Bridget McCann**

Manager, Technical and Regulatory Affairs

April 23, 2019

Dr. Philip Fine  
Deputy Executive Officer, Planning and Rules  
South Coast Air Quality Management District  
21865 Copley Drive  
Diamond Bar, CA 91765

sent via email: pfine@aqmd.gov

**Re: WSPA Comments on Proposed Amended Regulation III, Fees**

Dear Dr. Fine:

Western States Petroleum Association (WSPA) appreciates the opportunity to participate in South Coast Air Quality Management District (SCAQMD or District) Proposed Amended Regulation III, Fees, Working Group. WSPA is a non-profit trade association representing companies that explore for, produce, refine, transport and market petroleum, petroleum products, natural gas and other energy supplies in five western states including California. WSPA has been an active participant in air quality planning issues for over 30 years. WSPA-member companies operate petroleum refineries and other facilities in the South Coast Air Basin that are within the purview of the RECLAIM Program administered by the SCAQMD and will be impacted by Proposed Amended Regulation III. We offer the following comments:

- 1. Proposed changes to the Toxics Emissions Fees under Rule 301(e) would significantly alter the District's fee structure. Given the complexity and materiality of the proposed changes to the Toxics Emissions Fees, they need to be more fully workshopped with affected facilities before Governing Board consideration.***

District Staff's proposed changes to Rule 301(e) would significantly change the fee structure for toxics emissions. Staff has proposed a "cancer potency-weighted fee" which would apply radically higher costs to emissions with higher cancer potency (per unit mass). The Staff Report suggests this change would recover staff costs for facilities deemed to have higher toxicity emissions; a change which Staff estimate would increase air toxics fees from a 2018 level of \$0.4M to \$4.9M (2022 estimated fees for the 2021 reporting year).<sup>1</sup>

The District suggests this change would cover current "and anticipated" Staff costs for facilities with higher toxic emissions. However, the claim that Staff workload correlates to emissions toxicity or to the complexity of emission sources at a facility (e.g., number of devices) appears to be weak. The proposal needs to be more fully workshopped with affected facilities before Governing Board consideration.

15-1

<sup>1</sup> SCAQMD, Draft Socioeconomic Impact Assessment of Proposed Amended Regulation III – Fees, April 2019.



Dr. Philip Fine  
 April 23, 2019  
 Page 2

**2. The notice period for Proposed Amended Rule 301(e) has been insufficient given the significant financial impact. Given the ongoing and continuing disclosures by Staff, the public comment time for this rule should be extended.**

While the District's Staff Report clearly acknowledges the significance of the proposed amendments to the Toxic Emissions Fees in Rule 301(e), the District's "Notice of Public Hearing"<sup>2</sup> letter did not even include the word "toxics" or otherwise identify proposed changes to the Toxic Emissions Fees. This public notice was inadequate given the scope and significance of the proposed amendments. Therefore, facilities which report air toxics were initially given no indication that their fees would be significantly increased by the proposal.

The first public information on the proposed toxics fee increases appears to be the District's presentation for the Public Consultation Meeting which was held on March 22, 2019. While the draft socioeconomic assessment<sup>3</sup> noted that certain industrial sectors could experience annual toxics fee increases of as much \$427,000, that information was not included in the public hearing notice or the Preliminary Draft Staff Report.<sup>4</sup> Nor did they disclose Staff's estimate that "over 1519 facilities" could be impacted by the proposed toxics fee increase.

Staff has now released new information within just the last several days and held a webinar (on the afternoon of Good Friday) to present that information.<sup>5</sup> While we appreciate the additional information, stakeholders simply have not been given adequate time to understand and comment on this new information or these complex rule amendments. We recommend that additional workshops are needed for the proposed changes to the Toxics Emissions Fees and the comment period should be extended before advancing the proposed amendments.

15-2

**3. The basis for the proposed Rule 301(e) fee increase has not been adequately supported or provided in a manner to give affected stakeholders sufficient time for review or comment.**

District Staff's justification for the fee increase is presented in a stack chart that purports to present "A Subset of District Effort on Toxics and Toxics Emissions Fees Revenue."<sup>6</sup> However, information is not provided to support the specific SCAQMD efforts and their linkages to existing or (projected) facility toxic emissions, nor does Staff demonstrate that those District efforts are purely related to stationary sources toxics as opposed to mobile sources, consumer products, etc.

In addition, over half of the efforts presented by Staff appear to be related to the District's new Assembly Bill 617 (AB617) program. The District has previously reported that regional air toxics

15-3

<sup>2</sup> SCAQMD, Notice of Public Hearing for Proposed Amended Regulation III, Fees, March 27, 2019.

<sup>3</sup> SCAQMD, Draft Socioeconomic Impact Assessment of Proposed Amended Regulation III – Fees, April 2019.

<sup>4</sup> SCAQMD, Draft Staff Report Proposed Amended Regulation III – Fees; and Rule 209 – Transfer and Voiding of Permits, March 15, 2019.

<sup>5</sup> SCAQMD Webinar To Discuss Proposed New Toxics Emissions Fees in Proposed Amended Regulation III, Friday, April 19, 2019 at 2:00 PM.

<sup>6</sup> SCAQMD, Draft Staff Report Proposed Amended Regulation III – Fees; and Rule 209 – Transfer and Voiding of Permits, April 2019, see page 23.



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risk is mostly attributable to mobile source emissions.<sup>7</sup> However, it is unclear if or how the District has accounted the projected AB617 efforts for stationary sources versus area or mobile sources in the proposed increase in toxics fees. It is also unclear from the Staff Report how the District is accounting for other AB617 funding sources or AB617 mandates already affecting certain facilities. These questions should be fully answered before the proposed rule amendments move forward to the Governing Board.

15-3 cont.

**4. Any changes which exceed the change in the Consumer Price Index (CPI) should be phased in over at least four years.**

The District notes that California law places limits on the District's ability to increase fees, including requirements to phase-in increases exceeding the change in the Consumer Price Index (CPI) over a period of at least two years.<sup>8</sup> The changes proposed by Staff clearly exceed that CPI threshold. Staff's own estimate of the current proposal suggests certain manufacturing facilities could see fee increases exceeding \$400,000 per year, and certain small businesses could experience emissions fee increases exceeding \$200,000 per year.<sup>9</sup> These proposed changes to the Toxic Emissions Fees are significant and, if adopted, would really need to be phased-in over a multi-year period. WSPA suggests a period of at least four years would be more appropriate for changes of this magnitude.

15-4

**5. We support the proposed surcharge/penalty exemption for emissions developed from source tests submitted for approval.**

The District has proposed a revision to Rule 301 that would provide relief from fee surcharges/penalties to owner/operators that had in good faith submitted source tests for review to the SCAQMD Source Test Unit prior to or at the time the Annual Emissions Report (AER) was due, but had to base AER emissions on these source tests before they were approved. WSPA supports this change to the regulation. Facilities have no control or influence over District review/approval timetables which can often be quite lengthy. This proposed change would allow reported emissions to reflect more current and/or source-specific information. Furthermore, we would recommend that the District needs to assign staff resources to improve review timetables for source tests.

15-5

<sup>7</sup> SCAQMD, Final Report, Multiple Air Toxics Exposure Study in the South Coast Air Basin (MATES IV), May 2015.

<sup>8</sup> California Health & Safety Code section 40510.5(b).

<sup>9</sup> SCAQMD, "Detailed breakdown of projected impacts by industry sector" for Proposed Amended Regulation III, Fees. Available at <http://www.aqmd.gov/home/rules-compliance/rules/scaqmd-rule-book/proposed-rules#REG%20III>.

**Response to Comment 15-1**

For a justification of the correlation between District workload and toxicity of emissions, please see Response to Comment 14-3.

**Response to Comment 15-2**

For a discussion of the noticing conducted for this rulemaking see Response to Comments 14-1 and 14-2.

The commenter also states that although the draft socioeconomic assessment noted that certain industries could experience annual toxics fee increases of as much as \$427,000, this “information was not included in the public hearing notice or the PDSR. WSPA further argues that the NOPH and PDSR did not disclose South Coast AQMD’s estimate that over 1519 facilities could potentially be impacted by the proposed toxics fee increase. However, there is no requirement that either the staff report or NOPH contain such detailed, industry-specific information. As relevant here, California Health and Safety Code Section 40440.8(a) requires that a socioeconomic impact report, which is considered an element of the staff report, provide, among other things, “only the following:” (1) the type of industries affected by the rule or regulation and (2) the range of probable costs, including costs to industry, of the rule or regulation. See *Sherwin-Williams Co. v. South Coast Air Quality Management District* (2001) 86 Cal. App. 4th. 1258, 1276 (“[S]ection 40440.8 defines socioeconomic impact as the type of industries affected by the rule, the impact of the rule on employment and the economy, and the range of probable costs.”). Line 1 of Table 2 of the Socioeconomic Report, published on April 2, 2019, provides estimated fee impacts of the proposed toxics fee amendment, while Table 3 provides detailed information regarding the Fee Impact of Proposed Amended Regulation III by industry. Table A1 (Appendix) of the report breaks down the estimated number of affected facilities *per* industry by proposed amendment. In response to stakeholder feedback, additional analysis was also released on April 16 detailing sub-industry impacts, and percentile breakdowns in a Table titled “Toxics Emissions Fee Impact by Industry” (now incorporated as Table 4 in the Final Socioeconomic Report). It should also be noted that a socioeconomic impact report was not statutorily required for the Proposed Amended Regulation III – Fees. Per Section 40440.8, a socioeconomic impact assessment is to be completed whenever the south coast district intends to propose adoption, amendment, or repeal of a rule or regulation that will significantly affect air quality or emissions limitations.

**Response to Comment 15-3**

For a detailed explanation of District work programs associated with stationary source toxic emissions, please see Response to Comment 14-3.

**Response to Comment 15-4**

Staff’s current proposal delays the phase in one year to allow facilities an opportunity to prepare for higher fees. The board resolution also includes a requirement for staff to report back on the impact of the proposed increased fees within twelve months of final phase in. If appropriate at that time, staff will make recommendations to adjust the fees higher or lower as necessary based on South Coast AQMD costs and revenues for work on toxics from stationary sources.

**Response to Comment 15-5**

Staff looks forward to continuing to work with stakeholders to ensure more accurate emissions reporting through additional source testing and/or improved default emission factors. The proposed increase in toxics emissions fees can be used to provide more staff resources to improve the source test review process.

**LATHAM & WATKINS LLP**

April 23, 2019

**VIA EMAIL**

Dr. Philip Fine  
Deputy Executive Officer  
South Coast Air Quality Management District  
21865 Copley Drive  
Diamond Bar, CA 91765

Re: Proposed Amendments to SCAQMD Regulation III - Fees

Dear Dr. Fine:

We are submitting these comments on the proposed amendments to South Coast Air Quality Management District (“SCAQMD”) Regulation III – Fees (“Proposed Amendments”) on behalf of our client the Regulatory Flexibility Group (“RFG”). The RFG is an industry coalition comprised of companies in the refining, utility and aerospace sectors that operate facilities within the jurisdiction of the SCAQMD. RFG member facilities are required to pay various fees pursuant to SCAQMD Regulation III, and will be materially affected by the Proposed Amendments.

The RFG is deeply concerned regarding the proposed fee increases for Toxic Air Contaminants (“TAC”) listed in Rule 301 Table IV. As detailed in the Draft Staff Report dated April 2019 (“Draft Staff Report”), SCAQMD staff is proposing to dramatically increase TAC emission fees from a current aggregate level of approximately \$0.5 million to approximately \$5.0 million. According to the Draft Staff Report, some facilities, including those owned by RFG members, would see substantial increases in annual TAC emission fees. These dramatically higher fees would be implemented over a short period of time.

As a legal matter, we believe that the Draft Staff Report overstates the scope of the SCAQMD’s authority to impose the proposed fee increases to offset the costs identified in the Draft Staff Report. As a practical matter, the short period of time before the increased fees would become effective does not provide sufficient time for facilities to conduct, and obtain SCAQMD concurrence with, source tests that might indicate that actual TAC emissions are lower than suggested by current emission factors. Before being faced with dramatically higher fees on the basis of questionable legal authority, facilities should be provided with sufficient time to establish the actual level of TAC emissions with a higher degree of precision.

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### 1. The Draft Staff Report Overstates SCAQMD's Authority

As stated in the Draft Staff Report, SCAQMD's authority to impose fees on stationary sources stems from California Health & Safety Code ("H&S Code") sections 40510(b) and 40506(b). H&S Code section 40510(b) provides as follows:

The south coast district board may adopt a fee schedule for the issuance of variances and permits to cover the reasonable cost of permitting, planning, enforcement, and monitoring related thereto.

Citing H&S Code section 40506, the Draft Staff Report asserts that "[v]irtually every cost related to regulating permitted sources may be recovered under this type of fee." Draft Staff Report, p. 3. However, H&S Code section 40506 actually identifies a much more limited scope of costs that can be recovered:

(a) In accordance with the purposes of this chapter as set forth in Section 40402, the south coast district board shall adopt rules and regulations for the issuance by the south coast district board of permits authorizing the construction, alteration, replacement, operation, or use of any article, machine, equipment, or other contrivance for which a permit may be required by the south coast district board.

(b) The rules and regulations shall include a schedule of fees for *the filing of applications for permits and for the modification, revocation, extension, or annual renewal of permits*. All applicants, including, notwithstanding Section 6103 of the Government Code, an applicant that is a publicly owned public utility, shall pay the fees required by the rules and regulations. (emphasis added)

H&S Code Section 40506(b) authorizes imposition of fees for "the filing of applications for permits and for the modification, revocation, extension, or annual renewal of permits," which is far from "[v]irtually every cost related to regulating permitted sources," as asserted in the Draft Staff Report.

The decision in *San Diego Gas & Electric Co. v. San Diego County APCD* (1988) 203 Cal. App. 3d 1132 ("*SDG&E v. SDAPCD*") is informative as to the scope of costs that may be recovered by SCAQMD through fees imposed pursuant to H&S Code sections 40510 and 40506. The Draft Staff Report cites this case in support of the proposition that indirect costs associated with regulating permitted sources, including planning, monitoring, rule development and outreach programs, may be recovered through emissions-based operating fees. Draft Staff Report, pp. 2-3. While that is the holding in the case, it applies to air districts that derive their fee authority from H&S Code section 42311, and not to the SCAQMD which derives its

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authority from H&S Code sections 40510 and 40506. Subsection (d) of H&S Code section 42311 specifically excludes SCAQMD from its coverage.

H&S Code section 42311 is different than H&S Code sections 40510 and 40506 in certain critical respects. H&S Code section 42311(a) provides in pertinent part as follows:

A district board may adopt, by regulation, a schedule of annual fees for the evaluation, issuance, and renewal of permits to cover ***the cost of district programs related to permitted stationary sources*** authorized or required under this division that are not otherwise funded . . . Nothing in this subdivision precludes the district from recovering, through its schedule of annual fees, ***the estimated reasonable costs of district programs related to permitted stationary sources.*** (emphasis added)

Thus, while it is true that air districts that derive their fee authority from H&S Code section 42311 may recover “virtually every cost related to regulating permitted sources,” as indicated in the Draft Staff Report, that authority does not extend to SCAQMD, which is limited to recovering only costs associated with “the filing of applications for permits and for the modification, revocation, extension, or annual renewal of permits.”<sup>1</sup>

The *SDG&E v. SDAPCD* decision analyzes the evolution of H&S Code section 42311 from its original form, through several amendments, to its current form provided above. In doing so, it makes clear that the scope of costs that can be recovered under the authority granted in H&S Code sections 40510 and 40506 is much more limited than that which can be recovered under authority granted in current H&S Code section 42311.

At one point, H&S Code section 42311 closely tracked the language that currently exists in H&S Code sections 40510 and 40506. As explained by the court:

After its 1975 enactment, section 42311's fee language was amended several times. In 1979, the section was rewritten to state: 'A district board may adopt, by regulation, a schedule of fees for each fiscal year, commencing with the 1979-80 fiscal year, to be paid for the issuance and renewal of permits. Such schedule of fees shall not exceed the estimated cost for such fiscal year of (1) evaluation and issuance of permits, (2) inspection, including source testing and surveillance, of sources for which a permit or permits have been issued, to the extent such inspection is for the purpose of determining whether such sources are in compliance with all applicable permit conditions and all applicable orders, rules, or

16-1 cont.

<sup>1</sup> H&S Code section 40510 also grants SCAQMD authority to recover the costs associated with variances, but that authority is not relevant to the proposed TAC fees.

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regulations ... , and (3) implementation and enforcement of permit terms and conditions.<sup>2</sup>

...

As amended in 1979, section 42311 specified the activities for which fees could be charged (i.e., costs of evaluating and issuing permits, of inspecting for compliance with permit conditions and regulations, and of implementing and enforcing permit terms and conditions).<sup>3</sup>

The court then goes on to explain amendments effective in 1982 that introduced the concept of recovering costs associated with district programs related to permitted sources, in contrast with costs associated only with the issuance and administration of the permitting programs itself:

Effective October 1, 1982, section 42311 was amended to state: 'A district board may adopt, by regulation, a schedule of annual fees to be paid for the evaluation, issuance, and renewal of permits to cover the cost of district programs related to permitted stationary sources authorized or required under the provisions of Division 26 (commencing with Section 39000) that are not otherwise funded. ...'<sup>4</sup>

...

The 1982 amendment expanded the language of section 42311, broadly stating fees could be charged for evaluating, issuing and renewing permits to "cover the cost" of the district's programs.<sup>5</sup>

Finally, the court explains that amendments effective in 1985 further clarified the expanded scope of costs that could be recovered:

In 1985, the Legislature added the last sentence to subdivision (a) of section 42311, stating, 'Nothing in this subdivision precludes the district from recovering, through its schedule of annual fees, the estimated reasonable costs of district programs related to permitted stationary sources.' fn. 12 The 1985 amendments also added two new subdivisions, (b) and (h). . . Subdivision (h) allows the district to charge fees for permit holders emitting toxic air

16-1 cont.

<sup>2</sup> 203 Cal. App. 3d 1132 at 1138 (citations omitted).

<sup>3</sup> *Id.* at 1142.

<sup>4</sup> *Id.* at 1139 (citations omitted).

<sup>5</sup> *Id.* at 1142

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contaminants based on the direct and indirect costs of district activities relating to each toxic air contaminant.<sup>6</sup>

With respect to the implications of the amendments described above, the court explains as follows:

SDG&E and the district do not dispute that under the 1979 statute the district could only charge fees to cover the costs directly pertaining to the permits, whereas under the 1982 statute, the district can now charge fees to cover all costs of its program, including indirect costs not related to a specific permit activity. . . The 1985 amendment, by adding the last sentence to subdivision (a), clarified that all reasonable costs could be recovered through fees.<sup>7</sup>

To summarize, the current language of H&S Code sections 40510 and 40506 is almost identical to the 1979 version of H&S Code section 42311, which limited fees to “costs of evaluating and issuing permits, of inspecting for compliance with permit conditions and regulations, and of implementing and enforcing permit terms and conditions.”<sup>8</sup> The relevant language in each section is identified below.

H&S Code section 40510:

The south coast district board may adopt a fee schedule for *the issuance of variances and permits to cover the reasonable cost of permitting, planning, enforcement, and monitoring related thereto*. (emphasis added)

H&S Code section 40506:

(b) The rules and regulations shall include a schedule of fees for *the filing of applications for permits and for the modification, revocation, extension, or annual renewal of permits*. All applicants, including, notwithstanding Section 6103 of the Government Code, an applicant that is a publicly owned public utility, shall pay the fees required by the rules and regulations. (emphasis added)

1979 version of H&S Code section 42311:

<sup>6</sup> *Id.* at 1141 (citations omitted).

<sup>7</sup> *Id.* at 1142.

<sup>8</sup> *Id.* at 1142.



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A district board may adopt, by regulation, a schedule of fees for each fiscal year, commencing with the 1979-80 fiscal year, to be paid for *the issuance and renewal of permits. Such schedule of fees shall not exceed the estimated cost for such fiscal year of (1) evaluation and issuance of permits, (2) inspection, including source testing and surveillance, of sources for which a permit or permits have been issued, to the extent such inspection is for the purpose of determining whether such sources are in compliance with all applicable permit conditions and all applicable orders, rules, or regulations ... , and (3) implementation and enforcement of permit terms and conditions.* (emphasis added)

Contrast the language above with that of current H&S Code section 42311, which according to the court, allowed the district to “now charge fees to cover all costs of its program, including indirect costs not related to a specific permit activity” and “clarified that all reasonable costs could be recovered through fees.”<sup>9</sup>

A district board may adopt, by regulation, a schedule of annual fees for the evaluation, issuance, and renewal of permits to cover *the cost of district programs related to permitted stationary sources* authorized or required under this division that are not otherwise funded . . . Nothing in this subdivision precludes the district from recovering, through its schedule of annual fees, *the estimated reasonable costs of district programs related to permitted stationary sources.* (emphasis added)

The Draft Staff Report asserts that the SCAQMD has the broad authority conferred by the current version of H&S Code section 42311 to recover “[v]irtually every cost related to regulating permitted sources may be recovered under this type of fee.” Draft Staff Report, p. 3. However, H&S Code sections 40510 and 40506 have never been amended to include the broad grant of authority contained in H&S Code section 42311, and instead confer only the more limited authority granted by earlier versions of H&S Code section 42311.

## 2. SCAQMD Should Commit To A Longer Implementation Period And Expedited Review Of Emission Factors

Particularly in light of the lack of legal authority to impose the proposed fee increases, the SCAQMD should modify its proposal to provide for a longer implementation period for the phase-in of the higher fees, during which time staff should engage in a process to review source test and other data to update emission factors to more accurately reflect actual emissions from affected sources. Specifically, the implementation of the proposed fee increases should be pushed out one additional year beyond the implementation schedule proposed by staff in the Draft Staff Report. During the period of time between adoption of the Proposed Amendments

<sup>9</sup> *Id.* at 1142.

16-1 cont.

16-2

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and commencement of their implementation, staff should establish a working group and a process for updating relevant emission factors to ensure that facilities are not forced to overpay fees based on inflated estimates of emissions.

Thank you for your attention to these comments. If you would like to discuss our concerns, please contact me at (714) 755-8105 or by email at [michael.carroll@lw.com](mailto:michael.carroll@lw.com).

Sincerely,

  
Michael J. Carroll  
of LATHAM & WATKINS LLP

cc: Wayne Natri, SCAQMD  
Barbara Baird, SCAQMD  
SCAQMD Governing Board  
SCAQMD Clerk of the Board  
RFG Members  
Robert Wyman, Latham & Watkins LLP  
John Heintz, Latham & Watkins LLP

16-2 cont.

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**Response to Comment 16-1**

The Refinery Flexibility Group (“RFG”) claims that the Draft Staff Report “overstates the scope of the SCAQMD’s authority to impose the proposed fee increases to offset the costs identified in the Draft Staff Report.” More specifically, RPG claims that based on its reading of *San Diego Gas & Electric Co. v. San Diego Air Pollution Control District* (1988) 203 Cal. App. 3d 1132 (“*SDG&E v. SDAPCD*”), the SCAQMD’s statutory fee authority is more limited than the fee authority granted to the San Diego APCD under California Health & Safety Code § 42311. RPG is mistaken.

In *SDG&E v. SDAPCD*, SDG&E challenged SDAPCD’s adoption of emissions-based fees which were implemented to recover the indirect costs associated with its permitted source program. The Court analyzed the legislative history of § 42311 (the fee authority statute for air pollution control districts other than the South Coast AQMD) and concluded that even though SDAPCD may have initially lacked authority to charge emission-based fees and fees designed to recover indirect costs, amendments made by the Legislature in 1982 and 1985 subsequently provided that authority. RFG claims that since no similar amendments have been made to § 40510, SCAQMD’s authority is limited to charging fees only for those “costs associated with ‘the filing of applications for permits and for the modification, revocation, extension, or annual renewal of permits.’”

RFG’s conclusion is erroneous because it overlooks the dissimilarity of the language in §40510 and §42311, as well as other important language in that decision. In particular, in *SDG&E v. SDAPCD*, the Court discussed language in a Legislative Analyst’s report *preceding* the 1982 amendments. That report stated that “the administration intended to seek legislation authorizing local districts to charge emission fees to cover operating costs noting that under current law *only the south coast district had such authority.*” (203 Cal. App. 3d at 1138, emphasis added.) Thus, the amendments made to §42311 after 1982 were not designed to give SDAPCD more authority than SCAQMD had under §40510; rather, the amendments were designed to provide SDAPCD with the same authority as SCAQMD. Additional amendments to §40510 were not needed.

In short, *SDG&E v. SDAPCD* is consistent with the District’s broad interpretation of its fee authority under §40510. SCAQMD has authority to charge fees, including emission-based fees, for the purpose of recovering its reasonable direct and indirect costs of regulating permitted sources. California Health & Safety Code § 40510 provides broad authority for the District to adopt fees. Subdivision (b) provides for adoption of fees for “variances and permits to cover the reasonable cost of permitting, planning, enforcement, and monitoring related thereto.” Subdivision (c) – which is noticeably absent from RFG’s comment letter – states that “fees may be varied in accordance with the quantity of emissions and the effect of those emissions on the ambient air quality within the south coast district. Subdivision (d) – which is also noticeably absent from RFG’s comment letter – states that “this section shall not prevent the district from establishing or amending an individual permit renewal or operating permit fee applicable to a class of sources to recover the reasonable district costs of permitting, planning, enforcement, and monitoring which that class will cause to district programs.”

Together these sections clearly authorize the proposed toxic air contaminant fees. These emissions-based fees are related to permitting, planning, enforcement and monitoring and are consistent with subdivision (b). (See Preliminary Draft Staff Report (p. 2), the Draft Staff Report (p. 2), and the various presentations made to the regulated community.) In addition, these fees are, in part, varied in accordance with the quantity of emissions and the effect of those emissions on the ambient air, consistent with 40510(c). The cancer-potency weighted fee is based on pounds of emissions reported and state-mandated cancer potency factors because increased toxic emissions create greater potential health risks and necessitate higher levels of effort from the District for investigating and enforcing rules on those emitters. (See Preliminary Draft Staff Report (p. 29), the Draft Staff Report (p. 29), and the various presentations made to the regulated community.)

The SCAQMD’s interpretation of its authority to adopt these TAC fees is also supported by state legislation imposing mandates on it. For example, when AB 617 was adopted, the Legislature found that no reimbursement was required because the SCAQMD “has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act. . .”

To the extent commenter is challenging the SCAQMD’s legal authority based upon an alleged failure to justify the fee, please see Response to Comment 14-3.

### **Response to Comment 16-2**

Staff’s current proposal delays the phase in one year to allow facilities an opportunity to prepare for higher fees. The board resolution also includes two requirements for staff. First, staff must report back on the impact of the proposed increased fees within twelve months of final phase in. If appropriate at that time, staff will make recommendations to adjust the fees higher or lower as necessary based on South Coast AQMD costs and revenues for work on toxics from stationary sources. Second, staff must initiate a review of emission factors and update them as appropriate, in consultation with a working group, and report back on the status of this effort to the Board within twelve months.

## ATTACHMENT I

### SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

#### **Final Socioeconomic Impact Assessment for Rule 320 - Automatic Adjustment Based on Consumer Price Index for Regulation III Fees**

May 2019

##### **Executive Officer**

Wayne Nastri

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

**Planning, Rule Development & Area Sources**

Philip M. Fine, Ph.D.

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

**Planning, Rule Development & Area Sources**

Sarah L. Rees, Ph.D.

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**Authors:** Shah Dabirian, Ph.D., Program Supervisor  
Paul Stroik, Ph.D., Air Quality Specialist

**Contributor:** Nancy Cole, Financial Analyst

**Reviewed By:** Ian MacMillan, Planning & Rules Manager  
Donna Peterson, Financial Services Manager  
Teresa Barrera, Senior Deputy District Counsel  
Sheri Hanizavareh, Senior Deputy District Counsel

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

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Speaker of the Assembly Appointee

Vice Chairman: DR. CLARK E. PARKER, SR.  
Senate Rules Committee Appointee

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County of Orange

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City of Los Angeles Representative

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Mayor Pro Tem, Highland  
Cities of San Bernardino County

JUDITH MITCHELL  
Mayor, Rolling Hills Estates  
Cities of Los Angeles County/Western Region

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Council Member, Lake Forest  
Cities of Orange County

JANICE RUTHERFORD  
Supervisor, Second District  
County of San Bernardino

VACANT  
Governor's Appointee

**EXECUTIVE OFFICER:**

WAYNE NASTRI

## EXECUTIVE SUMMARY

Rule 320 – Automatic Adjustment Based on Consumer Price Index (CPI) for Regulation III Fees requires adjustments of most fee rates in Regulation III by the California CPI annually unless the Governing Board votes to amend the rule to not require the CPI increase or requires a different increase for a given year. The October 29, 2010 SCAQMD Governing Board Resolution requires, by March 15 of every year, 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.<sup>1</sup> In addition, the analysis provides background information, historical trends of SCAQMD revenues from various fees and sectoral distributions of these fees. A summary of the analysis and findings is presented below.

<b>Fee Increases</b>	Pursuant to Rule 320, an across-the-board 3.5-percent increase in fee rates (equivalent to the change in the California CPI from December 2017 to December 2018) will occur on July 1, 2019 unless the Governing Board decides to forego the 3.5-percent increase.
<b>Affected Facilities</b>	Nearly all facilities regulated by the SCAQMD would be affected by the proposed fee increases. These facilities cover 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 processing fees, annual permit renewal fees, toxic hot spot fees, source testing fees, and a portion of fees under Rule 2202 – On-Road Motor Vehicle Mitigation Options. The current fee rates together with the most recent equipment and activity profiles of individual facilities were used to generate facility-level fee estimates. These estimates were then aggregated to the industry level.</p> <p>The manufacturing sector is the largest contributor to SCAQMD's emission fees (78 percent), permit processing fees (41 percent), and annual permit renewal fees (36 percent). Overall, the costs of complying with the current Regulation III rates are very small relative to the region-wide industry output or value-added (less than 0.01 percent).</p>
<b>Impact of Fee Increase</b>	Based on the fee categories examined in the analysis and last year's activity levels, the across-the-board CPI-based fee rate increase by industry sectors is projected to bring additional revenue totaling \$2.85 million to SCAQMD. The manufacturing sector as a whole would incur the largest increase in fees (approximately \$1.20 million for about 3,600 facilities), followed by the services sector (approximately \$0.53 million for about 10,600 facilities) and the retail trade sector (approximately \$0.41 million for about 4,000 facilities). Within the manufacturing sector, the petroleum and coal products manufacturing industry, mostly comprised of refineries, would experience an increase of approximately \$0.49 million.

<sup>1</sup> Proposed amendments to Regulation III with fee impacts will be analyzed in a separate socioeconomic report.

## INTRODUCTION

The SCAQMD General Fund is comprised of revenues from a number of sources. The majority of SCAQMD revenues are derived from emission fees, annual renewal fees, permit processing fees, and a portion of vehicle registration fees collected by the state (mobile sources/clean fuels). Other sources of revenues include Hearing Board fees, source test/analysis fees, transportation program (Rule 2202) fees, reimbursement for work associated with the AB 2588 program (toxic hot spot program), civil penalties/settlements, and other revenues.

Pursuant to Rule 320, an across-the-board 3.5-percent increase in fee rates will occur on July 1, 2019 applying to fiscal year (FY) 2019-2020 unless the Governing Board decides to forego the 3.5-percent increase.<sup>2</sup> The 3.5-percent increase is equivalent to the change in the California Consumer Price Index (CPI) from December 2017 to December 2018. The annual increase in fee rates for the past five FYs and the upcoming FY are as follows: 1.6% in 2014-2015, 1.4% in 2015-2016, 2.4% in 2016-17, 2.5% in 2017-2018, 3.4% in 2018-2019, and 3.5% in 2019-2020.

In order to examine the impact of a fee rate increase on various industries, this report focuses the analysis on emission fees, permit processing fees, annual permit renewal fees, toxic hot spot fees, source test fees, and a portion of Rule 2202 fees.<sup>3</sup> Other fees that are subject to the automatic CPI increase are area source fees and Hearing Board fees; however, they account for a relatively small portion of the total revenue.

The SCAQMD is required to undertake socioeconomic analyses by California Health and Safety Code (H&SC) Section 40440.8(a) for proposed rules and rule amendments that “will significantly affect air quality or emissions limitations.” Although the proposed CPI-based fee adjustment does not satisfy this criterion, the analysis herein is presented per the October 29, 2010 Special Governing Board Resolution related to Rule 320, which directs staff to prepare a socioeconomic analysis of the impacts of an automatic adjustment in a given year.

## REVENUE TREND

Table 1 lists historical revenue for two prior FYs, estimated revenue for the current FY 2018-2019, and projected revenue for FY 2019-2020 by major fee category. Estimated revenue for FY 2018-2019 is based on actual revenue received through February 2019. FY 2019-2020 projected revenue is based on forecasts estimated by various SCAQMD operational units. Emission fees, permit processing fees, and annual permit renewal fees

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<sup>2</sup> A fiscal year runs from July 1 to June 30. For example, FY 2018-2019 refers to the period of July 1, 2018 to June 30, 2019. In comparison, calendar year (CY) 2018 refers to the period of January 1 to December 31, 2018.

<sup>3</sup> Employers subject to Rule 2202 can choose among various compliance options, including participation in the Air Quality Investment Program (AQIP). The AQIP program fees consist of a registration fee and an investment fee, the latter of which goes to a special revenue account to obtain necessary emissions reduction or air quality benefits and is not part of the General Fund.



together represent approximately 57 percent of SCAQMD's estimated total FY 2018-2019 revenues.

Compared to the estimated revenue in FY 2018-2019, a net total revenue increase of \$5.5 million is projected for FY 2019-2020, which reflects the impact of the across-the-board CPI-based fee rate increase, a 2017 Board-approved Title V fee increase, additional state funding, and the forecasted changes in activity levels. This estimated revenue increase is inclusive of the CPI-based fee rate increase, the impact of which is also estimated separately in Table 7.

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

Revenue Category	FY 2016-2017 Actual* (Thousands)	FY 2017-2018 Actual* (Thousands)	FY 2018-2019 Estimated** (Thousands)	FY 2019-2020 Projected (Thousands)	Changes in Revenue (from FY 2018-2019 Estimated)	
					Thousands	%
Emission Fees	\$18,964	\$22,787	\$19,990	\$20,676	\$686	3.4%
Annual Renewal Fees (w/o PERP)	\$47,561	\$51,007	\$56,105	\$59,351	\$3,246	5.8%
Permit Processing Fees	\$20,729	\$19,538	\$18,829	\$20,644	\$1,815	9.6%
Mobile Sources/Clean Fuels	\$23,793	\$22,016	\$26,007	\$28,218	\$2,212	8.5%
Sources Test & Lab Analysis	\$734	\$663	\$699	\$756	\$57	8.1%
Hearing Board Fees	\$188	\$352	\$140	\$217	\$77	55.3%
Transportation Program (Rule 2202) Fees	\$840	\$846	\$1,020	\$964	-\$56	-5.5%
Other Revenue***	\$36,083	\$44,713	\$42,665	\$40,159	-\$2,506	-5.9%
Total	\$148,893	\$161,921	\$165,454	\$170,985	\$5,531	3.3%

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

\* Information as reported in the Comprehensive Annual Financial Reports (FYs 2016-17 & 2017-18).

\*\* Estimates are based on actual revenue received through February 2019.

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

## HISTORICAL REVENUE ANALYSIS

The following sub-sections examine the distribution of revenues from various fee categories among key industries for either FY 17-18 or CY 2018 as described below. This analysis used the most recent invoiced amounts at the current fee rates to arrive at an estimated picture of the current fee revenue by industry. Thus, the figures below may differ slightly from Table 1 because data sources may reflect different time periods.

### Emission Fees

For FY 18-19, emission fees account for approximately 12 percent of SCAQMD's estimated total revenue (Table 1). In May 2001, a flat emissions fee was introduced for all facilities with at least one operating permit.<sup>4</sup> The flat fee implemented recommendations by the California State Auditor in 1998, the Revenue Committee established by the

<sup>4</sup> Excluding equipment in Rule 222—Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation II.

Executive Officer in 2000, and the independent consultant for the Fee Structure Study—Thompson, Cobb, Bazilio & Associates (March 1999).

Table 2 shows the estimated revenue collected or to be collected from more than 21,000 facilities for flat emission fees (\$2.64 million) and emissions-based fees (\$15.02 million), the latter of which contributed approximately 85 percent of total emission fees collected.<sup>5</sup> These emissions include permitted and non-permitted emissions of NO<sub>x</sub>, SO<sub>x</sub>, VOC, TSP, CO, and specific organic gasses (SPOG) as well as toxic air contaminants for facilities required to report their actual emissions each year.<sup>6</sup>

The services sector (NAICS 54-81) consisting of around 6,900 facilities contributed the highest share of the flat emission fee, contributing \$0.87 million or 33 percent of the total amount. It is followed by the retail trade sector (NAICS 44-45), with \$0.45 million paid by about 3,600 facilities. In comparison, emission-based fees were mostly collected from larger-sized businesses located within certain industries. Among the 927 facilities that were subject to emission-based fees, nearly half were manufacturers (NAICS 31-33), and they contributed 78 percent of the total emission-based fees invoiced in 2018. The petroleum and coal industry (NAICS 324) alone contributed \$9.50 million to emissions-based fees, accounting for 81 percent of the manufacturing sector and 63 percent of total emissions-based fees.

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<sup>5</sup> Emission-based fees were derived from 2018 emissions and the invoiced amount, or the amount a facility should have paid, in Calendar Year 2018 based on the existing Rule 301 fee rates.

<sup>6</sup> Toxic air contaminants are listed in Table IV of Rule 301.

**Table 2: Estimated Emission Fee Revenue by Industry in 2018 (MM\$)**

Industry	NAICS	Flat Fee <sup>1</sup>			Emission-based Fees			Total	
		MM\$	%	# of Fac. <sup>2</sup>	MM\$	%	# of Fac. <sup>2</sup>	MM\$	%
<b>Agriculture, Forestry, Fishing &amp; Hunting</b>	<b>11</b>	<b>\$0.01</b>	<b>0.38%</b>	<b>81</b>	<b>\$0.13</b>	<b>0.89%</b>	<b>35</b>	<b>\$0.14</b>	<b>0.81%</b>
<b>Mining</b>	<b>21</b>	<b>\$0.03</b>	<b>1.16%</b>	<b>244</b>	<b>\$0.43</b>	<b>2.89%</b>	<b>72</b>	<b>\$0.46</b>	<b>2.63%</b>
Oil and Gas Extraction	211	\$0.02	0.73%	154	\$0.21	1.40%	47	\$0.23	1.30%
Mining (except oil and gas)	212-213	\$0.01	0.43%	90	\$0.22	1.49%	25	\$0.24	1.33%
<b>Construction</b>	<b>23</b>	<b>\$0.09</b>	<b>3.55%</b>	<b>750</b>	<b>\$0.04</b>	<b>0.27%</b>	<b>9</b>	<b>\$0.13</b>	<b>0.76%</b>
<b>Manufacturing</b>	<b>31-33</b>	<b>\$0.40</b>	<b>15.26%</b>	<b>3,222</b>	<b>\$11.65</b>	<b>77.58%</b>	<b>414</b>	<b>\$12.05</b>	<b>68.25%</b>
Food Manufacturing	311	\$0.02	0.88%	185	\$0.09	0.60%	38	\$0.11	0.64%
Wood Products Manufacturing	321	\$0.01	0.32%	67	\$0.01	0.04%	4	\$0.01	0.08%
Petroleum and Coal Products Mfg.	324	\$0.01	0.41%	87	\$9.49	63.23%	39	\$9.50	53.83%
Chemical Manufacturing	325	\$0.04	1.46%	309	\$0.25	1.69%	45	\$0.29	1.66%
Nonmetallic Mineral Product Mfg.	327	\$0.03	1.04%	219	\$0.47	3.11%	24	\$0.49	2.80%
Primary & Fabricated Metal Mfg.	331-332	\$0.10	3.61%	763	\$0.40	2.67%	95	\$0.50	2.81%
Machinery Manufacturing	333	\$0.02	0.78%	165	\$0.03	0.18%	5	\$0.05	0.27%
Computer and Electronic Product Mfg.	334	\$0.03	1.12%	237	\$0.03	0.21%	18	\$0.06	0.34%
Electrical Equipment & Appliance Mfg.	335	\$0.01	0.52%	109	\$0.01	0.09%	10	\$0.03	0.15%
Motor Vehicle & Trans. Equipment Mfg.	336	\$0.03	0.99%	210	\$0.09	0.61%	28	\$0.12	0.66%
Other Manufacturing	312-339	\$0.11	4.13%	871	\$0.78	5.16%	108	\$0.88	5.01%
<b>Utilities</b>	<b>22</b>	<b>\$0.13</b>	<b>4.79%</b>	<b>1,009</b>	<b>\$0.97</b>	<b>6.43%</b>	<b>79</b>	<b>\$1.09</b>	<b>6.18%</b>
<b>Transportation &amp; Warehousing</b>	<b>48-49</b>	<b>\$0.07</b>	<b>2.56%</b>	<b>538</b>	<b>\$0.36</b>	<b>2.41%</b>	<b>30</b>	<b>\$0.43</b>	<b>2.43%</b>
<b>Information</b>	<b>51</b>	<b>\$0.08</b>	<b>3.20%</b>	<b>677</b>	<b>\$0.02</b>	<b>0.11%</b>	<b>6</b>	<b>\$0.10</b>	<b>0.57%</b>
Publishing Industries, Except Internet	511	\$0.00	0.10%	22	\$0.00	0.01%	1	\$0.00	0.03%
Motion Picture & Sound Recording	512	\$0.01	0.29%	63	\$0.02	0.10%	5	\$0.02	0.13%
Internet Services and data processing	518,519	\$0.01	0.25%	52	\$0.00	0.00%	0	\$0.01	0.04%
Other Information	Other in 51	\$0.07	2.55%	540	\$0.00	0.00%	0	\$0.07	0.38%
<b>Wholesale Trade</b>	<b>42</b>	<b>\$0.13</b>	<b>4.85%</b>	<b>1,024</b>	<b>\$0.25</b>	<b>1.63%</b>	<b>48</b>	<b>\$0.37</b>	<b>2.12%</b>
<b>Retail Trade</b>	<b>44-45</b>	<b>\$0.45</b>	<b>16.95%</b>	<b>3,570</b>	<b>\$0.21</b>	<b>1.42%</b>	<b>70</b>	<b>\$0.66</b>	<b>3.75%</b>
Car & Parts Dealers	441	\$0.03	1.26%	266	\$0.00	0.02%	4	\$0.04	0.20%
Gas Stations	447	\$0.21	8.08%	1,699	\$0.07	0.48%	15	\$0.29	1.62%
Other Retail Trade	Other in 44-45	\$0.20	7.61%	1,605	\$0.14	0.92%	51	\$0.34	1.92%
<b>Finance and Insurance</b>	<b>52</b>	<b>\$0.04</b>	<b>1.38%</b>	<b>291</b>	<b>\$0.00</b>	<b>0.01%</b>	<b>2</b>	<b>\$0.04</b>	<b>0.21%</b>
<b>Real Estate and Rental Leasing</b>	<b>53</b>	<b>\$0.13</b>	<b>4.75%</b>	<b>1,006</b>	<b>\$0.00</b>	<b>0.02%</b>	<b>3</b>	<b>\$0.13</b>	<b>0.73%</b>
<b>Services</b>	<b>54-81</b>	<b>\$0.87</b>	<b>32.82%</b>	<b>6,931</b>	<b>\$0.80</b>	<b>5.34%</b>	<b>138</b>	<b>\$1.67</b>	<b>9.45%</b>
Professional and Technical Services	54	\$0.07	2.55%	538	\$0.01	0.03%	12	\$0.07	0.41%
Accommodation	721	\$0.03	1.00%	211	\$0.00	0.00%	0	\$0.03	0.15%
Food Services & Drinking Places	722	\$0.02	0.63%	134	\$0.00	0.01%	3	\$0.02	0.10%
Automotive Repairs & Maintenance	8111	\$0.24	9.11%	1,923	\$0.01	0.08%	4	\$0.25	1.43%
Dry Cleaning & Laundry Services	8123	\$0.13	4.91%	1,035	\$0.00	0.00%	3	\$0.13	0.74%
Health Care & Social Assistance	62	\$0.09	3.57%	753	\$0.11	0.72%	46	\$0.20	1.14%
Other Services	Other in 54-81	\$0.29	11.05%	2,337	\$0.68	4.50%	70	\$0.97	5.48%
<b>Public Administration</b>	<b>92</b>	<b>\$0.18</b>	<b>6.91%</b>	<b>1,456</b>	<b>\$0.13</b>	<b>0.89%</b>	<b>18</b>	<b>\$0.32</b>	<b>1.79%</b>
<b>Unclassified<sup>3</sup></b>	<b>N/A</b>	<b>\$0.04</b>	<b>1.44%</b>	<b>304</b>	<b>\$0.02</b>	<b>0.11%</b>	<b>3</b>	<b>\$0.05</b>	<b>0.31%</b>
<b>Totals</b>		<b>\$2.64</b>	<b>100%</b>	<b>21,103</b>	<b>\$15.02</b>	<b>100%</b>	<b>927</b>	<b>\$17.66</b>	<b>100%</b>

<sup>1</sup> Flat emission fees based on FY 2017-2018.<sup>2</sup> Almost all facilities paying emission-based fees also pay the flat fee.<sup>3</sup> Facilities with no NAICS codes assigned are categorized as "unclassified."

Permit Processing Fees and Annual Permit Renewal Fees

Permit processing and annual permit renewal fees by industry are shown in Table 3. Applicants for permits to construct/operate equipment listed in Rule 301 pay a permit processing fee which varies by equipment type and size. Permit fees also include other charges based on additional time and materials billed for SCAQMD staff time (if specified by the applicable rule), and other fees as required (modeling, Title V fees, CEQA analysis fees, etc.). The fee, except for time and material fees, is paid at the beginning of the permit application process. Variances in permit processing fee amounts between Table 3 - Estimated Permit Processing & Annual Permit Renewal Fee Revenue by Industry and Table 1 – Actual and Estimated SCAQMD Revenue reflect application fees being collected at time of application, but are recognized as revenues at the time the majority of permit work is completed.

As Table 3 indicates, an estimated total of \$12.80 million from about 4,600 facilities that applied for permits to construct or operate was invoiced during FY 2017-2018. Facilities can apply for multiple permits. As with emission fees, the majority of the permit processing fee revenue came from the manufacturing sector, which contributed \$5.23 million (41 percent of permit processing fee revenue). The services sector paid the second most of permit processing fees with \$2.91 million (23 percent of permit processing fee revenue).

Operating permits must be renewed annually. An annual fee is assessed on the renewed permits to support continuing SCAQMD inspection and compliance activities and other permit related activities. Approximately 26,800 facilities held operating permits as of February 22, 2019. The revenue from these facilities at the current fee rate is estimated to be \$50.36 million (Table 3). The manufacturing sector, with about 3,600 facilities, was the largest contributor, paying \$18.26 million or 36 percent of the total annual renewal fee revenue. The service sector with more than 10,500 facilities paid about \$9.77 million and the retail trade sector with about 4,000 facilities paid about \$9.25 million.

Area Source Fees (Architectural Coatings)

Rule 314 – Fees for Architectural Coatings, was adopted June 6, 2008 requiring manufacturers to pay fees and report sales and emissions of architectural coatings to the SCAQMD. Rule 314 affects about 200 architectural coatings manufacturers classified under the chemical manufacturing sector (NAICS 325). Beginning 2009 and each subsequent calendar year, Rule 314 requires architectural coatings manufacturers to report to SCAQMD annual quantity (in gallons) and emissions of each of their architectural products distributed or sold into or within the SCAQMD for use in the SCAQMD during the previous calendar year. Fees are assessed on the manufacturers' reported annual quantity of architectural coatings and its respectively recorded cumulative VOC emissions. All fees collected from architectural coating sales in FY 2017-2018 pursuant to Rule 314 were about \$2.2 million. This amount represents around 1.4 percent of the SCAQMD's total revenue for that FY, and about 0.01 percent of the chemical manufacturing industry's economic output.<sup>7</sup>

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<sup>7</sup> Please refer to the "Major Revenue Sources by Industry" section for more details.

**Table 3: Estimated Permit Processing & Annual Renewal Fee Revenue by Industry (MM\$)**

Industry	NAICS	Permit Processing Fees <sup>1</sup>			Annual Permit Renewal Fees <sup>2</sup>		
		MM\$	%	# of Fac.	MM\$	%	# of Fac.
<b>Agriculture, Forestry, Fishing &amp; Hunting</b>	<b>11</b>	<b>\$0.05</b>	<b>0.38%</b>	<b>32</b>	<b>\$0.15</b>	<b>0.30%</b>	<b>115</b>
<b>Mining</b>	<b>21</b>	<b>\$0.16</b>	<b>1.26%</b>	<b>60</b>	<b>\$1.32</b>	<b>2.62%</b>	<b>326</b>
Oil and Gas Extraction	211	\$0.11	0.85%	48	\$0.92	1.82%	210
Mining (except oil and gas)	212-213	\$0.05	0.42%	12	\$0.40	0.80%	116
<b>Construction</b>	<b>23</b>	<b>\$0.36</b>	<b>2.79%</b>	<b>165</b>	<b>\$1.42</b>	<b>2.82%</b>	<b>1,071</b>
<b>Manufacturing</b>	<b>31-33</b>	<b>\$5.23</b>	<b>40.85%</b>	<b>656</b>	<b>\$18.26</b>	<b>36.26%</b>	<b>3,641</b>
Food Manufacturing	311	\$0.32	2.51%	51	\$1.36	2.70%	227
Wood Products Manufacturing	321	\$0.05	0.36%	8	\$0.08	0.15%	79
Petroleum and Coal Products Mfg.	324	\$1.27	9.94%	32	\$4.86	9.64%	95
Chemical Manufacturing	325	\$0.44	3.47%	71	\$1.93	3.84%	337
Nonmetallic Mineral Product Mfg.	327	\$0.21	1.66%	38	\$1.25	2.49%	233
Primary & Fabricated Metal Mfg.	331-332	\$1.11	8.69%	161	\$3.70	7.35%	850
Machinery Manufacturing	333	\$0.17	1.31%	35	\$0.42	0.83%	195
Computer and Electronic Product Mfg.	334	\$0.30	2.33%	62	\$0.77	1.52%	265
Electrical Equipment & Appliance Mfg.	335	\$0.19	1.49%	20	\$0.45	0.90%	125
Motor Vehicle & Trans. Equipment Mfg.	336	\$0.30	2.34%	45	\$0.93	1.85%	233
Other Manufacturing	312-339	\$0.86	6.75%	133	\$2.52	5.00%	1,002
<b>Utilities</b>	<b>22</b>	<b>\$0.65</b>	<b>5.07%</b>	<b>132</b>	<b>\$2.32</b>	<b>4.60%</b>	<b>1,038</b>
<b>Transportation &amp; Warehousing</b>	<b>48-49</b>	<b>\$0.27</b>	<b>2.11%</b>	<b>103</b>	<b>\$1.43</b>	<b>2.84%</b>	<b>640</b>
<b>Information</b>	<b>51</b>	<b>\$0.18</b>	<b>1.44%</b>	<b>206</b>	<b>\$0.51</b>	<b>1.00%</b>	<b>736</b>
Publishing Industries, Except Internet	511	\$0.04	0.34%	9	\$0.03	0.07%	31
Motion Picture & Sound Recording	512	\$0.05	0.37%	24	\$0.14	0.27%	80
Internet Services and data processing	518,519	\$0.03	0.20%	18	\$0.05	0.11%	58
Other Information	Other in 51	\$0.07	0.52%	155	\$0.28	0.55%	567
<b>Wholesale Trade</b>	<b>42</b>	<b>\$0.67</b>	<b>5.20%</b>	<b>166</b>	<b>\$2.84</b>	<b>5.65%</b>	<b>1,201</b>
<b>Retail Trade</b>	<b>44-45</b>	<b>\$1.26</b>	<b>9.86%</b>	<b>1,112</b>	<b>\$9.25</b>	<b>18.37%</b>	<b>4,044</b>
Car & Parts Dealers	441	\$0.08	0.60%	34	\$0.24	0.48%	307
Gas Stations	447	\$0.51	4.01%	237	\$6.29	12.49%	1,836
Other Retail Trade	Other in 44-45	\$0.67	5.24%	841	\$2.71	5.39%	1,901
<b>Finance and Insurance</b>	<b>52</b>	<b>\$0.04</b>	<b>0.30%</b>	<b>65</b>	<b>\$0.34</b>	<b>0.67%</b>	<b>357</b>
<b>Real Estate and Rental Leasing</b>	<b>53</b>	<b>\$0.32</b>	<b>2.48%</b>	<b>184</b>	<b>\$1.03</b>	<b>2.05%</b>	<b>1,171</b>
<b>Services</b>	<b>54-81</b>	<b>\$2.91</b>	<b>22.72%</b>	<b>1,397</b>	<b>\$9.77</b>	<b>19.40%</b>	<b>10,574</b>
Professional and Technical Services	54	\$0.60	4.72%	161	\$1.25	2.47%	790
Accommodation	721	\$0.04	0.30%	28	\$0.23	0.46%	281
Food Services & Drinking Places	722	\$0.13	1.03%	205	\$0.65	1.28%	2,347
Automotive Repairs & Maintenance	8111	\$0.34	2.69%	183	\$1.73	3.43%	2,221
Dry Cleaning & Laundry Services	8123	\$0.10	0.75%	88	\$0.54	1.08%	1,185
Health Care & Social Assistance	62	\$0.28	2.19%	162	\$1.17	2.33%	846
Other Services	Other in 54-81	\$1.41	11.04%	570	\$4.20	8.34%	2,904
<b>Public Administration</b>	<b>92</b>	<b>\$0.28</b>	<b>2.16%</b>	<b>153</b>	<b>\$1.19</b>	<b>2.36%</b>	<b>1,531</b>
<b>Unclassified<sup>3</sup></b>	<b>N/A</b>	<b>\$0.43</b>	<b>3.36%</b>	<b>206</b>	<b>\$0.54</b>	<b>1.07%</b>	<b>360</b>
<b>Totals</b>		<b>\$12.80</b>	<b>100%</b>	<b>4,637</b>	<b>\$50.36</b>	<b>100%</b>	<b>26,805</b>

<sup>1</sup> Based on permit applications in FY 2017-2018.<sup>2</sup> Based on permits held on February 22, 2019.<sup>3</sup> Facilities with no NAICS codes assigned are categorized as "unclassified."

Toxic Hot Spots Fees

AB 2588 toxic hot spots fees are calculated based on health risks and priority scores. The most recent invoiced revenue for FY 2017-2018 was approximately \$2.55 million (Table 4). The services sector's share of this total was 33 percent, which includes automotive repairs and maintenance, dry cleaning and laundry services, health care and social assistance, etc. The second and third largest contributors to hot spot fees are retail trade and manufacturing, contributing 20 and 16 percent respectively.

Source Testing Fees

The revenue from source testing fees is based on the invoiced source test fees during FY 2017-2018. During this period of time, the combined source test fee revenue from Rules 304 and 304.1 was \$0.53 million (Table 4). Manufacturing accounted for 59 percent of this revenue, followed by services with 14 percent.

Rule 2202 Fees

Rule 2202 – On-Road Motor Vehicle Mitigation Options applies to employers with 250 or more employees in the SCAQMD's jurisdiction. It provides employers with three compliance options: (1) the Employee Commute Reduction Program (ECRP); (2) emission reduction strategies (ERS) such as the use of clean fuel vehicles, re-powering of diesel engine marine vessels, and vehicle scrapping; and (3) participation in the Air Quality Investment Plan (AQIP). Employers choosing the ECRP option pay a plan review fee to the SCAQMD at the time they file their ECRP Plan. Employers choosing an ERS pay a registration fee. Employers choosing to invest in AQIP pay a registration fee and an investment fee. The investment fee portion goes to a special revenue account which is not part of the General Fund.

The revenue from Rule 2202 fees herein is based on the invoiced Rule 2202 fees during FY 2017-2018. A total of \$0.87 million was collected from Rule 2202 fees for ECRP, ERS, and AQIP registration fees. The services sector accounted for 34 percent of the estimated Rule 2202 fee revenue. Unlike many other fee categories, only 14 percent of the Rule 2202 fee revenue came from manufacturing.

**Table 4: Estimated Source Testing and Toxic Hot Spot Fees by Industry (\$MM)**

Industry	NAICS	Source Testing Fees			Toxic Hot Spots Fees		
		MM\$	%	# of Fac.	MM\$	%	# of Fac.
<b>Agriculture, Forestry, Fishing &amp; Hunting</b>	<b>11</b>	<b>\$0.00</b>	<b>0.07%</b>	<b>1</b>	<b>\$0.00</b>	<b>0.19%</b>	<b>32</b>
<b>Mining</b>	<b>21</b>	<b>\$0.01</b>	<b>2.75%</b>	<b>6</b>	<b>\$0.02</b>	<b>0.72%</b>	<b>46</b>
Oil and Gas Extraction	211	\$0.01	2.61%	5	\$0.02	0.61%	33
Mining (except oil and gas)	212-213	\$0.00	0.14%	1	\$0.00	0.11%	13
<b>Construction</b>	<b>23</b>	<b>\$0.01</b>	<b>1.99%</b>	<b>8</b>	<b>\$0.04</b>	<b>1.55%</b>	<b>280</b>
<b>Manufacturing</b>	<b>31-33</b>	<b>\$0.32</b>	<b>59.46%</b>	<b>190</b>	<b>\$0.41</b>	<b>16.05%</b>	<b>1,132</b>
Food Manufacturing	311	\$0.03	5.16%	23	\$0.01	0.20%	34
Wood Products Manufacturing	321	\$0.00	0.00%	0	\$0.00	0.05%	9
Petroleum and Coal Products Mfg.	324	\$0.02	4.18%	14	\$0.07	2.75%	41
Chemical Manufacturing	325	\$0.02	3.09%	12	\$0.03	1.09%	117
Nonmetallic Mineral Product Mfg.	327	\$0.00	0.90%	7	\$0.01	0.41%	22
Primary & Fabricated Metal Mfg.	331-332	\$0.13	24.30%	59	\$0.14	5.45%	247
Machinery Manufacturing	333	\$0.02	3.49%	10	\$0.00	0.17%	28
Computer and Electronic Product Mfg.	334	\$0.00	0.40%	2	\$0.02	0.73%	120
Electrical Equipment & Appliance Mfg.	335	\$0.02	3.44%	7	\$0.01	0.45%	29
Motor Vehicle & Trans. Equipment Mfg.	336	\$0.01	2.68%	10	\$0.04	1.43%	92
Other Manufacturing	312-339	\$0.06	11.83%	46	\$0.08	3.31%	393
<b>Utilities</b>	<b>22</b>	<b>\$0.05</b>	<b>8.65%</b>	<b>27</b>	<b>\$0.14</b>	<b>5.61%</b>	<b>738</b>
<b>Transportation &amp; Warehousing</b>	<b>48-49</b>	<b>\$0.01</b>	<b>1.19%</b>	<b>2</b>	<b>\$0.06</b>	<b>2.36%</b>	<b>407</b>
<b>Information</b>	<b>51</b>	<b>\$0.00</b>	<b>0.27%</b>	<b>3</b>	<b>\$0.09</b>	<b>3.40%</b>	<b>655</b>
Publishing Industries, Except Internet	511	\$0.00	0.00%	0	\$0.00	0.12%	19
Motion Picture & Sound Recording	512	\$0.00	0.27%	3	\$0.01	0.35%	56
Internet Services and data processing	518,519	\$0.00	0.00%	0	\$0.01	0.24%	47
Other Information	Other in 51	\$0.00	0.00%	0	\$0.07	2.69%	533
<b>Wholesale Trade</b>	<b>42</b>	<b>\$0.03</b>	<b>5.81%</b>	<b>19</b>	<b>\$0.09</b>	<b>3.54%</b>	<b>577</b>
<b>Retail Trade</b>	<b>44-45</b>	<b>\$0.01</b>	<b>1.86%</b>	<b>13</b>	<b>\$0.52</b>	<b>20.47%</b>	<b>3,125</b>
Car & Parts Dealers	441	\$0.00	0.64%	4	\$0.03	1.36%	212
Gas Stations	447	\$0.00	0.35%	3	\$0.31	12.14%	1,761
Other Retail Trade	Other in 44-45	\$0.00	0.87%	6	\$0.18	6.97%	1,152
<b>Finance and Insurance</b>	<b>52</b>	<b>\$0.00</b>	<b>0.14%</b>	<b>2</b>	<b>\$0.04</b>	<b>1.59%</b>	<b>301</b>
<b>Real Estate and Rental Leasing</b>	<b>53</b>	<b>\$0.00</b>	<b>0.57%</b>	<b>4</b>	<b>\$0.12</b>	<b>4.70%</b>	<b>910</b>
<b>Services</b>	<b>54-81</b>	<b>\$0.07</b>	<b>13.71%</b>	<b>65</b>	<b>\$0.84</b>	<b>32.75%</b>	<b>5,427</b>
Professional and Technical Services	54	\$0.01	2.57%	9	\$0.05	1.88%	339
Accommodation	721	\$0.00	0.58%	2	\$0.03	1.06%	210
Food Services & Drinking Places	722	\$0.00	0.60%	3	\$0.01	0.54%	99
Automotive Repairs & Maintenance	8111	\$0.01	2.18%	9	\$0.37	14.40%	2,154
Dry Cleaning & Laundry Services	8123	\$0.00	0.14%	2	\$0.07	2.64%	398
Health Care & Social Assistance	62	\$0.01	1.75%	5	\$0.10	4.00%	756
Other Services	Other in 54-81	\$0.03	5.88%	35	\$0.21	8.24%	1,471
<b>Public Administration</b>	<b>92</b>	<b>\$0.00</b>	<b>0.46%</b>	<b>1</b>	<b>\$0.15</b>	<b>5.78%</b>	<b>1,066</b>
<b>Unclassified<sup>1</sup></b>	<b>N/A</b>	<b>\$0.02</b>	<b>3.07%</b>	<b>6</b>	<b>\$0.03</b>	<b>1.29%</b>	<b>225</b>
<b>Totals</b>		<b>\$0.53</b>	<b>100%</b>	<b>347</b>	<b>\$2.55</b>	<b>100%</b>	<b>14,921</b>

<sup>1</sup> Facilities with no NAICS codes assigned are categorized as "unclassified."

### Major Revenue Sources by Industry

Approximately 58 percent of SCAQMD's FY 2018-2019 estimated revenue comes from the following major revenue categories:<sup>8</sup> emission fees, permit processing fees, annual permit renewal fees, toxic hot spot fees, source test fees, and a portion of Rule 2202 fees.

<sup>8</sup> Value comes from Table 1's estimated fee revenue collected for FY 2018-2019.

The amount of these total fee revenues incurred by the major economic sectors is shown in Table 5. These total fee revenues were estimated based on recent invoiced amounts at current fee rates. Thus, these figures may differ slightly from those in Table 1, which are based on actual revenue received.

**Table 5: FY 2017-2018 Revenues from Major Fee Categories by Sector**

Sector	NAICS	Revenues from Permit and Emission-based Fees (MM\$)
Agriculture, Forestry, Fishing & Hunting	11	\$0.33
Mining	21	\$2.01
Construction	23	\$1.96
Manufacturing	31-33	\$34.23
Utilities	22	\$3.91
Transportation & Warehousing	48-49	\$2.07
Information	51	\$0.90
Wholesale Trade	42	\$3.97
Retail Trade	44-45	\$11.68
Finance and Insurance	52	\$0.50
Real Estate and Rental Leasing	53	\$1.61
Services	54-81	\$15.16
Public Administration	92	\$2.01
Unclassified <sup>1</sup>	N/A	\$1.06
<b>Total</b>		<b>\$81.40</b>

<sup>1</sup> Facilities with no NAICS codes assigned are categorized as "unclassified."

The manufacturing sector (NAICS 31-33) provides the greatest amount of fee revenue for FY 17-18 at about \$34.23 million, which is 42 percent of fee revenues (Figure 1). This is followed by the services sector (NAICS 54-81), providing about \$15.16 million, or 19 percent of fee revenues, and the retail trade sector (NAICS 44-45), providing \$11.68 million, representing a 14 percent share.

**Figure 1: FY 2017-2018 Share of Major Fee Revenue by Sector**

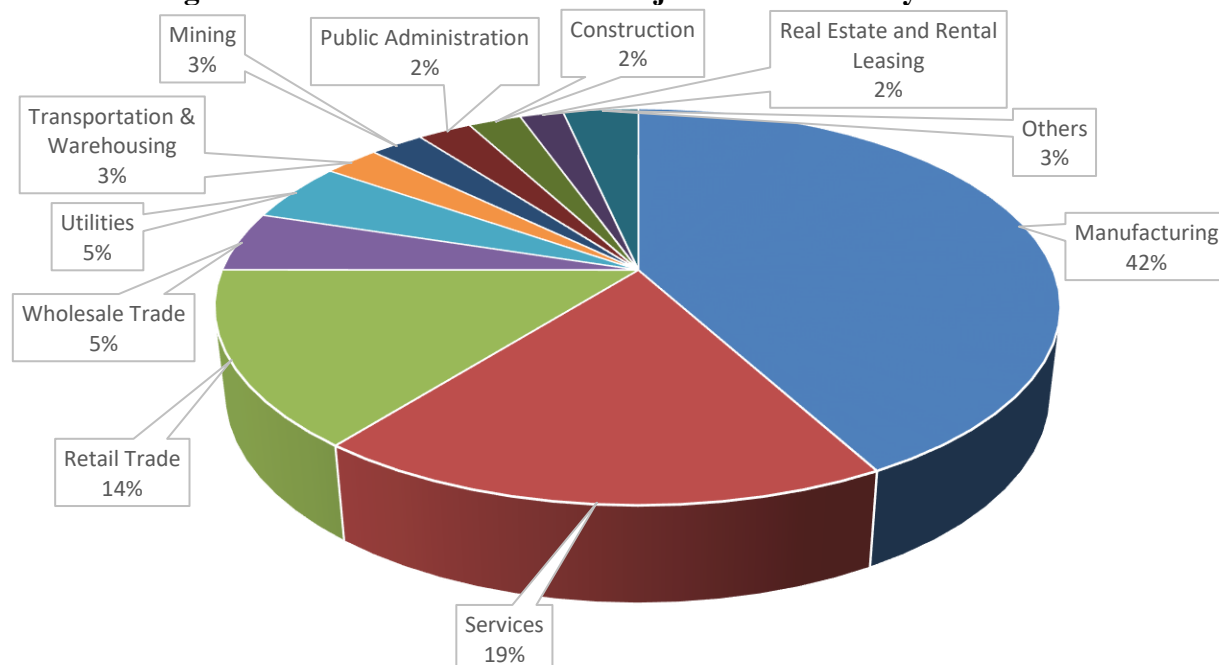




Table 6 shows the percentage of fees from these categories relative to each industry's total (gross) output and value-added to evaluate them relative to different economic measures of industries within SCAQMD's jurisdiction.<sup>9</sup> Output is measured as an industry's total sales revenue. Value-added is measured as an industry's profit margin plus its expenses on labor and capital. Collectively, revenue from these fees is estimated to amount to approximately \$81.40 million, based on invoiced amounts at the current fee rates.

Table 6 ranks fees paid by each industry relative to total industry output, showing total fees paid is relatively small compared to each industry's regional output or value-added. This is the case for both industries which are predominantly comprised of small businesses, such as retail trade, and for industries predominately comprised of large businesses, such as refineries.

The industries that paid among the highest amount of fees relative to their output were pipeline transportation (NAICS 486), mining and supportive activities (NAICS 212 and 213), nonmetallic mineral product manufacturing (NAICS 327), and petroleum and coal products manufacturing (NAICS 324). Nominally, the petroleum and coal products manufacturing industry (NAICS 324) paid the most, with a total of \$14.08 million in various fees, representing five hundredths of one percent of the sector's output and about a fifth of a percent of the sector's value-added. Overall, SCAQMD's fee revenue represented less than one-hundredth of one percent of aggregate industry output or value-added in the four-county region for each industry.

**Table 6: Share of Major Revenue by Detailed Industry**

Industry Sector	NAICS	MM\$	% of Total Fees	% of Total Output	% of Total Value Added
Pipeline Transportation	486	\$0.60	0.74%	0.137%	0.166%
Support Activities for Mining	213	\$0.21	0.25%	0.096%	0.200%
Mining (except oil and gas)	212	\$0.50	0.61%	0.084%	0.143%
Nonmetallic Mineral Product Mfg.	327	\$1.76	2.16%	0.051%	0.110%
Petroleum and Coal Products Mfg.	324	\$14.08	17.30%	0.051%	0.180%
Oil & Gas Extraction	211	\$1.30	1.60%	0.039%	0.047%
Waste Management & Remediation Services	562	\$1.65	2.02%	0.039%	0.077%
Primary Metal Mfg.	331	\$1.63	2.00%	0.035%	0.143%
Utilities	22	\$3.91	4.81%	0.034%	0.045%
Repair & Maintenance	811	\$3.18	3.91%	0.021%	0.033%
Fabricated Metal Product Mfg.	332	\$4.01	4.92%	0.019%	0.045%
Electrical Equipment & Appliance Mfg.	335	\$0.70	0.86%	0.016%	0.035%
Plastics and Rubber Products Mfg.	326	\$1.47	1.80%	0.014%	0.043%
Textile & Textile Product Mills	313-314	\$0.43	0.53%	0.014%	0.039%
Retail Trade	44-45	\$11.68	14.35%	0.012%	0.018%
Agriculture & Forestry support activities	113-115	\$0.07	0.08%	0.011%	0.015%
Printing & Related Support Activities	323	\$0.52	0.64%	0.011%	0.023%
Paper Mfg.	322	\$0.51	0.63%	0.011%	0.031%
Chemical Mfg.	325	\$2.59	3.18%	0.009%	0.021%
Personal & Laundry Services	812	\$1.20	1.48%	0.008%	0.013%
Wood Products Mfg.	321	\$0.14	0.17%	0.007%	0.022%
Machinery Manufacturing	333	\$0.65	0.80%	0.007%	0.019%

<sup>9</sup>Output and value-added data for 2016, the most recent historical data, by detailed industry were compiled by Regional Economic Modeling, Inc. (REMI) in 2018 year dollars.

Industry Sector	NAICS	MM\$	% of Total Fees	% of Total Output	% of Total Value Added
Education Services	61	\$1.26	1.55%	0.007%	0.011%
Food Mfg.	311	\$1.81	2.23%	0.007%	0.031%
Furniture & Related Product Mfg.	337	\$0.30	0.37%	0.006%	0.017%
Farm (Agricultural Products)	111-112	\$0.27	0.33%	0.006%	0.018%
Amusement, Gambling, and Recreation	713	\$0.51	0.63%	0.005%	0.009%
Scenic & Sightseeing Transportation	487-488	\$0.73	0.90%	0.005%	0.011%
Beverage and Tobacco Product Mfg.	312	\$0.37	0.46%	0.005%	0.011%
Museums, Historical Sites, Zoos, and Parks	712	\$0.04	0.05%	0.005%	0.011%
Warehousing & Storage	493	\$0.32	0.40%	0.005%	0.007%
Transit & Ground passenger Transportation	485	\$0.11	0.14%	0.005%	0.008%
Miscellaneous Mfg.	339	\$0.63	0.77%	0.004%	0.008%
Transport Equip. Mfg. Excl. Motor Veh.	3364-3369	\$1.06	1.30%	0.004%	0.010%
Motor Vehicle Mfg.	3361-3363	\$0.35	0.43%	0.004%	0.017%
Computer & Electronic Product Mfg.	334	\$1.16	1.43%	0.004%	0.005%
Administrative & Support Services	561	\$1.74	2.14%	0.004%	0.006%
Wholesale Trade	42	\$3.97	4.88%	0.004%	0.005%
Accommodation	721	\$0.36	0.44%	0.003%	0.005%
Membership Associations and Organizations	813	\$0.34	0.42%	0.003%	0.006%
Construction	23	\$1.96	2.41%	0.003%	0.005%
Hospitals	622	\$0.86	1.05%	0.003%	0.005%
Nursing & Residential Care Facilities	623	\$0.20	0.25%	0.002%	0.003%
Food Services & Drinking Places	722	\$0.82	1.01%	0.002%	0.004%
Professional and Technical Services	54	\$2.04	2.51%	0.002%	0.002%
Internet Services & Data Processing	518-519	\$0.11	0.13%	0.001%	0.003%
Rental & Leasing Services	532-533	\$0.32	0.39%	0.001%	0.002%
Ambulatory Health Care Services	621	\$0.65	0.79%	0.001%	0.002%
Government	92	\$2.01	2.46%	0.001%	0.002%
Truck Transportation	484	\$0.19	0.23%	0.001%	0.002%
Social Assistance	624	\$0.15	0.18%	0.001%	0.001%
Telecommunications	517	\$0.38	0.47%	0.001%	0.002%
Rail Transportation	482	\$0.02	0.02%	0.001%	0.001%
Securities, Commodity Contracts, Investments	523	\$0.21	0.26%	0.001%	0.001%
Couriers & Messengers	491-492	\$0.04	0.05%	0.001%	0.001%
Publishing Industries, Except Internet	511	\$0.09	0.11%	0.001%	0.001%
Monetary Authorities	521-522, 525	\$0.20	0.25%	0.001%	0.001%
Broadcasting, Except Internet	515	\$0.11	0.14%	0.001%	0.001%
Real Estate	531	\$1.29	1.58%	0.000%	0.001%
Apparel, Leather & Allied Product Mfg.	315-316	\$0.05	0.06%	0.000%	0.001%
Performing Arts & Spectator Sports	711	\$0.10	0.12%	0.000%	0.001%
Water Transportation	483	\$0.01	0.01%	0.000%	0.001%
Insurance Carriers & Related Activities	524	\$0.09	0.11%	0.000%	0.001%
Air Transportation	481	\$0.04	0.05%	0.000%	0.001%
Motion Picture & Sound Recording Industries	512	\$0.22	0.27%	0.000%	0.000%
Management of Companies & Enterprises	55	\$0.06	0.07%	0.000%	0.000%
Unclassified*	N/A	\$1.06	1.30%		
Totals		\$81.40	100%	0.005%	0.007%

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

## REVENUE IMPACTS OF PROPOSED FEE RATE INCREASE BY INDUSTRY

Rule 320 requires annual adjustment of most fee rates in Regulation III by an amount equal to the change in CPI, which is 3.5 percent for the period of December 2017 to December 2018 unless the Board decides in a rulemaking hearing to forgo the CPI increase. In order to analyze only the impact of the CPI-based increase, the estimation is based on FY 17-18 emissions and the current equipment and activity profile of individual facilities. Thus, this estimate excludes any other changes to revenue, such as Title V/Non-Title V fee increase, additional state funding, and changes in activity levels, as discussed in the Revenue Trend section. Based on this methodology, the fee rate increases from the 3.5 percent CPI increase are estimated to increase total SCAQMD revenue by approximately \$2.85 million. This estimate is only for the CPI-based increase and thus differs from the estimate in Table 1, for reasons discussed above.<sup>10</sup>

Table 7 shows the distribution of these fee changes across the affected industries. It includes the majority subset of the fees subject to the CPI-based rate increase. They include emission fees, permit processing fees, annual permit renewal fees, AB 2588 fees, source test fees, and a portion of Rule 2202 fees.

The manufacturing sector as a whole would experience the largest increase in fees (approximately \$1.20 million for about 3,600 facilities), followed by the services sector (approximately \$0.53 million for about 10,600 facilities), the retail trade sector (approximately \$0.41 million for about 4,000 facilities), with the remaining sectors accounting for approximately \$0.71 million. Within the manufacturing sector, the petroleum and coal products manufacturing industry, mostly comprised of refineries, will have an increase of around \$0.49 million, or over 17 percent of the overall increase.

## SUMMARY

The above analysis provides background information on SCAQMD's revenue and summarizes the economic impact on facilities regulated by SCAQMD due to the automatic consumer price index (Rule 320) increase. Based on the fee categories examined in the analysis and last year's activity levels, SCAQMD revenues are expected to increase by \$2.85 million as a result of this fee rate increase. However, the amount of SCAQMD fees paid by each industry remained small relative to the industry's economic output or value-added (less than 0.01 percent overall).

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<sup>10</sup> A socioeconomic assessment of proposed amendments to Regulation III with fee impacts will be released at least 30 days prior to the public hearing, which is currently scheduled for May 4, 2018.

**Table 7: Revenue Impact of the Fee Rate Increase by Industry Sector**

Industry	NAICS	Estimated Number of Facilities Affected	Revenue Change Due to 3.5% CPI Adjustment	Percent of Total CPI Increase
<b>Agriculture, Forestry, Fishing &amp; Hunting</b>	<b>111-115</b>	<b>115</b>	<b>\$11,708</b>	<b>0.41%</b>
<b>Mining</b>	<b>21</b>	<b>326</b>	<b>\$70,326</b>	<b>2.47%</b>
Oil and Gas Extraction	211	210	\$45,635	1.60%
Mining (except oil and gas)	212-213	116	\$24,690	0.87%
<b>Construction</b>	<b>23</b>	<b>1,071</b>	<b>\$68,715</b>	<b>2.41%</b>
<b>Manufacturing</b>	<b>31-33</b>	<b>3,641</b>	<b>\$1,197,963</b>	<b>42.05%</b>
Food Manufacturing	311	227	\$63,498	2.23%
Wood Products Manufacturing	321	79	\$4,731	0.17%
Petroleum and Coal Products Mfg.	324	95	\$492,916	17.30%
Chemical Manufacturing	325	337	\$90,719	3.18%
Nonmetallic Mineral Product Mfg.	327	233	\$61,518	2.16%
Primary & Fabricated Metal Mfg.	331-332	850	\$197,392	6.93%
Machinery Manufacturing	333	195	\$22,700	0.80%
Computer and Electronic Product Mfg.	334	265	\$40,755	1.43%
Electrical Equipment & Appliance Mfg.	335	125	\$24,592	0.86%
Motor Vehicle & Trans. Equipment Mfg.	336	233	\$49,363	1.73%
Other Manufacturing	312-339	1,002	\$149,779	5.26%
<b>Utilities</b>	<b>22</b>	<b>1,038</b>	<b>\$136,966</b>	<b>4.81%</b>
<b>Transportation &amp; Warehousing</b>	<b>48-49</b>	<b>640</b>	<b>\$72,276</b>	<b>2.54%</b>
<b>Information</b>	<b>51</b>	<b>736</b>	<b>\$31,587</b>	<b>1.11%</b>
Publishing Industries, Except Internet	511	31	\$3,027	0.11%
Motion Picture & Sound Recording	512	80	\$7,673	0.27%
Internet Services and data processing	518,519	58	\$3,678	0.13%
Other Information	Other in 51	567	\$17,210	0.60%
<b>Wholesale Trade</b>	<b>42</b>	<b>1,201</b>	<b>\$139,116</b>	<b>4.88%</b>
<b>Retail Trade</b>	<b>44-45</b>	<b>4,044</b>	<b>\$408,741</b>	<b>14.35%</b>
Car & Parts Dealers	441	307	\$13,926	0.49%
Gas Stations	447	1,836	\$258,045	9.06%
Other Retail Trade	Other in 44-45	1,901	\$136,770	4.80%
<b>Finance and Insurance</b>	<b>52</b>	<b>357</b>	<b>\$17,599</b>	<b>0.62%</b>
<b>Real Estate and Rental Leasing</b>	<b>53</b>	<b>1,171</b>	<b>\$56,380</b>	<b>1.98%</b>
<b>Services</b>	<b>54-81</b>	<b>10,574</b>	<b>\$530,472</b>	<b>18.62%</b>
Professional and Technical Services	54	790	\$71,519	2.51%
Accommodation	721	281	\$12,550	0.44%
Food Services & Drinking Places	722	2,347	\$28,718	1.01%
Automotive Repairs & Maintenance	8111	2,221	\$94,442	3.31%
Dry Cleaning & Laundry Services	8123	1,185	\$29,185	1.02%
Health Care & Social Assistance	62	846	\$64,761	2.27%
Other Services	Other in 54-81	2,904	\$229,297	8.05%
<b>Public Administration</b>	<b>92</b>	<b>1,531</b>	<b>\$70,199</b>	<b>2.46%</b>
<b>Unclassified<sup>1</sup></b>	<b>N/A</b>	<b>360</b>	<b>\$37,012</b>	<b>1.30%</b>
<b>Totals</b>		<b>26,805</b>	<b>\$2,849,058</b>	<b>100%</b>

<sup>1</sup> Facilities with no NAICS codes assigned are categorized as "unclassified."

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## ATTACHMENT J

### SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

#### **Final Socioeconomic Impact Assessment of Proposed Amended Regulation III - Fees**

May 2019

##### **Executive Officer**

Wayne Nastri

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

**Planning, Rule Development & Area Sources**

Philip Fine, Ph.D.

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

**Planning, Rule Development & Area Sources**

Sarah Rees, Ph.D.

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Ian MacMillan

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

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

Vice Chairman: DR. CLARK E. PARKER, SR.  
Senate Rules Committee Appointee

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County of Orange

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City of Los Angeles Representative

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Cities of Los Angeles County/Western Region

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DWIGHT ROBINSON  
Council Member, Lake Forest  
Cities of Orange County

JANICE RUTHERFORD  
Supervisor, Second District  
County of San Bernardino

VACANT  
Governor's Appointee

**EXECUTIVE OFFICER:**

WAYNE NASTRI

## EXECUTIVE SUMMARY

A socioeconomic analysis was conducted to assess the potential impacts of Proposed Amended Regulation (PAR) III – Fees. This assessment provides analysis of the proposed amendments to Regulation III with fee impacts other than the CPI-based increase. It includes the estimated fee impacts by proposed amendment and by industry. It also includes a macroeconomic impact analysis, which projects how PAR III would impact the regional economy. A summary of the analysis and findings is presented below.

A separate socioeconomic analysis has been conducted to assess the potential impacts of the Rule 320 - Automatic Adjustment of Fees Based on Consumer Price Index (CPI), which was released on March 14, 2019. This CPI-based fee increase adjusts fees for the cost of inflation, thereby holding the real (adjusted for inflation) fee amount constant over time. The regional economic impact analysis included in this assessment is based on the real dollar value of fees, therefore it assumes the implementation of Rule 320 in all years of the analysis horizon.

<b>Proposed Amendment with Fee Impacts</b>	<p>Fee impacts are estimated for the following proposed amendments:</p> <ul style="list-style-type: none"> <li>• Increasing Toxic Air Contaminant (TAC) Fees;</li> <li>• Adding a new Rule 1118.1 Notification Fee to Rule 301;</li> <li>• Increasing the PERP enforcement inspection fees;</li> <li>• Increasing and realigning fees in Rule 309 for Plan Inspection Fees with comparable fees in Rule 306;</li> <li>• Adding a renewal fee for Clean Air Solvent (CAS) and Clean Air Choices Cleaner (CACC) certification fees;</li> <li>• Eliminating the fee in Rule 308 for adding/deleting a site from a Multi-site or Geographic Program;</li> <li>• Reducing certain notification fees in Rule 301 Table VI for Asbestos Demolition/Renovation;</li> <li>• Creation of a Fee Cap for Change of Owner/Operator Applications at RECLAIM facilities;</li> <li>• Reducing certain certified copy fees ;</li> <li>• Removing Delek U.S. Holdings, Inc. from the fee table in Rule 301(aa) pertaining to Rule 1180 operating and maintenance fees; and</li> <li>• Eliminating the surcharge fee for certain late AER amendments pertaining to emissions developed from source tests.</li> </ul>
<b>Affected Industries</b>	<p>The industries affected by PAR III vary by proposed amendment. Overall, the proposed amendments would potentially affect every sector of the regional economy. The greatest number of potentially affected facilities are estimated to be in the manufacturing sector (NAICS 31-33), followed by the utilities sector (NAICS 22) and the services sectors (NAICS 54-81).</p>
<b>Estimated Fee Impacts</b>	<p>Based on the proposed amendments evaluated in this analysis, the overall fee impact of PAR III is estimated to be <del>-\$0.29</del><u>-0.30</u> million in Fiscal Year (FY) 2019-20, \$1.76 million in FY 2020-21, and \$4.12</p>



	<p>million in FY 2021-22 and thereafter. The large increases in FY 2020-21 and FY 2021-22 result from the phased implementation the proposed increase in TAC fees, which are estimated to result in \$4.42 million of additional fee costs annually.<sup>1</sup></p> <p>The manufacturing sector is estimated to experience the largest fee increase from the proposed amendments, with an increase of about \$1.96 million on average over the 2019-2028 time period, representing a 57 percent share of the increase.</p>
<b>Projected Job Impacts of the Estimated Fee Impacts</b>	<p>A macroeconomic job impact analysis was conducted based on the estimated net impacts in fees paid by the affected industries. This analysis projects an average annual increase of 21 jobs in the four-county region over a ten-year period (2019-2028). The positive job impact is a net result of projected increases in jobs in local government, finance and insurance, and administrative and waste management services, combined with smaller decreases in the manufacturing and construction sectors.</p>

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<sup>1</sup> The TAC proposal is expected to result in a total of \$4.9 million in TAC fees collected per fiscal year, a \$4.4 million increase over the \$0.5 million collected in TAC fees in FY 2017-18. Because of the phased-in nature of that proposal and the fact that the final phase will be implemented in mid-fiscal year 2021-22, the full fiscal impact of the proposal will not occur until FY 2022-23.

## INTRODUCTION

Various fee schedules are specified in Regulation III – Fees to cover the Permitted Source Program, as well as additional fees authorized by the Legislature. In June 2017, the SCAQMD Governing Board approved fee increases for non-Title V facilities necessary to recover reasonable costs of its regulatory programs. It additionally approved fee increases for Title V facilities as a necessary response to a U.S. EPA Title V Program Evaluation Report (2016), which recommended that SCAQMD take measures to cover program funding deficits. The non-Title V increase has been fully implemented. FY 2019-20 represents the final year of the phased in Title V increase.

PAR III – Fees continues these cost recovery efforts with five proposals for new or increased fees. Increased efficiencies at SCAQMD are also reflected in six proposals which seek to eliminate, reduce, or cap fees currently paid. These proposed amendments with fee impacts are in addition to the fee adjustments required by Rule 320 – Automatic Adjustment Based on Consumer Price Index (CPI) for Regulation III Fees. The CPI-only socioeconomic impacts have been analyzed in the Draft Socioeconomic Impact Assessment for Rule 320, released on March 14, 2019 (see: [http://www.aqmd.gov/docs/default-source/finance-budgets/fy-2019-20/draft-socioeconomic-assessment-for-automatic-cpi-increase\\_2019.pdf](http://www.aqmd.gov/docs/default-source/finance-budgets/fy-2019-20/draft-socioeconomic-assessment-for-automatic-cpi-increase_2019.pdf)).

In order to examine the impact of the proposed amendments with fee impacts, this report quantifies the fee impact by each proposed amendment and by the potentially affected industries. The estimated fee impacts by industry are used as inputs into the macroeconomic job impact analysis along with the corresponding increase in SCAQMD spending to estimate the impact on jobs in the region. As noted above, the Rule 320 CPI-based fee adjustments have been examined in a separate assessment. This CPI-based fee increase adjusts fees for the cost of inflation, thereby holding the real (adjusted for inflation) fee amount constant over time. The regional economic impact analysis included in this assessment is based on the real dollar value of fees and therefore assumes the implementation of Rule 320 in all years of the analysis horizon. SCAQMD is required to undertake socioeconomic analyses by California Health and Safety Code (H&SC) Section 40440.8(a) for proposed rules and rule amendments that "will significantly affect air quality or emissions limitations". Although PAR III – Fees does not satisfy this criterion, the analysis herein is presented to provide further information to the Governing Board and stakeholders on the impacts of PAR III.

## PROPOSED RULE AMENDMENTS WITH FEE IMPACTS

### 1. Increasing Toxic Air Contaminant (TAC) Fees

Staff is proposing to update both the fee structure and increase the fees for toxic emissions paid for by permitted facilities. The current requirements in Rule 301(e)(7) and fee rates in Table IV would be replaced as follows:

1. Any facility that emits Toxic Air Contaminants (TACs) above reporting thresholds in Table IV would pay a new Base Toxics Fee of \$78.03 per facility.

2. A Flat Rate Toxics Fee of ~~\$78.00~~, \$170.95, and \$341.89, starting ~~January 1, 2020~~, January 1, 2021, and January 1, 2022, respectively, for each piece of permitted and unpermitted equipment and every other reportable toxic air contaminant activity with emissions of any pollutant above the annual thresholds listed in Table IV;
3. A new Cancer-Potency Weighted Fee of \$5.00 and \$10.00, starting January 1, 2021, and January 1, 2022, respectively, per cancer-potency weighted pound of facility-wide emissions for each pollutant listed in Table IV.

Also, three pollutants currently listed in Table IV would not be subject to the above fees, including ammonia and the ozone depleters, chlorofluorocarbons, and 1,1,1 trichloroethane. The fees for these pollutants would not change (other than regular CPI adjustments), and their fee rates would be moved to Table III. Finally, Diesel Particulate Matter (DPM) would be added as a pollutant that must be reported and for which fees would be paid. Speciated toxics emissions (e.g., benzene) from diesel-fueled internal combustion engines would still be reported along with DPM, but fees would not be paid for those speciated emissions.

The proposed new fee schedule is necessary to recover costs incurred by SCAQMD related to toxic air contaminants. In recent years, SCAQMD's efforts have substantially increased on monitoring, rulemaking, and enforcement of rules for toxic air contaminants currently in the Rule 301 Table IV list. Some notable examples include: the Community Air Toxics Initiative and hexavalent chromium monitoring in the cities of Paramount and Compton, the work on fugitive toxic metal emissions from other facilities such as Exide and others in the metal-working industry, fugitive hydrocarbon emissions from oil production and refining facilities, and significant new work just getting under way with the implementation of AB 617.

The new fee schedule would affect all permitted facilities reporting toxic emissions above the emission threshold listed in Table IV of Rule 301. Potential impacts of the new fee schedule have been estimated based on the level of facility emissions reported in FY 17-18. Taking into consideration the phase-in of the fees, the estimated potential fee impact is an increase of ~~\$0.53 million~~ in FY 19-20, \$2.06 million in FY 20-21, and \$4.42 million in FY 21-22 above the \$0.53 million paid in TAC fees in 2017.

## 2. Adding a new Rule 1118.1 Notification Fee to Rule 301

Rule 1118.1 was adopted on January 4, 2019, to control emissions from non-refinery flares. This rule establishes emission limits for NOx and VOC, as well as for CO for new, replaced, or relocated flares, and establishes an industry specific capacity threshold for existing flares. Owners and operators of flares that require a SCAQMD permit at certain non-refinery facilities are required to submit several notifications to the SCAQMD to comply with Rule 1118.1 requirements.

In order to recover costs incurred by SCAQMD to process required notifications, Rule 1118.1 would be subject to the notification fee described in Rule 301(x). The fee for the Rule 1118.1 notification is \$65.12 per notification, and is subject to the annual automatic CPI adjustment pursuant to Rule 320. This new fee is necessary to recover the reasonable

regulatory costs related to the notification requirements of Rule 1118.1. The fee is identical to the amount charged for Rule 1149, 1166, and 1466 notifications. Moreover, the amount to be charged is necessary to recover the costs to the District for processing the notifications.

Table A1 in the Appendix presents the 82 potentially affected facilities of PR 1118.1 by North American Industry Classification System (NAICS) code. 33 facilities (about 40%) are classified under crude petroleum and natural gas extraction (NAICS 211111), 25 (about 30%) under sewage treatment (NAICS 221320), 15 (about 18%) under solid-waste landfills, and the remaining nine (about 11%) are classified as other industries.

**Table 1:**  
**Estimated Number of Rule 1118.1 Notifications Anticipated**

Notification	Number of Notifications Anticipated			
	FY 19-20	FY 20-21	FY 21-22	FY 22-23
Notification of annual percent capacity greater than threshold	25	25		
Notification of intent		25		
Notification of flare throughput reduction			12	
Notification of increments of progress				12
<b>Total</b>	<b>25</b>	<b>50</b>	<b>12</b>	<b>12</b>
<b>Estimated Revenue</b>	<b>\$1,628</b>	<b>\$3,256</b>	<b>\$781</b>	<b>\$781</b>

Table 1 above lists the expected number of Rule 1118.1 notifications anticipated. The fee impact of this proposed amendment is estimated based on the expected number of notifications received in years in each fiscal year. The estimated fee impact for affected industries is approximately \$1,628 in FY 19-20, \$3,256 in FY 20-21, and \$781 in FY 21-22 and beyond.

### 3. Increasing the PERP enforcement inspection fees

The California Air Resources Board (CARB) has established the Statewide Portable Equipment Registration Program (PERP) to facilitate the operation of portable equipment throughout California without having to obtain individual permits from local air districts. Under PERP, the District conducts inspections of that equipment and is authorized to charge fees consistent with amounts determined by CARB. On November 30, 2018, CARB amended the PERP Regulation to increase the uniform fee schedule for all districts enforcing PERP through inspections of registered portable equipment and TSE equipment.

PERP Regulation Section 2461 (g) allows districts to collect fees that do not exceed the fees listed in Section 2461.1 of the PERP Regulation.

In order to recover costs incurred by SCAQMD to inspect portable equipment units and Tactical Support Equipment (TSE) registered in PERP, staff is proposing to amend Rule 301 (w) to increase the TSE and hourly inspection fees. These proposed increases are consistent with the fees recently updated and authorized by CARB in the PERP regulation. The proposed fee increases include inspection fees of \$115/hour (with maximum of \$590/unit), \$90/unit for TSE, and \$60/hour additional fee for off-hour inspections.

The majority of facilities potentially affected by the increase in PERP inspection fees are within the construction sector (NAICS 23), commercial and industrial machinery and equipment rental and leasing (NAICS 5324), and landscaping services (NAICS 561730). Staff estimates that, on average, approximately 30-40 facilities pay PERP inspections fees per year.

The fee impact of this amendment is estimated based on the average fee revenue collected by SCAQMD for PERP inspections. From 2009 to 2017, the SCAQMD collected between \$13,044 and \$28,420 per year, or \$20,696 on average from PERP inspection fees. Given that the new fees represent an approximately 17% increase over current fee rates, staff expects this amendment to result in an annual fiscal impact to affected industries of \$3,520.

#### 4. Increasing and realigning fees in Rule 309 for Plan Inspection Fees with comparable fees in Rule 306

Rule 1610 – Old Vehicle Scrapping allows industries to meet their pollution discharge limits by reducing motor vehicle emissions instead of merely controlling their own emissions. This amendment would increase the filing and inspection fees associated with Rule 1610 Scrapping Plans to align with filing and inspection fees currently assessed in Rule 306. Staff is proposing to increase the plan filing verification fee from \$146.86 to the corresponding Rule 306 fee of \$161.25. In addition, the inspection fee in Rule 309(d) would also be increased from \$117.42 to \$128.94 per hour to align with the corresponding fee amount in Rule 306(f).

The proposed increase in filing and inspections fees is necessary to recover the cost of staff resources expended in implementation of these plans. Fees for Reg. XVI and XXV plans are being aligned with similar fees assessed in Rule 306 because both follow identical plan verification procedures.

This amendment would affect any facility with an approved scrapping program in place. There are a total of seven potentially affected facilities within the wholesale trade (NAICS 42), retail trade (NAICS 44-45), and professional and technical services (NAICS 54) sectors (see Table A1).

The fee impact of this amendment is estimated based on the average fee revenue collected by the SCAQMD from Rule 1610 filing and inspection fees. The SCAQMD collected \$34,180 in FY 16-17 and \$34,794 in FY 17-18 or an average of \$34,487 per year. Given that the increase in fees represents a 6.1% increase beyond the annual CPI increase, staff

expects the amendment to result in an annual fiscal impact to affected industries of approximately \$2,100.

5. Adding a renewal fee for Clean Air Solvent (CAS) and Clean Air Choices Cleaner (CACC) certification fees

The Clean Air Solvents (CAS) and Clean Air Choices Cleaners (CACC) Certifications are voluntary programs that issue certificates for clean air solvents and cleaners. Manufacturers can apply for a CAS certification, which is valid for five years and can be renewed upon approval by the SCAQMD. Similarly, manufacturers can apply for a CACC certification, which is valid for three years and can be renewed upon approval by the SCAQMD. Current Rule 301(r) and (s) provide a flat fee covering the laboratory analysis of product samples submitted for testing for certification. These sections do not provide a fee for certificate renewal, however. Instead, facilities currently must pay the larger application fee even though the level of work associated with issuance of a renewal may be substantially lower.

The current fee for the certifications is \$1,503.77 per sample, plus an additional fee of \$300 for additional analysis required for CACC certification, with time spent on the analysis/certification process in excess of 12 hours assessed at the current CPI-adjusted hourly rate of \$135.77 per hour. The flat fee covers costs for the laboratory staff's analysis and review of the submitted sample, but it does not include cost of the certificate. Certificate renewal involves approximately an hour to review the product and subsequently issue a renewed certificate. In keeping with the current fee mechanism laid out for these certifications, the \$135.77 per hour rate would address the cost for time spent to issue a renewed certificate.

Facilities involved in these types of operations are best classified as chemical manufacturers (NAICS 327) and chemical and allied products merchant wholesalers (NAICS 4246). The CAS program currently has approximately 100 certified products and 10% are recertified each year. The CACC program currently has approximately 30 certified products and three or less are recertified each year. Historical program data indicate that none of the applicants are facilities located within SCAQMD's jurisdiction. As a result, no annual fiscal impact is anticipated from this amendment.

6. Eliminating the fee in Rule 308 for adding/deleting a site from a Multi-site or Geographic Program

Under Rule 2202, employers with more than 250 employees are required to annually register with the District and implement an emissions reduction program, including but not limited to Employee Commute Reduction Programs (ECRP). Covered facilities with multiple sites pay various submittal and amendment fees set for in Rule 308. On occasion, facilities seek to amend their program strategies with either substantive amendments to the strategies or through the addition or deletion of a work-site from a multi-site or geographic program. Regulated facilities are currently charged a fee of \$176.63 when adding or deleting a worksite to a multi-site or geographic program per worksite being added or deleted. Staff is recommending that this fee be removed from Rule 308.

The addition or deletion of a site from a multi-site or geographic program does not result in any significant additional work that would not sufficiently be covered by the initial registration fees. The fee would remain for any substantive amendment of strategies. This change is necessary because charging a separate fee for adding or deleting a worksite from a multi-site program appears to discourage regulated entities from accurately reporting real-time worksite population levels and inaccurate records of sites covered by the plan increases the compliance costs for the District.

Removing the fee provides fee relief to regulated facilities and promotes accurate reporting and does is not expected to have a significant impact on revenue. Less than five regulated entities added or deleted a worksite from their multi-site program in the last fiscal year, so the financial impact of this proposed amendment is assumed to be negligible.

7. Reducing certain notification fees in Rule 301 Table VI for Asbestos Demolition/Renovation

Rule 1403 specifies work practice requirements to limit asbestos emissions from building demolition and renovation activities. Table VI in Rule 301 sets forth the applicable demolition, asbestos, and lead notification fees as well as additional service charge fees. Staff proposes to (1) eliminate fees for revisions for earlier End Dates only; and (2) reduce the Revision to Notification fee (\$62.92) to \$25.00.

Eliminating the fee on revisions to notifications for advanced End Dates removes a disincentive for facilities to update notifications for completed asbestos removal and demolition projects, and reduces the costs triggered when an inspector unnecessarily travels to a job that has already been completed.

Staff is also proposing to reduce the fee for revising notifications regarding start dates, quantity, and extended end dates. Originally this fee of \$62.92 was determined based on the amount of time SCAQMD office staff required to update paper notifications in the CLASS database. Presently, the information is entered by the notifier via the Rule 1403 Web App rather than SCAQMD office staff. Staff proposes that the fee be reduced to \$25, so as to account for the reduced staff time spent reviewing inspection plans affected by revisions to notifications.

The majority of affected facilities are within the remediation services sector (NAICS 562910). Based on the approximately 7,500 revisions filed in 2018, the fee reduction is expected to result in a savings to industry of approximately \$303,000 annually.

8. Creation of a fee cap Change of Owner/Operator Applications at RECLAIM facilities

This proposal will reduce fees associated with filing applications for changes of owner/operator at large facilities. Recent implementation of streamlined procedures for processing change of owner/operator applications has made cost recovery possible at lower fees.

Change of owner/operator is an administrative process that requires no engineering evaluation, but creates a new facility ID and new application numbers for every permit

transferred to the new owner/operator. For RECLAIM facilities, the current fees associated with this administrative change can be as high as \$300,000 due to the absence of a fee cap. The proposed amendment would place a \$50,000 cap on change of owner/operator fees for RECLAIM (or RECLAIM/TV) facilities. This proposed cap would potentially benefit the 23 current RECLAIM (or RECLAIM/TV) facilities that have more than 65 permits. Given the high level of uncertainty regarding if and/or when a facility might benefit from the proposed amendment, staff has conservatively assumed that the net fiscal impact to affected industries is \$0 even though there are likely to be savings for industry.

9. Reducing certain certified copy fees

Currently, the fees to obtain a certified copy of a permit and the fees to obtain a reissued permit are mentioned in three locations. In Section (f)(1)-(2), flat fees are listed for non-Title V and Title V permits. In (l)(10)-(11), nearly identical fees are listed for RECLAIM facilities (both RECLAIM-only and RECLAIM/TV), but additional per-page fees apply for each page after the first page. In (n)(7)-(8), a single fee is listed for non-RECLAIM facility permits (notably lower than the other fees from sections (f) and (l)), with an additional fee (also lower than in section (l)), for each page after the first page. All Title V permits are facility permits, as are all RECLAIM and RECLAIM/TV permits. This makes the rates in (n)(7)-(8) appear to be in conflict with those in sections (f) and (l).

Staff is proposing to consolidate all certified copy and permit reissue fees and to preserve only the lowest fee rates. By consolidating all certified copy and permit reissue fees in a single section that requires payment at the lowest rate in all three sections, the discrepancy between sections would be eliminated, and future discrepancies would be avoided. The current procedure for printing certified copies or reissued permits has been streamlined and makes the per-page fee no longer necessary.

This proposed amendment would result in a fee reduction for facility permits, however, the current annual number of requests for facility permit copies and reissued facility permits is negligible. As a result, staff has assumed there is no impact on industry fees paid.

10. Removing Delek U.S. Holdings, Inc. from the fee table in Rule 301(aa) pertaining to Rule 1180 operating and maintenance fees

Rule 1180 – Refinery Fenceline And Community Air Monitoring (approved in December 2017), requires affected facilities to pay an annual operating and maintenance (O&M) fee for refinery-related community air monitoring system(s) in communities near these refineries, pursuant Rule 301(aa), when applicable. Petroleum refineries that have a maximum processing capacity less than 40,000 barrels per day are exempt from Rule 1180.

A single facility, Delek U.S. Holdings Inc. (now known as AltAir Fuels) was originally subject to the rule requirements, including the capital cost to establish a refinery-related community monitoring system and applicable annual O&M fees specified in paragraph (aa) of Rule 301. Since the latest amendment of Rule 301 in May 2018, Paramount has voluntarily accepted a permit condition limiting the operator's throughput of crude oil to no more than 39,500 barrels per day, thus qualifying for the exemption under Rule 1180



requirements. In turn, Paramount is alleviated from paying the cost for a community monitoring system and the corresponding annual O&M fees set-forth in paragraph (aa) of Rule 301. The proposed amendment is expected to result in a fee reduction for a single facility, however, for the sake of this analysis, staff assumed no net impact on fees paid by industry.

11. Eliminating the surcharge fee for certain late AER amendments pertaining to emissions developed from source tests

According to Rule 301(e)(10)(C), if emission fees are paid timely, and if, within one year after the 75<sup>th</sup> day from the official due date it is determined to be less than 90 percent of the full amount that should have been paid, a 15 percent surcharge should be added, and is calculated based on the difference between the amount actually paid and the amount that should have been paid. According to Rule 301(e)(10)(D), one year and 75 days after the official due date of the AER, any fees due and payable for emissions reported or reportable pursuant to subparagraph Rule 301(e)(8)(C) are assessed fees according to Rule 301 Tables III, IV, and V; and further increased by a penalty of 50 percent.

This amendment would eliminate the surcharge/penalty for emissions developed from source tests, where the source tests were submitted in good faith for approval to the SCAQMD Source Test Unit prior to or at the time the AER was due, but the source tests were not approved before the date surcharges/penalties would be currently assessed. Fees would still be required for any emissions that were underreported related to these source tests pursuant to fee rates discussed in Rule 301(e)(10)(C) and (D).

This amendment is necessary because of delays that sometimes occur in SCAQMD approval of source tests. SCAQMD staff believes surcharges/penalties are not appropriate in circumstances where emissions are reported based on source tests that were promptly submitted to the District, but were not approved by the District until a later date. The proposed amendment would provide fee relief for affected facilities, however for the sake of this cost analysis, staff assumed that the net fee impacts are \$0 annually.

## **SUMMARY OF FEE IMPACTS OF PAR III**

Of the 11 proposed amendments with fee impacts, five are estimated to result in fee increases, and for one of those five proposals, there are no impacts to facilities within the SCAQMD's jurisdiction. Six of the proposals are expected to result in fee savings for facilities. The fee impacts by proposed amendment are shown in Table 2 for FY 2018-19, FY 2019-20, FY 2020-21 and thereafter, and an annual average over 2019-2028. The average annual fee impact shown in Table 2 considers the cost over a 10-year period used for the analysis in this assessment. The annual average fee impacts over the 10-year horizon allows for comparison of the fee impacts of proposed amendments over a period of time by accounting for fees that may vary over time or are zero for certain years. The fee impacts in total are estimated be ~~-\$0.29~~ \$0.30 million in FY 2019-20, \$1.76 million in FY 2020-21, and \$4.12 million in FY 2021-22 and beyond. The Updated Air Toxic Contaminant

(TAC) Fees amendment is the proposed amendment with the greatest fee impact. Other proposed amendments result in small fee impacts relative to the TAC fee increase.

Table 2:

**Estimated Fee Impacts by Proposed Amendment**

Proposed Amendment	Annual Fee Impact			
	FY2019-2020	FY2020-2021	FY 2021-2022 and thereafter	Average Annual <sup>1</sup> (2019-2028)
1. Increasing Toxic Air Contaminant (TAC) Fees	<del>\$3,572</del> \$0	\$2,055,836	\$4,417,564	\$3,739,992
2. Adding a new Rule 1118.1 Notification Fee to Rule 301	\$0	\$1,600	\$3,200	\$2,720
3. Increasing the PERP enforcement inspection fees	\$3,520	\$3,520	\$3,520	\$3,520
4. Increasing and realigning fees in Rule 309 for Plan Inspection Fees with comparable fees in Rule 306	\$2,100	\$2,100	\$2,100	\$2,100
5. Adding a renewal fee for Clean Air Solvent (CAS) and Clean Air Choices Cleaner (CACC) certification fees	\$0	\$0	\$0	\$0
6. Removing the fee in Rule 308 for adding/deleting a site from a Multi-site or Geographic Program	\$0	\$0	\$0	\$0
7. Reducing certain notification fees in Rule 301 Table VI for Asbestos Demolition/Renovation	-\$303,000	-\$303,000	-\$303,000	-\$303,000
8. Creation of a fee cap Change of Owner/Operator Applications at RECLAIM facilities	\$0	\$0	\$0	\$0
9. Reducing certain certified copy fees	\$0	\$0	\$0	\$0
10. Removing Delek U.S. Holdings, Inc. from the fee table in Rule 301(aa) pertaining to Rule 1180 operating and maintenance fees	\$0	\$0	\$0	\$0
11. Removing surcharge fee for certain late AER amendments pertaining to emissions developed from source tests	\$0	\$0	\$0	\$0
<b>Total</b>	<del>-\$297,380-</del> <del>\$293,808</del>	<b>\$1,760,056</b>	<b>\$4,123,384</b>	<b>\$3,445,332</b>

<sup>1</sup> This is the average of annual fee impacts over a ten year horizon. It accounts for fees that may vary over time or are zero for certain years.

<sup>2</sup> This proposed amendment is expected to result in a net fee reduction for affected facilities, but is conservatively assumed to have no fee impact here for purposes of analysis.

**Table 3:**  
**Overall Cost Fee Impact of the PAR III by Industry**

Industry	NAICS	Fee Impact of PAR III				
		FY 2019-2020	FY 2020-2021	FY 2021-2022 and thereafter	Average Annual (2019-2028)	Share of Fee Impact
<b>Agriculture, Forestry, Fishing &amp; Hunting</b>	<b>111-115</b>	<b>\$0</b>	<b>\$5,715</b>	<b>\$10,877</b>	<b>\$9,273</b>	<b>0.3%</b>
<b>Mining</b>	<b>21</b>	<b>\$0</b>	<b>\$71,285</b>	<b>\$157,876</b>	<b>\$133,429</b>	<b>3.9%</b>
Oil and Gas Extraction	211	\$0	\$48,312	\$111,957	\$94,397	2.7%
Mining (except oil and gas)	212-213	\$0	\$22,973	\$45,919	\$39,032	1.1%
<b>Construction</b>	<b>23</b>	<b>\$1,174</b>	<b>\$10,887</b>	<b>\$22,334</b>	<b>\$19,073</b>	<b>0.6%</b>
<b>Manufacturing</b>	<b>31-33</b>	<b>\$0</b>	<b>\$1,085,208</b>	<b>\$2,311,353</b>	<b>\$1,957,603</b>	<b>56.8%</b>
Food Manufacturing	311	\$0	\$2,040	\$3,268	\$2,818	0.1%
Wood Products Manufacturing	321	\$0	\$490	\$1,079	\$912	0.0%
Petroleum and Coal Products Mfg.	324	\$0	\$611,036	\$1,341,750	\$1,134,504	32.9%
Chemical Manufacturing	325	\$0	\$121,840	\$244,881	\$208,089	6.0%
Nonmetallic Mineral Product Mfg.	327	\$0	\$36,468	\$72,489	\$61,638	1.8%
Primary Metal Mfg.	331	\$0	\$91,598	\$189,381	\$160,665	4.7%
Fabricated Metal Mfg.	332	\$0	\$103,464	\$215,043	\$182,381	5.3%
Machinery Manufacturing	333	\$0	\$49,310	\$99,094	\$84,206	2.4%
Computer and Electronic Product Mfg.	334	\$0	\$19,679	\$39,342	\$33,442	1.0%
Electrical Equipment & Appliance Mfg.	335	\$0	\$5,843	\$11,226	\$9,565	0.3%
Motor Vehicle & Trans. Equipment Mfg.	336	\$0	\$24,233	\$49,024	\$41,642	1.2%
Other Manufacturing	312-339	\$0	\$19,208	\$44,775	\$37,741	1.1%
<b>Utilities</b>	<b>22</b>	<b>\$0</b>	<b>\$318,630</b>	<b>\$712,744</b>	<b>\$602,058</b>	<b>17.5%</b>
<b>Transportation &amp; Warehousing</b>	<b>48-49</b>	<b>\$0</b>	<b>\$94,396</b>	<b>\$209,871</b>	<b>\$177,337</b>	<b>5.1%</b>
<b>Information</b>	<b>51</b>	<b>\$0</b>	<b>\$15,450</b>	<b>\$31,289</b>	<b>\$26,577</b>	<b>0.8%</b>
Publishing Industries, Except Internet	511	\$0	\$164	\$172	\$154	0.0%
Motion Picture & Sound Recording	512	\$0	\$15,287	\$31,118	\$26,423	0.8%
Internet Services and data processing	518, 519	\$0	\$0	\$0	\$0	0.0%
<b>Wholesale Trade</b>	<b>42</b>	<b>\$1,200</b>	<b>\$45,991</b>	<b>\$97,332</b>	<b>\$82,585</b>	<b>2.4%</b>
<b>Retail Trade</b>	<b>44-45</b>	<b>\$300</b>	<b>\$39,687</b>	<b>\$90,785</b>	<b>\$76,627</b>	<b>2.2%</b>
<b>Finance and Insurance</b>	<b>52</b>	<b>\$0</b>	<b>\$245</b>	<b>\$417</b>	<b>\$358</b>	<b>0.0%</b>
<b>Real Estate and Rental Leasing</b>	<b>53</b>	<b>\$1,173</b>	<b>\$2,281</b>	<b>\$3,020</b>	<b>\$2,761</b>	<b>0.1%</b>
<b>Services</b>	<b>54-81</b>	<b>-\$301,227</b>	<b>\$16,830</b>	<b>\$361,364</b>	<b>\$260,651</b>	<b>7.6%</b>
Professional and Technical Services	54	\$300	\$16,424	\$36,138	\$30,583	0.9%
Administrative and support services	561	\$0	\$3,807	\$8,487	\$7,171	0.2%
Waste management and remediation services	562	-\$301,827	-\$151,392	\$8,488	-\$38,532	-1.1%
Educational Services	61	\$0	\$45,887	\$98,572	\$83,446	2.4%
Health Care & Social Assistance	62	\$0	\$82,318	\$170,659	\$144,759	4.2%
Accommodation	721	\$0	\$475	\$794	\$683	0.0%
Food Services & Drinking Places	722	\$0	\$344	\$537	\$464	0.0%
Other Services	Other 54-81	\$300	\$18,967	\$37,689	\$32,078	0.9%
<b>Public Administration</b>	<b>92</b>	<b>\$0</b>	<b>\$18,695</b>	<b>\$42,199</b>	<b>\$35,629</b>	<b>1.0%</b>
<b>Unclassified*</b>	<b>N/A</b>	<b>\$0</b>	<b>\$34,754</b>	<b>\$71,922</b>	<b>\$61,013</b>	<b>1.8%</b>
<b>Totals</b>		<b>-\$297,380</b>	<b>\$1,760,056</b>	<b>\$4,123,384</b>	<b>\$3,444,974</b>	<b>100.0%</b>

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

Since the majority of the cost impacts from proposed amendments in Regulation III are a result of the proposed TAC fee increase, a more detailed breakdown of the fee impacts are shown in Table 4. The manufacturing sector (NAICS 31-33) incurs the largest cumulative impact by industry, but also has the largest number of facilities with impacts from the proposed TAC fee increase. As such, the facility average fee increase for all Manufacturing, approximately \$3,600, reflects a much lower average than that of the most impacted subset within Manufacturing, Petroleum and Coal Products Manufacturing (NAICS 324) where the facility average fee increase is projected to be over \$34,000. At the bottom of Table 4, impacts for facilities meeting the small business designation are shown. For more than 400 small businesses identified as impacted by the proposed TAC fee increase, the average facility fee increase is nearly \$1,200 annually, and the maximum fee increase for the category is approximately \$211,000.

**Table 4:**  
**Detailed Breakdown of TAC Fee Increase Projected Impacts by Industry Sector**

<u>Industry</u>	<u>NAICS</u>	<u>Difference in Proposed TAC Fee Increase</u>							
		<u>Facility Count</u>	<u>Difference in Toxic Fees in FY 2021-2022 and thereafter</u>	<u>Facility Average</u>	<u>25th Percentile</u>	<u>50th Percentile</u>	<u>75th Percentile</u>	<u>Maximum</u>	<u>Industry Share of Fee Impact</u>
<u>Agriculture, Forestry, Fishing &amp; Hunting</u>	<u>111-115</u>	<u>33</u>	<u>\$10,877</u>	<u>\$330</u>	<u>\$0</u>	<u>\$0</u>	<u>\$109</u>	<u>\$9,061</u>	<u>0.2%</u>
<u>Mining</u>	<u>21</u>	<u>89</u>	<u>\$156,549</u>	<u>\$1,759</u>	<u>\$407</u>	<u>\$1,072</u>	<u>\$2,074</u>	<u>\$15,501</u>	<u>3.5%</u>
<u>Oil and Gas Extraction</u>	<u>211</u>	<u>60</u>	<u>\$110,669</u>	<u>\$1,844</u>	<u>\$652</u>	<u>\$1,075</u>	<u>\$2,134</u>	<u>\$15,501</u>	<u>2.5%</u>
<u>Mining (except oil and gas)</u>	<u>212-213</u>	<u>29</u>	<u>\$45,880</u>	<u>\$1,582</u>	<u>\$0</u>	<u>\$740</u>	<u>\$1,873</u>	<u>\$8,291</u>	<u>1.0%</u>
<u>Construction</u>	<u>23</u>	<u>23</u>	<u>\$21,160</u>	<u>\$920</u>	<u>\$0</u>	<u>\$0</u>	<u>\$889</u>	<u>\$5,716</u>	<u>0.5%</u>
<u>Manufacturing</u>	<u>31-33</u>	<u>643</u>	<u>\$2,311,196</u>	<u>\$3,594</u>	<u>\$0</u>	<u>\$79</u>	<u>\$854</u>	<u>\$427,528</u>	<u>52.3%</u>
<u>Food Manufacturing</u>	<u>311</u>	<u>38</u>	<u>\$3,190</u>	<u>\$84</u>	<u>\$0</u>	<u>\$0</u>	<u>\$81</u>	<u>\$768</u>	<u>0.1%</u>
<u>Wood Products Manufacturing</u>	<u>321</u>	<u>6</u>	<u>\$1,079</u>	<u>\$180</u>	<u>\$0</u>	<u>\$0</u>	<u>\$311</u>	<u>\$665</u>	<u>0.0%</u>
<u>Petroleum and Coal Products Mfg.</u>	<u>324</u>	<u>39</u>	<u>\$1,341,750</u>	<u>\$34,404</u>	<u>\$839</u>	<u>\$2,214</u>	<u>\$22,877</u>	<u>\$427,528</u>	<u>30.4%</u>
<u>Chemical Manufacturing</u>	<u>325</u>	<u>59</u>	<u>\$244,881</u>	<u>\$4,151</u>	<u>\$0</u>	<u>\$92</u>	<u>\$667</u>	<u>\$211,103</u>	<u>5.5%</u>
<u>Nonmetallic Mineral Product Mfg.</u>	<u>327</u>	<u>37</u>	<u>\$72,489</u>	<u>\$1,959</u>	<u>\$0</u>	<u>\$426</u>	<u>\$809</u>	<u>\$19,771</u>	<u>1.6%</u>
<u>Primary Metal Mfg.</u>	<u>331</u>	<u>46</u>	<u>\$189,381</u>	<u>\$4,117</u>	<u>\$0</u>	<u>\$420</u>	<u>\$773</u>	<u>\$118,260</u>	<u>4.3%</u>
<u>Fabricated Metal Mfg.</u>	<u>332</u>	<u>157</u>	<u>\$215,043</u>	<u>\$1,370</u>	<u>\$0</u>	<u>\$303</u>	<u>\$1,505</u>	<u>\$19,252</u>	<u>4.9%</u>
<u>Machinery Manufacturing</u>	<u>333</u>	<u>13</u>	<u>\$99,094</u>	<u>\$7,623</u>	<u>\$0</u>	<u>\$0</u>	<u>\$441</u>	<u>\$94,630</u>	<u>2.2%</u>
<u>Computer and Electronic Product Mfg.</u>	<u>334</u>	<u>24</u>	<u>\$39,342</u>	<u>\$1,639</u>	<u>\$0</u>	<u>\$758</u>	<u>\$1,981</u>	<u>\$10,911</u>	<u>0.9%</u>
<u>Electrical Equipment &amp; Appliance Mfg.</u>	<u>335</u>	<u>19</u>	<u>\$11,226</u>	<u>\$591</u>	<u>\$0</u>	<u>\$421</u>	<u>\$1,136</u>	<u>\$2,494</u>	<u>0.3%</u>
<u>Motor Vehicle &amp; Trans. Equipment Mfg.</u>	<u>336</u>	<u>44</u>	<u>\$49,024</u>	<u>\$1,114</u>	<u>\$0</u>	<u>\$308</u>	<u>\$1,199</u>	<u>\$10,819</u>	<u>1.1%</u>

<u>Other Manufacturing</u>	<u>312-339</u>	<u>205</u>	<u>\$44,697</u>	<u>\$218</u>	<u>\$0</u>	<u>\$413</u>	<u>\$1,823</u>	<u>\$6,881</u>	<u>1.0%</u>
<b><u>Utilities</u></b>	<b><u>22</u></b>	<b><u>123</u></b>	<b><u>\$711,729</u></b>	<b><u>\$5,786</u></b>	<b><u>\$640</u></b>	<b><u>\$1,102</u></b>	<b><u>\$2,310</u></b>	<b><u>\$182,229</u></b>	<b><u>16.1%</u></b>
<b><u>Transportation &amp; Warehousing</u></b>	<b><u>48-49</u></b>	<b><u>46</u></b>	<b><u>\$209,871</u></b>	<b><u>\$4,562</u></b>	<b><u>\$427</u></b>	<b><u>\$1,305</u></b>	<b><u>\$4,563</u></b>	<b><u>\$46,360</u></b>	<b><u>4.8%</u></b>
<b><u>Information</u></b>	<b><u>51</u></b>	<b><u>11</u></b>	<b><u>\$31,289</u></b>	<b><u>\$2,844</u></b>	<b><u>\$406</u></b>	<b><u>\$2,326</u></b>	<b><u>\$4,236</u></b>	<b><u>\$9,031</u></b>	<b><u>0.7%</u></b>
<u>Publishing Industries, Except Internet*</u>	<u>511</u>	<u>2</u>	<u>\$172</u>	<u>\$86</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>\$86</u>	<u>0.0%</u>
<u>Motion Picture &amp; Sound Recording</u>	<u>512</u>	<u>8</u>	<u>\$31,118</u>	<u>\$3,890</u>	<u>\$2,128</u>	<u>\$3,171</u>	<u>\$5,387</u>	<u>\$9,031</u>	<u>0.7%</u>
<u>Internet Services and data processing*</u>	<u>518-519</u>	<u>1</u>	<u>\$0</u>	<u>\$0</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>\$0</u>	<u>0.0%</u>
<b><u>Wholesale Trade</u></b>	<b><u>42</u></b>	<b><u>65</u></b>	<b><u>\$96,132</u></b>	<b><u>\$1,479</u></b>	<b><u>\$0</u></b>	<b><u>\$411</u></b>	<b><u>\$1,430</u></b>	<b><u>\$18,866</u></b>	<b><u>2.2%</u></b>
<b><u>Retail Trade</u></b>	<b><u>44-45</u></b>	<b><u>105</u></b>	<b><u>\$90,446</u></b>	<b><u>\$861</u></b>	<b><u>\$112</u></b>	<b><u>\$274</u></b>	<b><u>\$1,024</u></b>	<b><u>\$7,586</u></b>	<b><u>2.0%</u></b>
<b><u>Finance and Insurance*</u></b>	<b><u>52</u></b>	<b><u>2</u></b>	<b><u>\$417</u></b>	<b><u>\$209</u></b>	<b><u>=</u></b>	<b><u>=</u></b>	<b><u>=</u></b>	<b><u>\$417</u></b>	<b><u>0.0%</u></b>
<b><u>Real Estate and Rental Leasing</u></b>	<b><u>53</u></b>	<b><u>9</u></b>	<b><u>\$1,847</u></b>	<b><u>\$205</u></b>	<b><u>\$0</u></b>	<b><u>\$132</u></b>	<b><u>\$214</u></b>	<b><u>\$1,097</u></b>	<b><u>0.0%</u></b>
<b><u>Services</u></b>	<b><u>54-81</u></b>	<b><u>329</u></b>	<b><u>\$661,927</u></b>	<b><u>\$2,156</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$1,373</u></b>	<b><u>\$160,373</u></b>	<b><u>15.0%</u></b>
<u>Professional and Technical Services</u>	<u>54</u>	<u>24</u>	<u>\$35,838</u>	<u>\$1,493</u>	<u>\$4</u>	<u>\$389</u>	<u>\$1,434</u>	<u>\$13,813</u>	<u>0.8%</u>
<u>Administrative and support services</u>	<u>561</u>	<u>20</u>	<u>\$8,487</u>	<u>\$424</u>	<u>\$0</u>	<u>\$0</u>	<u>\$186</u>	<u>\$5,910</u>	<u>0.2%</u>
<u>Waste management and remediation services</u>	<u>562</u>	<u>41</u>	<u>\$309,651</u>	<u>\$7,552</u>	<u>\$529</u>	<u>\$1,382</u>	<u>\$3,354</u>	<u>\$160,373</u>	<u>7.0%</u>
<u>Educational Services</u>	<u>61</u>	<u>22</u>	<u>\$98,572</u>	<u>\$4,481</u>	<u>\$558</u>	<u>\$1,291</u>	<u>\$5,526</u>	<u>\$28,251</u>	<u>2.2%</u>
<u>Health Care &amp; Social Assistance</u>	<u>62</u>	<u>52</u>	<u>\$170,659</u>	<u>\$3,282</u>	<u>\$1,218</u>	<u>\$2,686</u>	<u>\$4,711</u>	<u>\$15,443</u>	<u>3.9%</u>
<u>Accommodation*</u>	<u>721</u>	<u>2</u>	<u>\$794</u>	<u>\$397</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>\$627</u>	<u>0.0%</u>
<u>Food Services &amp; Drinking Places*</u>	<u>722</u>	<u>2</u>	<u>\$537</u>	<u>\$268</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>\$417</u>	<u>0.0%</u>
<u>Repair and Maintenance</u>	<u>811</u>	<u>146</u>	<u>\$3,313</u>	<u>\$23</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,397</u>	<u>0.1%</u>
<u>Other Services</u>	<u>Other 54-81</u>	<u>20</u>	<u>\$34,075</u>	<u>\$1,704</u>	<u>\$0</u>	<u>\$578</u>	<u>\$1,850</u>	<u>\$13,454</u>	<u>0.8%</u>
<b><u>Public Administration</u></b>	<b><u>92</u></b>	<b><u>30</u></b>	<b><u>\$42,199</u></b>	<b><u>\$1,407</u></b>	<b><u>\$240</u></b>	<b><u>\$416</u></b>	<b><u>\$2,014</u></b>	<b><u>\$8,188</u></b>	<b><u>1.0%</u></b>
<b><u>Unclassified**</u></b>	<b><u>N/A</u></b>	<b><u>33</u></b>	<b><u>\$71,922</u></b>	<b><u>\$2,179</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$437</u></b>	<b><u>\$34,222</u></b>	<b><u>1.6%</u></b>
<u>Small Business***</u>	<u>N/A</u>	<u>428</u>	<u>\$509,621</u>	<u>\$1,191</u>	<u>\$0</u>	<u>\$0</u>	<u>\$813</u>	<u>\$211,103</u>	<u>11.5%</u>
<b><u>TOTALS</u></b>	<b><u>-</u></b>	<b><u>1541</u></b>	<b><u>\$4,417,564</u></b>	<b><u>\$2,908</u></b>	<b><u>\$0</u></b>	<b><u>\$295</u></b>	<b><u>\$1,363</u></b>	<b><u>\$427,528</u></b>	<b><u>100.0%</u></b>

\* Percentile data not provided for industries with fewer than 5 facilities

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

\*\*\* A small business is defined as a facility with 100 employees or fewer and annual revenue less than or equal to \$5,000,000. These facilities are spread throughout all of the industry sectors and are not included in the total count of facilities

As discussed in the previous section, the fee impacts from PAR III are estimated to be incurred by all industries within the regional economy. Table 3 shows the distribution of these fee impacts by industry, by fiscal year, and on average annually over a 10-year horizon. The manufacturing sector would incur the largest fee impacts with no fee increase in FY 2019-20, and an increase in fee costs of \$1.09 million in FY 2020-2021 and \$2.31 million in FY 2021-22 and thereafter, which comprises a 57% share of the average fee

impacts of PAR III. Within the manufacturing sector the petroleum and coal products manufacturing industry (NAICS 324) will incur a 57% share of the fee impacts, primarily as a result of the toxicity-weighted emissions fees that will be incurred by facilities in this industry.

**Figure 1:**  
**Proposed TAC Fee Increase Compared with 2017 Toxic Fees**

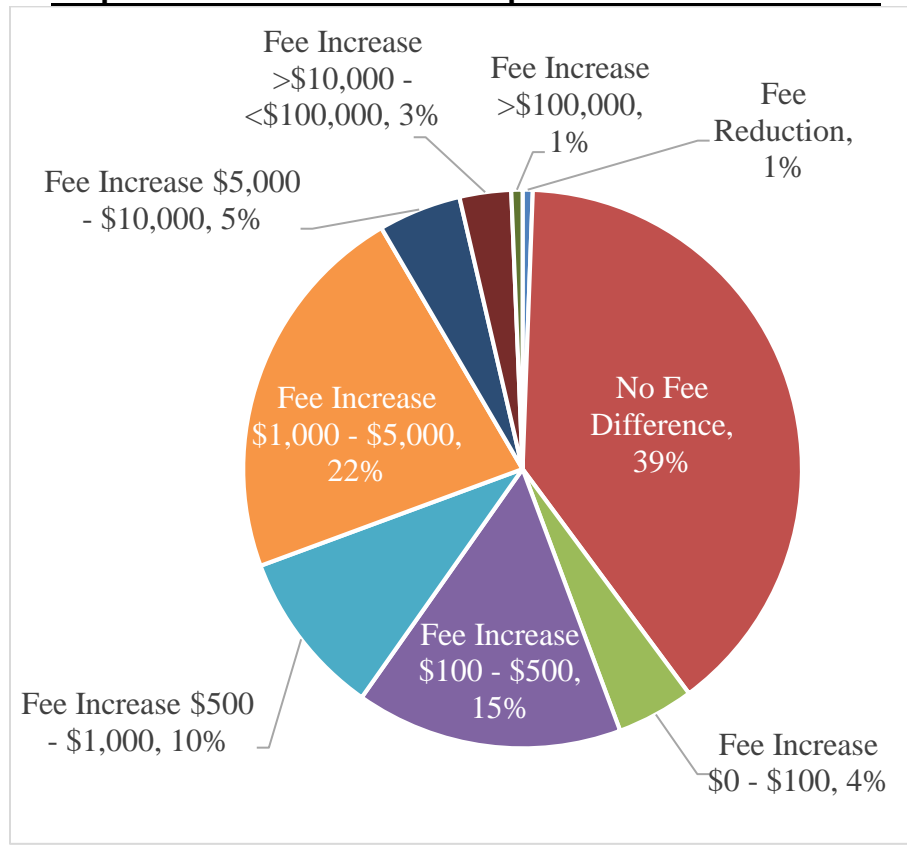


Figure 1 shows that nearly 40% of the facilities subject to the TAC Fee increase will have no difference in their total annual toxics fees compared with the 2017 reporting year. 22% of facilities will have an increase between \$1,000 and \$5,000, and 15% will have a fee increase of \$100 to \$500 annually.

## MACROECONOMIC IMPACTS ON THE REGIONAL ECONOMY

The REMI model (PI+ v2.2) was used to assess the total socioeconomic impacts of PAR III fee increases and the corresponding SCAQMD revenue increase. It links the economic activities in the counties of Los Angeles, Orange, Riverside, and San Bernardino, and for each county, it is comprised of five interrelated blocks: (1) output and demand, (2) labor

and capital, (3) population and labor force, (4) wages, prices and costs, and (5) market shares.<sup>2</sup>

The assessment herein was performed relative to a baseline scenario where none of the PAR III fee increases are implemented. PAR III would create a policy scenario under which the affected facilities would incur a reduction in annual costs of ~~\$0.29~~\$0.30 million in FY 2019-20, followed by an increase in annual costs of \$1.76 million in FY 2020-21 and \$4.12 million in FY 2021-22 and following years (Table 2). As these fee increases are recommended for cost recovery purposes of mostly-mandated existing and future activities, the baseline scenario represents a situation where SCAQMD is not able to fully cover its costs and is in a deficit situation. For purposes of the macroeconomic impact analysis, the estimated fee increase was converted from FY to calendar year and was analyzed for a 10-year period from 2019 to 2028, where the highest level of fee increase is realized by 2021 and is held constant for the subsequent years in the analysis horizon. The macroeconomic impact analysis is based on the real dollar value of fees, therefore it assumes the implementation of Rule 320 in all years of the analysis horizon.

The impact of the proposed new fees and fee rate increases was simulated with the REMI model using estimates of the fee increase, along with the corresponding increase in SCAQMD revenue. The estimated increase in fees by industry (Table 3) were input into the REMI model as an increase in production cost for the affected industries. The resulting increase in SCAQMD revenue was input in the REMI model as an increase in local government spending, distributed by the proportion of population in each of the four counties. This modeling approach assumes a balanced government budget, where an increase in revenue, relative to the baseline scenario, must be equivalent to an increase in government spending.<sup>3</sup>

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<sup>2</sup> Within each county, producers are made up of 66 private non-farm industries, three government sectors, and a farm sector. Trade flows are captured between sectors as well as across the four counties and the rest of U.S. Market shares of industries are dependent upon their product prices, access to production inputs, and local infrastructure. The demographic/migration component has 160 age/gender/race/ethnicity cohorts and captures population changes in births, deaths, and migration. (For details, please refer to REMI online documentation at <http://www.remi.com/products/pi>.)

<sup>3</sup> This increase in revenue and equivalent increase in spending is relative to the baseline scenario, where SCAQMD is not fully recovering cost and is in a deficit situation.

**Table 3:  
Fee Impact of the PAR III by Industry**

Industry	NAICS	Fee Impact of PAR III				
		FY 2019-2020	FY 2020-2021	FY 2021-2022 and thereafter	Average Annual (2019-2028)	Share of Fee Impact
<b>Agriculture, Forestry, Fishing &amp; Hunting</b>	<b>111-115</b>	<b>\$0</b>	<b>\$5,715</b>	<b>\$10,877</b>	<b>\$9,273</b>	<b>0.3%</b>
<b>Mining</b>	<b>21</b>	<b>\$0</b>	<b>\$71,285</b>	<b>\$157,876</b>	<b>\$133,429</b>	<b>3.9%</b>
–Oil and Gas Extraction	211	\$0	\$48,312	\$111,957	\$94,397	2.7%
–Mining (except oil and gas)	212-213	\$0	\$22,973	\$45,919	\$39,032	1.1%
<b>Construction</b>	<b>23</b>	<b>\$1,174</b>	<b>\$10,887</b>	<b>\$22,334</b>	<b>\$19,073</b>	<b>0.6%</b>
<b>Manufacturing</b>	<b>31-33</b>	<b>\$0</b>	<b>\$1,085,208</b>	<b>\$2,311,353</b>	<b>\$1,957,603</b>	<b>56.8%</b>
–Food Manufacturing	311	\$0	\$2,040	\$3,268	\$2,818	0.1%
–Wood Products Manufacturing	321	\$0	\$490	\$1,079	\$912	0.0%
–Petroleum and Coal Products Mfg.	324	\$0	\$611,036	\$1,341,750	\$1,134,504	32.9%
–Chemical Manufacturing	325	\$0	\$121,840	\$244,881	\$208,089	6.0%
–Nonmetallic Mineral Product Mfg.	327	\$0	\$36,468	\$72,489	\$61,638	1.8%
–Primary Metal Mfg.	331	\$0	\$91,598	\$189,381	\$160,665	4.7%
–Fabricated Metal Mfg.	332	\$0	\$103,464	\$215,043	\$182,381	5.3%
–Machinery Manufacturing	333	\$0	\$49,310	\$99,094	\$84,206	2.4%
–Computer and Electronic Product Mfg.	334	\$0	\$19,679	\$39,342	\$33,442	1.0%
–Electrical Equipment & Appliance Mfg.	335	\$0	\$5,843	\$11,226	\$9,565	0.3%
–Motor Vehicle & Trans. Equipment Mfg.	336	\$0	\$24,233	\$49,024	\$41,642	1.2%
–Other Manufacturing	312-339	\$0	\$19,208	\$44,775	\$37,741	1.1%
<b>Utilities</b>	<b>22</b>	<b>\$0</b>	<b>\$318,630</b>	<b>\$712,744</b>	<b>\$602,058</b>	<b>17.5%</b>
<b>Transportation &amp; Warehousing</b>	<b>48-49</b>	<b>\$0</b>	<b>\$94,396</b>	<b>\$209,871</b>	<b>\$177,337</b>	<b>5.1%</b>
<b>Information</b>	<b>51</b>	<b>\$0</b>	<b>\$15,450</b>	<b>\$31,289</b>	<b>\$26,577</b>	<b>0.8%</b>
–Publishing Industries, Except Internet	511	\$0	\$164	\$172	\$154	0.0%
–Motion Picture & Sound Recording	512	\$0	\$15,287	\$31,118	\$26,423	0.8%
–Internet Services and data processing	518, 519	\$0	\$0	\$0	\$0	0.0%
<b>Wholesale Trade</b>	<b>42</b>	<b>\$1,200</b>	<b>\$45,991</b>	<b>\$97,332</b>	<b>\$82,585</b>	<b>2.4%</b>
<b>Retail Trade</b>	<b>44-45</b>	<b>\$300</b>	<b>\$39,687</b>	<b>\$90,785</b>	<b>\$76,627</b>	<b>2.2%</b>
<b>Finance and Insurance</b>	<b>52</b>	<b>\$0</b>	<b>\$245</b>	<b>\$417</b>	<b>\$358</b>	<b>0.0%</b>
<b>Real Estate and Rental Leasing</b>	<b>53</b>	<b>\$1,173</b>	<b>\$2,281</b>	<b>\$3,020</b>	<b>\$2,761</b>	<b>0.1%</b>
<b>Services</b>	<b>54-81</b>	<b>-\$301,227</b>	<b>\$16,830</b>	<b>\$361,364</b>	<b>\$260,651</b>	<b>7.6%</b>
–Professional and Technical Services	54	\$300	\$16,424	\$36,138	\$30,583	0.9%
–Administrative and support services	561	\$0	\$3,807	\$8,487	\$7,171	0.2%
–Waste management and remediation services	562	-\$301,827	-\$151,392	\$8,488	-\$38,532	-1.1%
–Educational Services	61	\$0	\$45,887	\$98,572	\$83,446	2.4%
–Health Care & Social Assistance	62	\$0	\$82,318	\$170,659	\$144,759	4.2%
–Accommodation	721	\$0	\$475	\$794	\$683	0.0%
–Food Services & Drinking Places	722	\$0	\$344	\$537	\$464	0.0%
–Other Services	Other 54-81	\$300	\$18,967	\$37,689	\$32,078	0.9%
<b>Public Administration</b>	<b>92</b>	<b>\$0</b>	<b>\$18,695</b>	<b>\$42,199</b>	<b>\$35,629</b>	<b>1.0%</b>
<b>Unclassified*</b>	<b>N/A</b>	<b>\$0</b>	<b>\$34,754</b>	<b>\$71,922</b>	<b>\$61,013</b>	<b>1.8%</b>
<b>Totals</b>		<b>-\$297,380</b>	<b>\$1,760,056</b>	<b>\$4,123,384</b>	<b>\$3,444,974</b>	<b>100.0%</b>

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



### Employment

Based on these inputs into the REMI model, the macroeconomic impacts of the estimated fee increases on the regional economy were simulated.<sup>4</sup> The total effect on jobs consists of the effect on the directly affected sectors combined with the indirect and induced effects, which result as increased industry costs and government spending cascade through the regional economy. The overall PAR III fee increases are projected to lead to a net gain of 21 jobs on average per year above the baseline scenario job forecast from 2019 to 2028 (Table 4). The net gain of jobs is a result of a gain in jobs from increased SCAQMD spending and foregone jobs in the industries most affected by the proposed fee increases.

**Table 45:**  
**Projected Job Impacts of Proposed Fee Rate Increases by Sector**

Sector	NAICS	Jobs			Average Annual (2019-2028)		
		2020	2024	2028	Jobs	Baseline Jobs	% Change
Mining, Oil and Gas Extraction	21	0	-2	-2	-1	24,093	-0.0058%
Utilities	22	0	-1	-1	-1	21,209	-0.0033%
Construction	23	2	-4	-4	-2	488,175	-0.0005%
Manufacturing	33	0	-5	-6	-4	631,905	-0.0006%
Wholesale Trade	42	0	-1	-1	-1	492,205	-0.0001%
Retail Trade	44-45	0	-2	-3	-2	1,006,162	-0.0002%
Transportation and Warehousing	48-49	0	-1	-1	0	491,491	-0.0001%
Information	51	0	0	-1	0	343,789	-0.0001%
Finance and Insurance	52	1	0	0	1	514,823	0.0001%
Real Estate and Rental and Leasing	53	1	0	0	0	609,284	0.0000%
Professional, Scientific, and Technical Services	54	1	0	-2	0	876,610	0.0000%
Management of Companies and Enterprises	55	0	-1	-1	-1	118,986	-0.0004%
Administrative and Waste Management Services	56	1	0	-1	0	800,069	0.0000%
Educational Services	61	0	0	-1	0	262,009	0.0000%
Health Care and Social Assistance	62	1	0	-1	0	1,367,207	0.0000%
Accommodation and Food Services	72	1	1	0	1	811,398	0.0001%
State and Local Government	92	17	37	34	31	918,977	0.0034%
All Other Industries	N/A	3	1	0	0	1,290,479	0.0000%
<b>Total</b>		<b>28</b>	<b>22</b>	<b>9</b>	<b>21</b>	<b>11,068,869</b>	<b>0.0005%</b>

<sup>4</sup> A change was made to the TAC Fee Increase implementation that resulted in a decrease in costs to industry of approximately \$3,500 in FY 19-20. However, the employment data presented in this report reflect the more conservative cost estimates presented in the Draft Socioeconomic Impact Assessment.

The foregone jobs are most concentrated in the manufacturing sector with four jobs foregone followed by the construction sector with two jobs foregone. These jobs foregone either occur in industries most significantly affected by the fee increase or industries which are significant intermediate suppliers to the affected industries. The jobs gained from the increase in SCAQMD spending are most highly concentrated in the local government sector, which includes SCAQMD and all other local government agencies in the region, along with gains in industries servicing the local government sector, such as finance and insurance and professional, scientific, and technical services.

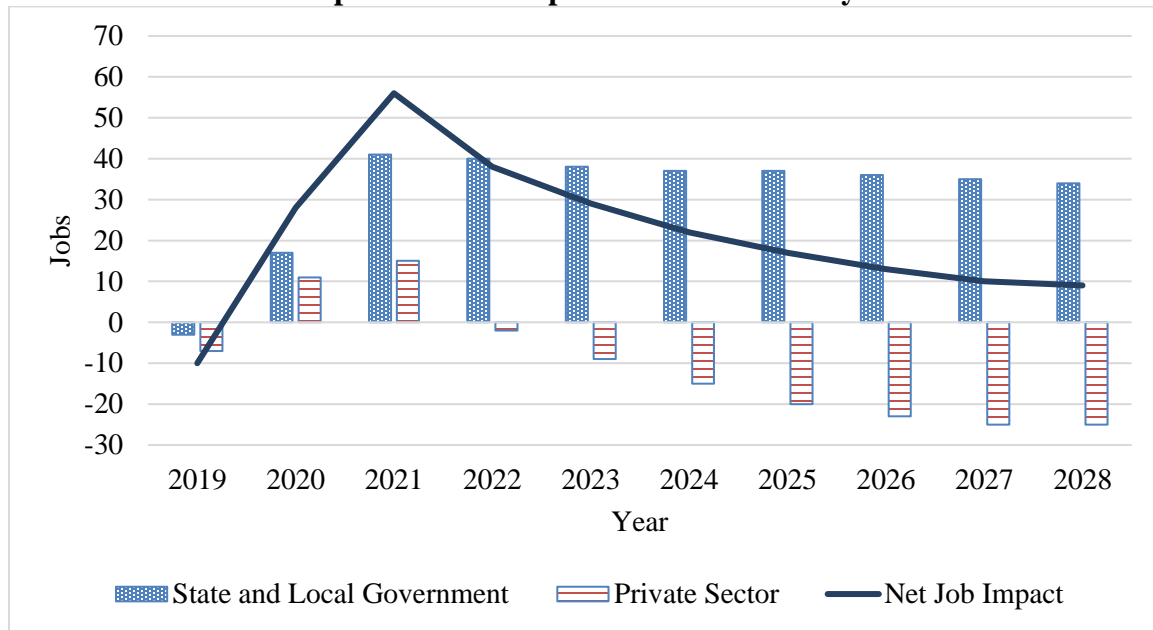
It should be noted that, as the baseline scenario represents a deficit situation for SCAQMD, direct job gains estimated for the local government sector include potentially prevented staffing reductions, which may occur if the deficit situation continues at SCAQMD. At the same time, the sector's direct job gains may also include new positions added to perform new and/or expanded program functions to meet recently adopted SCAQMD rules and state mandates. However, the potential employment impact pertinent to SCAQMD is not specifically considered in this job impact analysis due to modeling constraints.<sup>5</sup> Overall, these changes in jobs are very small relative to the size of the regional economy (11.1 million payroll and self-employment jobs), representing an increase of approximately 0.0005 percent.

Figure 1 illustrates the net change in jobs over the 2019-2028 time period. Following modest number of jobs forgone in the first year, REMI projects 28 job gains in the second year and increasing to 56 jobs gained in the third year due to the increased state and local government spending. Following 2021, the net job gains will diminish, as jobs foregone in the affected industries increase and local government job decrease.

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<sup>5</sup> As common in economic modelling, each economic sector is represented by the average behavior of all entities belonging to that sector. Therefore the REMI model's representation of an average local government agency will not precisely predict any specific staffing changes, timing of changes, nor specific labor costs of SCAQMD.

**Figure 12:**  
**Job Impacts of the Proposed Amendments by Year**



## CONCLUSION

Based on the proposed amendments, the fee impact of PAR III is estimated to be ~~-\$0.30~~~~\$0.29~~ million in FY 2019-20, \$1.76 million in FY 2020-21, and \$4.12 million in FY 2021-22 and thereafter. The manufacturing sector is estimated to incur the greatest increases in fees, followed by the utilities sector. Based on the estimated fee increases by industry and the corresponding increases in SCAQMD revenue, the macroeconomic job impact of the estimated fee increase was simulated. The job impact analysis projects a net gain in jobs over the 2019-2028 period relative to the baseline scenario, resulting primarily from prevented job losses and job gains in local government and jobs foregone in manufacturing and construction. Ultimately, the projected job impact is very small relative to the regional economy, representing an increase of approximately 0.0005 percent.

## APPENDIX

**Table A1:**  
**Estimated Number of Affected Facilities by Proposed Amendment**

Industry	NAICS	Proposed Amendment					
		TAC Fee Increase	306/309 Fee Realignment	1403 Fee Reductions	PERP Fee Increase	Change of Owner/Operator Fee Cap	1118.1 Notification Fees
<b>Agriculture, Forestry, Fishing &amp; Hunting</b>	<b>111-115</b>	<b>33</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Mining</b>	<b>21</b>	<b>89</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>34</b>
Oil and Gas Extraction	211	60	0	0	0	1	33
Mining (except oil and gas)	212-213	29	0	0	0	1	1
<b>Construction</b>	<b>23</b>	<b>23</b>	<b>0</b>	<b>0</b>	<b>20</b>	<b>0</b>	<b>0</b>
<b>Manufacturing</b>	<b>31-33</b>	<b>643</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14</b>	<b>4</b>
Food Manufacturing	311	38	0	0	0	0	2
Wood Products Manufacturing	321	6	0	0	0	0	0
Petroleum and Coal Products Mfg.	324	39	0	0	0	6	0
Chemical Manufacturing	325	59	0	0	0	1	0
Nonmetallic Mineral Product Mfg.	327	37	0	0	0	0	0
Primary Metal Mfg.	331	46	0	0	0	2	0
Fabricated Metal Mfg.	332	157	0	0	0	2	0
Machinery Manufacturing	333	13	0	0	0	0	0
Computer and Electronic Product Mfg.	334	24	0	0	0	0	0
Electrical Equipment & Appliance Mfg.	335	19	0	0	0	0	0
Motor Vehicle & Trans. Equipment Mfg.	336	44	0	0	0	2	0
Other Manufacturing	312-339	205	0	0	0	1	2
<b>Utilities</b>	<b>22</b>	<b>123</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>26</b>
<b>Transportation &amp; Warehousing</b>	<b>48-49</b>	<b>46</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>

<b>Information</b>	<b>51</b>	<b>11</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Publishing Industries, Except Internet	511	2	0	0	0	0	0
Motion Picture & Sound Recording	512	8	0	0	0	0	0
Internet Services and data processing	518, 519	1	0	0	0	0	0
<b>Wholesale Trade</b>	<b>42</b>	<b>65</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>
<b>Retail Trade</b>	<b>44-45</b>	<b>105</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>1</b>
<b>Finance and Insurance</b>	<b>52</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Real Estate and Rental Leasing</b>	<b>53</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>10</b>	<b>0</b>	<b>0</b>
<b>Services</b>	<b>54-81</b>	<b>307</b>	<b>2</b>	<b>178</b>	<b>10</b>	<b>1</b>	<b>17</b>
Professional and Technical Services	54	24	1	0	0	0	0
Administrative and support services	561	20	0	0	10	0	0
Waste management and remediation services	562	41	0	178	0	0	17
Educational Services	61	22	0	0	0	0	0
Health Care & Social Assistance	62	52	0	0	0	0	0
Accommodation	721	2	0	0	0	0	0
Food Services & Drinking Places	722	2	0	0	0	0	0
Other Services	Other 54-81	<del>444</del> 166	1	0	0	1	0
<b>Public Administration</b>	<b>92</b>	<b>30</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>
<b>Unclassified*</b>	<b>N/A</b>	<b>33</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Totals</b>		<del>1519</del> <b>1541</b>	<b>7</b>	<b>178</b>	<b>40</b>	<b>23</b>	<b>82</b>

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



# South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178

South Coast  
AQMD

(909) 396-2000 • www.aqmd.gov

**SUBJECT: NOTICE OF EXEMPTION FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT**

**PROJECT TITLE: PROPOSED AMENDED REGULATION III – FEES, AND PROPOSED AMENDED RULE 209 – TRANSFER AND VOIDING OF PERMITS**

Pursuant to the California Environmental Quality Act (CEQA) Guidelines, the South Coast Air Quality Management District (SCAQMD) is the Lead Agency and has prepared a Notice of Exemption for the project identified above.

The proposed project is comprised of amendments to Regulation III – Fees, and Rule 209 – Transfer and Voiding of Permits. Proposed Amended Regulation III – Fees, consists of: 1) an increase in fees for consistency with the increase in the California Consumer Price Index (pursuant to Rule 320); 2) new and increased fees to meet the requirements of recently adopted rules and state mandates; 3) new or increased fees for cost recovery; and 4) administrative changes that include clarifications, deletions, or corrections to existing rule language for multiple rules that comprise Regulation III (Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315). Proposed Amended Rule 209 consists of a clarification on how permit transfers are considered when there is a change of owner/operator. SCAQMD staff has reviewed the proposed project pursuant to: 1) CEQA Guidelines Section 15002(k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA; and 2) CEQA Guidelines Section 15061 – Review for Exemption, procedures for determining if a project is exempt from CEQA.

With respect to the proposed new and increased fees, and the administrative changes in Proposed Amended Regulation III and Proposed Amended Rule 209 that are strictly administrative in nature, it can be seen with certainty that there is no possibility that the proposed project may have a significant adverse effect on the environment. Thus, the project is considered to be exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Common Sense Exemption. Additionally, the entirety of Proposed Amended Regulation III is statutorily exempt from CEQA requirements pursuant to CEQA Guidelines Section 15273 – Rates, Tolls, Fares, and Charges, because the proposed new and increased fees, and the proposed amendments to Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315 involve charges by public agencies for the purpose of meeting operating expenses and financial reserve needs and requirements. Also, the proposed amendments to Rule 209 are categorically exempt because they are designed to further protect or enhance the environment pursuant to CEQA Guidelines Section 15308 – Action by Regulatory Agencies for Protection of the Environment. Further, SCAQMD staff has determined that there is no substantial evidence indicating that any of the exceptions to the categorical exemptions apply to the proposed amendments to Rule 209 pursuant to CEQA Guidelines Section 15300.2 – Exceptions. Therefore, the proposed project is exempt from CEQA. A Notice of Exemption will be prepared pursuant to CEQA Guidelines Section 15062 – Notice of Exemption. If the project is approved, the Notice of Exemption will be filed with the county clerks of Los Angeles, Orange, Riverside, and San Bernardino counties.

Any questions regarding this Notice of Exemption should be directed to Ryan Bañuelos (c/o Planning, Rule Development and Area Sources) at the above address. Mr. Bañuelos can also be reached at (909) 396-3479. Mr. Shah Dabirian is also available at (909) 396-3076 to answer any questions regarding Proposed Amended Regulation III and Proposed Amended Rule 209.

**Date:** April 3, 2019

**Signature:**

Barbara Radlein  
Program Supervisor, CEQA Section  
Planning, Rules, and Area Sources

## NOTICE OF EXEMPTION

**To:** County Clerks  
Counties of Los Angeles, Orange,  
Riverside and San Bernardino

**From:** South Coast Air Quality Management District  
21865 Copley Drive  
Diamond Bar, CA 91765

**Project Title:** Proposed Amended Regulation III – Fees, and Proposed Amended Rule 209 - Transfer and Voiding of Permits

**Project Location:** The SCAQMD has jurisdiction over the four-county South Coast Air Basin (all of Orange County and the non-desert portions of Los Angeles, Riverside and San Bernardino counties), and the Riverside County portions of the Salton Sea Air Basin (SSAB) and Mojave Desert Air Basin (MDAB). The SCAQMD's jurisdiction includes the federal nonattainment area known as the Coachella Valley Planning Area, which is a sub-region of Riverside County and the SSAB.

**Description of Nature, Purpose, and Beneficiaries of Project:** The proposed project is comprised of amendments to Regulation III and Rule 209. Proposed Amended Regulation III – Fees, consists of: 1) an increase in fees for consistency with the increase in the California Consumer Price Index (pursuant to Rule 320); 2) new and increased fees to meet the requirements of recently adopted rules and state mandates; 3) new or increased fees for cost recovery; and 4) administrative changes that include clarifications, deletions, or corrections to existing rule language for multiple rules that comprise Regulation III (Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315). Proposed Amended Rule 209 consists of a clarification on how permit transfers are considered when there is a change of owner/operator.

**Public Agency Approving Project:**  
South Coast Air Quality Management District

**Agency Carrying Out Project:**  
South Coast Air Quality Management District

**Exempt Status:**

CEQA Guidelines Section 15061(b)(3) – Common Sense Exemption

CEQA Guidelines Section 15273 – Rates, Tolls, Fares, and Charges

CEQA Guidelines Section 15308 – Actions By Regulatory Agencies For Protection Of The Environment (Class 8 Categorical Exemption)

**Reasons why project is exempt:** SCAQMD staff has reviewed the proposed project pursuant to: 1) CEQA Guidelines Section 15002(k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA; and 2) CEQA Guidelines Section 15061 – Review for Exemption, procedures for determining if a project is exempt from CEQA. With respect to the proposed fee updates, new fees, amendments, and administrative changes in Proposed Amended Regulation III and Proposed Amended Rule 209 that are strictly administrative in nature, it can be seen with certainty that there is no possibility that the proposed project may have a significant adverse effect on the environment. Thus, the project is considered to be exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Common Sense Exemption. Additionally, the entirety of Proposed Amended Regulation III is statutorily exempt from CEQA requirements pursuant to CEQA Guidelines Section 15273 – Rates, Tolls, Fares, and Charges, because the proposed fee updates, new fees, and amendments to Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315 involve charges by public agencies for the purpose of meeting operating expenses and financial reserve needs and requirements. Also, the proposed amendments to Rule 209 are categorically exempt because they are designed to further protect or enhance the environment pursuant to CEQA Guidelines Section 15308 – Action by Regulatory Agencies for Protection of the Environment. Further, SCAQMD staff has determined that there is no substantial evidence indicating that any of the exceptions to the categorical exemptions apply to the proposed amendments to Rule 209 pursuant to CEQA Guidelines Section 15300.2 – Exceptions.

**Date When Project Will Be Considered for Approval (subject to change):**

SCAQMD Governing Board Hearing: May 3, 2019; SCAQMD Headquarters

<b>CEQA Contact Person:</b>	<b>Phone Number:</b>	<b>Email:</b>	<b>Fax:</b>
Mr. Ryan Bañuelos	(909) 396-3479	<a href="mailto:rbanelos@aqmd.gov">rbanelos@aqmd.gov</a>	(909) 396-3982

<b>Regulation Contact Person:</b>	<b>Phone Number:</b>	<b>Email:</b>	<b>Fax:</b>
Mr. Shah Dabirian	(909) 396-3076	<a href="mailto:sdabirian@aqmd.gov">sdabirian@aqmd.gov</a>	(909) 396-3324

**Date Received for Filing:** \_\_\_\_\_ **Signature:** \_\_\_\_\_ *(Signed Upon Board Approval)*  
Barbara Radlein  
Program Supervisor, CEQA Section  
Planning, Rule Development & Area Sources

## **ATTACHMENT L**

### **ARTICLE 7**

#### **DESIGNATED DEPUTY ANNUAL SALARIES**

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

Assistant Chief Deputy Counsel, Major Prosecutions	\$162,826
Assistant Deputy Executive Officer, including Chief Information Officer	\$160,374
Chief Deputy Counsel	\$183,790
Deputy Executive Officer, including Chief Operating Officer and Chief Administrative Officer	\$171,651
Director of Strategic Initiatives	\$153,218
Health Effects Officer	\$126,053 - \$153,218 (Steps 1 – 5)
Intergovernmental Affairs Officer	Vacant
Senior Policy Advisor	\$156,196

(Effective with the start of the pay period encompassing July 1, 2018)

Assistant Chief Deputy Counsel, Major Prosecutions	\$167,304
Assistant Deputy Executive Officer, including Chief Information Officer	\$164,784
Chief Deputy Counsel	\$188,844
Deputy Executive Officer, including Chief Operating Officer and Chief Administrative Officer	\$176,371
Director of Strategic Initiatives	\$157,432
Director of Communications	\$157,432
Health Effects Officer	\$126,053 - \$157,432 (Steps 1 – 6)
Intergovernmental Affairs Officer	Vacant
Senior Policy Advisor	Vacant

(Effective with the start of the pay period encompassing July 1, 2019)

Assistant Chief Deputy Counsel, Major Prosecutions	\$171,905
Assistant Deputy Executive Officer, <del>including Chief Information Officer</del>	\$169,316
Chief Deputy Counsel	\$194,037
<u>Chief Operating Officer</u>	<u>\$194,037</u>
Deputy Executive Officer, including Chief <del>Operating</del> <u>Financial</u> Officer and Chief <del>Administrative</del> <u>Information</u> Officer	\$181,222
Director of Strategic Initiatives	\$161,761
Director of Communications	\$161,761



<u>Director of Community Air Programs/Health Effects Officer</u>	\$126,053 - \$161,761 (Steps 1 – 7)
Intergovernmental Affairs Officer	Vacant
Senior Policy Advisor	Vacant

(Effective with the start of the pay period encompassing July 1, 2020)

Assistant Chief Deputy Counsel, Major Prosecutions	\$176,632
Assistant Deputy Executive Officer, <del>including Chief Information Officer</del>	\$173,972
Chief Deputy Counsel	\$199,373
<u>Chief Operating Officer</u>	<u>\$199,373</u>
Deputy Executive Officer, including <del>Chief Operating</del> <u>Financial</u>	
Officer and <del>Chief Administrative Information</del> <u>Officer</u>	\$186,205
Director of Strategic Initiatives	\$166,209
Director of Communications	\$166,209
<u>Director of Community Air Programs/Health Effects Officer</u>	\$126,053 - \$166,209 (Steps 1 – 8)
Intergovernmental Affairs Officer	Vacant
Senior Policy Advisor	Vacant

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## ATTACHMENT M

TITLE: DIRECTOR OF COMMUNITY AIR PROGRAMS/HEALTH EFFECTS OFFICER

DEFINITION: Under general direction, serves as program ~~manager~~ director and develops and implements programs on the health effects of air pollution and as a technical specialist conducts the most difficult and complex research and analysis of health related air quality problems and develops rules and regulations based on the Air Quality Management Plan; formulates guidelines, rules, regulations and policies pertaining to air quality management, and does other work as required.

CLASSIFICATION STANDARDS: This single-position management class supervises a unit of professional and technical staff and/or is responsible for developing programs and performing the most complex health related air pollution control work.

### EXAMPLES OF DUTIES:

Implements the Health Effects Program; establishes working policies and procedures within South Coast Air Quality Management District (South Coast AQMD) requirements; coordinates program activities with other South Coast AQMD District offices.

Conducts research to identify gaps in existing health effects data, conducts studies on the health effects of criteria and toxics pollutants, and provides expert testimony and technical support to other staff.

Oversees and participates in the planning, organization and development of complex projects and programs for evaluating, maintaining and updating the Air Quality Management Plan and for developing rules and regulations.

Acts as section or project liaison to Advisory Council, South Coast AQMD ~~District~~ Governing Board, other public agencies, and environmental, community or other public groups in the air quality management and rule development processes.

Provides advice and consultation to public agencies and business on various aspects of South Coast AQMD ~~District~~ plans and policies as well as specific programs and regulatory requirements.

Supervises a professional staff unit and provides subordinates with support, advice and the interpretation of policy as required.

Prepares and supervises the preparation of reports, scientific papers and other written documents and reviews and edits such material prepared by team members.

Evaluates effectiveness of programs and projects in progress and redirects or modifies them as necessary in order to achieve South Coast AQMD ~~District~~ goals.

Develops and modifies computer software as required for carrying out work on projects and programs.

Prepares and supervises the preparation of evaluations, analyses and other forms of quantitative assessment of air quality data.

**TITLE: DIRECTOR OF COMMUNITY AIR PROGRAMS/HEALTH EFFECTS OFFICER**

Conceptualizes research models by synthesizing or modifying concepts and approaches from the mathematical, statistical and physical sciences.

Provides assistance in the coordination of investigative projects concerned with measurement and analysis of air quality development of emission inventories, and determination of emission reduction and source performance standards with engineering, sources test and other technical personnel.

Reviews and reports on research papers and technical literature pertinent to air quality planning, emissions, control, and rule development.

Speaks as representative of the South Coast AQMD District before scientific, professional, public and community groups.

Reviews legislation and provides technical assistance and expertise in preparation of briefs and testimony for legal proceedings affecting the basic programs of the South Coast AQMD District.

**MINIMUM REQUIREMENTS:**

**EDUCATION:** Graduation with a bachelor's degree from an accredited college or university, preferably with a major in an academic discipline related to the assigned area of specialization.

**DESIRABLE QUALIFICATIONS:** An M.D. or Ph.D. degree with extensive training and research in medicine, health or a closely related field and/or advanced research in the health effects of air pollution and/or extensive knowledge of air pollution research (ozone, P.M. 10. ambient acids, etc.).

**EXPERIENCE:** Four years of technical and scientific air quality or professional analytical experience which would demonstrate the requisite knowledge, skills and abilities defined in the job announcement for the position.

**KNOWLEDGE OF:** A specific discipline such as chemistry, economics, environmental planning or related field with emphasis on its relationship to air quality planning and rule development; the principles, methods and procedures of environmental review, planning and rule development; principles and practices of program management; the provisions of the Clean Air Act; federal and State regulations regarding air quality and air pollution control; research methods and techniques; knowledge of principles and practices of supervision.

**ABILITY TO:** Compile and analyze technical data; direct and evaluate comprehensive planning and research studies; plan, organize, and coordinate programs and project activities; understand and interpret applicable laws and regulations; prepare and present concise, logical reports of a technical nature; establish and maintain cooperative relations with South Coast AQMD District staff and others contacted in the course of work; supervise, prioritize and coordinate the work of subordinate staff; make public presentations.

ATTACHMENT N

# FY 2019-20 South Coast AQMD Budget, Goals and Priority Objectives and Regulation III

Governing Board Meeting  
May 3, 2019



# FY 2019-20 Topics

- Goals and Priority Objectives
- General Fund Budget
- Reg. III Fee Adjustments

# Hierarchy

## Mission Statement

To clean the air and protect the health of all residents in the South Coast Air District through practical and innovative strategies.

### Goal I

Achieve clean  
air standards

Priority  
Objectives (9)

### Goal II

Enhance public  
education and  
equitable treatment  
for all communities

Priority  
Objectives (5)

### Goal III

Operate  
efficiently and  
transparently

Priority  
Objectives (6)

# FY 2019-20 General Fund Budget Summary

	FY 2018-19			FY 2019-20
	<u>Budget</u>	<u>Amended*</u>	<u>Estimate**</u>	<u>Proposed***</u>
<b>Revenue***</b>	\$162.6	\$167.5	\$165.5	\$170.9
<b>Program Cost</b>	<u>\$162.6</u>	<u>\$175.9</u>	<u>\$170.6</u>	<u>\$170.9</u>
<b>Change to Fund Balance</b>	<u>\$0.0</u>	<u>-\$8.4</u>	<u>-\$5.1</u>	<u>\$0.0</u>

\* Board approved changes through March 2019.

\*\* FY 2018-19 estimate includes potential April Board actions for Health Effects transfer and elevator replacement.

\*\*\* FY 2019-20 Proposed Revenue Budget includes a projected CPI fee increase of 3.5% with the third and final year of an additional 10.66% increase for Title V annual operating permit renewal and permit processing fees.

# FY 2019-20 Proposed Staffing Changes

## Add:

- 1 Administrative Secretary - Legislative & Public Affairs/Media Office
- 1 Deputy Executive Officer - Finance
- 1 Deputy Executive Officer - Administrative & Human Resources
- 1 Deputy Executive Officer - Information Management
- 1 Program Supervisor – Legislative & Public Affairs/Media Office
- 2 Supervising Office Assistant – Engineering & Permitting and Information Management

## ■ Delete:

- 1 Chief Administrative Officer - Finance
- 1 Assistant Deputy Executive Officer - Finance
- 1 Assistant Deputy Executive Officer - Administrative & Human Resources
- 1 Assistant Deputy Executive Officer - Information Management
- 2 Principal Office Assistant – Engineering & Permitting and Information Management

## ■ Title Change:

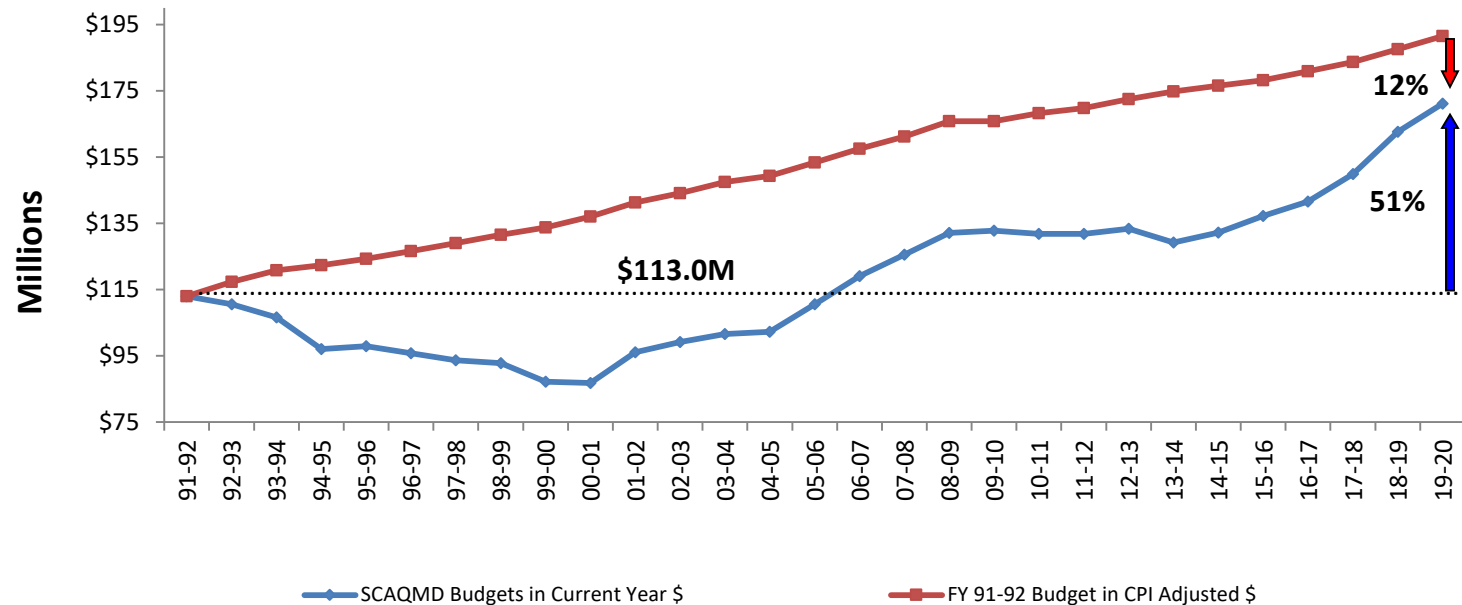
- From Health Effects Officer to Director of Community Air Programs/Health Effects Officer

## ■ Executive Salary Change:

- Increase the Chief Operating Officer's salary by \$12,816

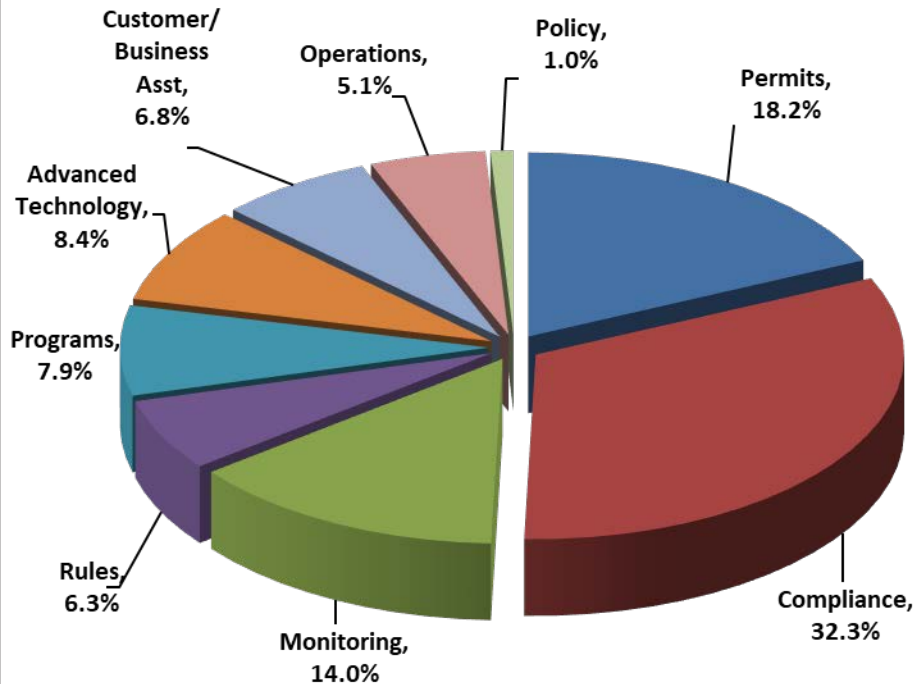


# Inflation Impact on SCAQMD Budgets FY 1991-92 through FY 2019-20



# Expenditures by Activity

## FY 2019-20 Proposed Budget \*



Program	Activities
Compliance	Inspections, Investigations, PERP, Arch Coatings
Customer/Business Assistance	Billings Services, Outreach, Public Records
Programs	AQMP, CEQA, Transportation
Rules	Rulemaking, Modeling
Monitoring	PM Sampling, Ambient Network/Air Analysis
Permits	Permit Processing/Services
Operations	Bldg Maint/Systems, Comp Ops, Fin, HR, Purchasing, Training
Policy	Outreach, Legislation, Advisory Groups/Governing Board
Advance Technology	Mobile Sources/Carl Moyer, Clean Fuels, Prop. 1B, MSRC

# FY 2019-20 General Fund Budget

## Five Year Projection

(\$ in millions)	FY 18-19 Estimated	FY 19-20 Projected	FY 20-21 Projected	FY 21-22 Projected	FY 22-23 Projected	FY 23-24 Projected
STAFFING		939	939	939	939	939
Revenues *	\$165.5	\$170.9	\$175.1	\$175.0	\$176.1	\$178.4
Program Costs	\$170.6	\$170.9	\$180.7	\$184.0	\$185.0	\$179.2
Change in Fund Balance	-\$5.1	\$0.0	-\$5.6	-\$9.0	-\$8.9	-\$0.8
UNRESERVED FUND BALANCE (at Year-End)	\$49.7	\$49.7	\$44.1	\$35.1	\$26.2	\$25.4
% of REVENUE	30%	29%	25%	20%	15%	14%
<ul style="list-style-type: none"> <li>Includes projected CPI fee increase of 3.5% for FY 2019-20 with the third and final year of an additional fee increase approved by the Governing Board in June 2017, (10.66% for Title V annual operating permit renewal and permit processing fees). FY 20-21, FY 21-22, FY 22-23 and FY 23-24 have CPI fee increases of 3.7%, 3.2%, 2.9% and 2.8% respectively.</li> </ul>						

# Proposed Amended Regulation (PAR) III - Fees

- Annual CPI-based fee increase: 3.5% across the board
- 5 proposals with new fees or fee increases
  - Toxics Emissions Fees (next slides)
  - Four minor fee adjustments
- 6 proposals for fee reduction or relief
- 4 proposals with no fee impact and/or administrative changes
  - One additional proposal to Rule 209 to clarify change of owner/operator

# Toxics Emissions Fees

## Two key issues

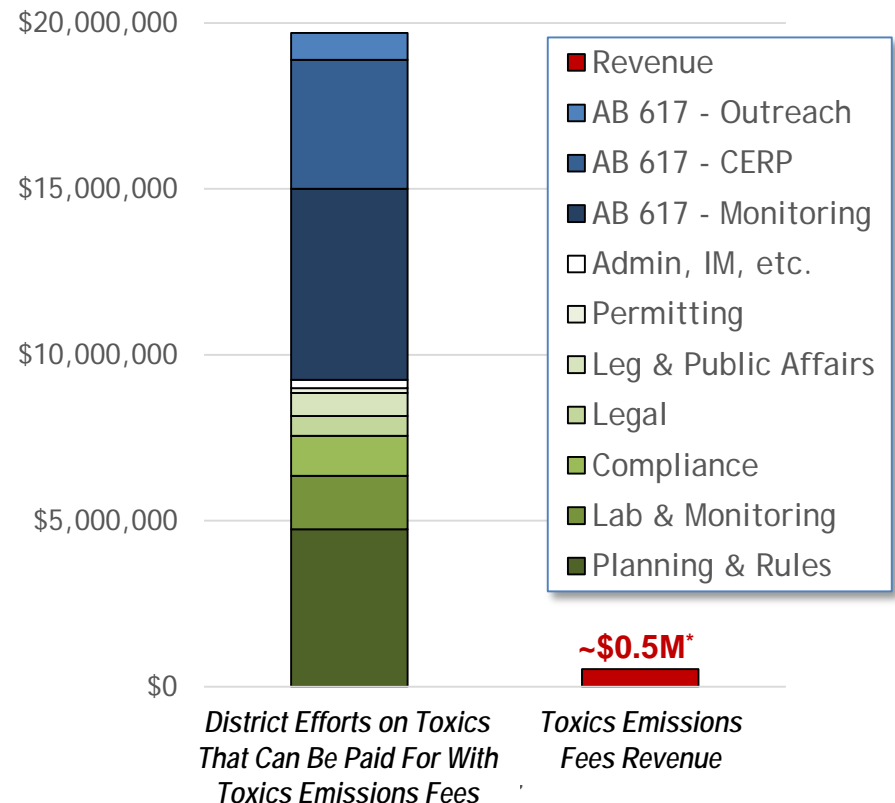
1. Significant recent and anticipated upcoming District efforts on toxics emissions from stationary sources

- Examples: toxic metals, fugitive hydrocarbons, new state health risk assessment guidance, AB 617

2. Structure of toxic emissions fees does not correlate with recent and anticipated upcoming workload




- Workload most closely correlated to:
  - Toxicity of emissions from a facility
  - Complexity of emissions sources at a facility (e.g., # of devices)

*Subset of District Effort on Toxics vs. Toxics Emissions Fees*



\*~\$20M collected for criteria pollutant emissions

# Proposed Toxics Emissions Fees

- 1) Introduce a new Base Toxics Fee to recover costs for basic functioning of toxics reporting program (software + minimal staffing)
  - \$78.03/facility if toxics reported **\$0.1M**
- 2) Introduce a new Flat Rate Device Fee to recover costs for staff toxics inventory work
  - \$341.89 per permitted device with toxics emissions
  - Inventory workload highly correlated with number of devices **\$1.4M**
- 3) Introduce a new Cancer Potency-Weighted Fee to recover costs for staff enforcement and related efforts for higher toxicity facilities (AB 617, monitoring, source testing, rulemaking)
  - \$10 per cancer potency-weighted pound of toxics emissions
  - Add Diesel PM to the list of 21 common toxics that require fees
  - Fees for ammonia and ozone depleters would not change **\$3.4M**  

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**\$4.9M\***

*\*~\$4.4M higher than current fees*

# Toxic Emissions Fees - Proposed Schedule

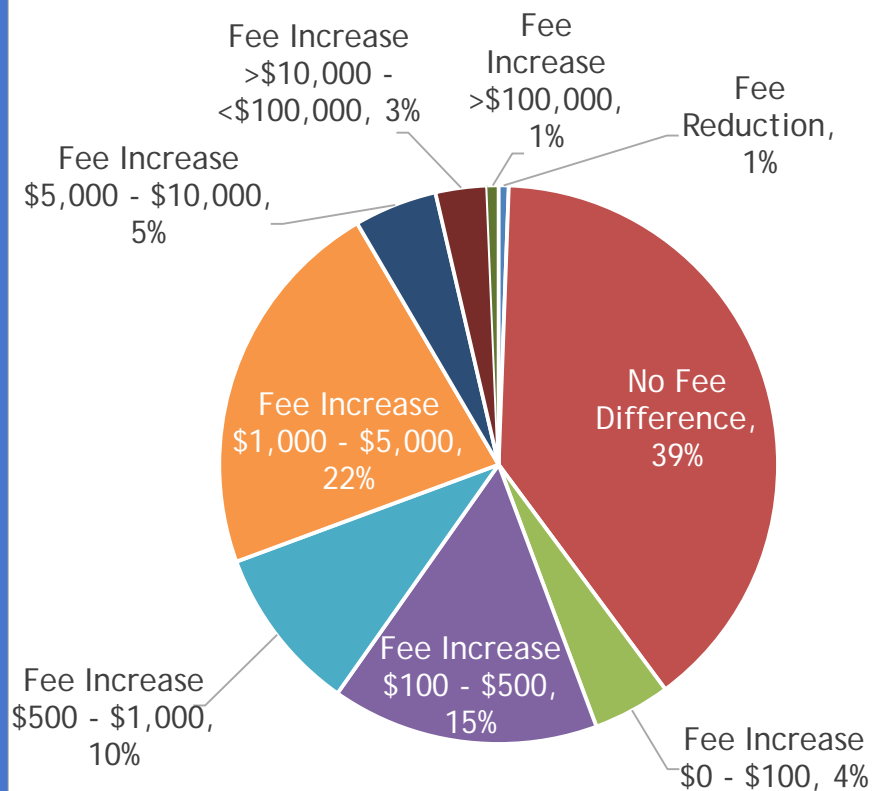
- Increase in proposed fees phased in over next three years
  - Proposal would increase emissions fees revenue ~22%
    - Including both toxics and criteria pollutants

- Proposed phase in:

	January 1, 2020	January 1, 2021	January 1, 2022
Flat fee	No change other than typical CPI increase	\$78.03	\$78.03
Per device fee		\$170.95	\$341.89
Cancer potency-weighted fee (per lb.)		\$5.00	\$10.00

- Due to fluctuating nature of toxics work, staff will revisit fee level in future and propose rebalancing up or down as necessary

# Toxic Emissions Fee Impact



Industry Sector	# of Facilities	Average Difference	Max Difference
<i>Refineries</i>	8	\$146,690	\$427,369
<i>Utilities</i>	126	\$5,667	\$182,228
<i>Waste Management</i>	61	\$5,214	\$160,368
<i>Transp. &amp; Warehousing</i>	46	\$4,553	\$46,325
<i>Education</i>	22	\$4,474	\$28,239
<i>Arts, Entertainment, &amp; Recreation</i>	8	\$3,278	\$13,440
<i>Health Care</i>	52	\$3,278	\$15,433
<i>Information Technology</i>	11	\$2,838	\$9,012
<i>Manufacturing</i>	653	\$1,828	\$211,092
<i>Mining and Oil/Gas Extraction</i>	89	\$1,754	\$15,481
<i>Wholesale Trade</i>	67	\$1,595	\$18,800
<i>Professional &amp; Technical Services</i>	24	\$1,490	\$13,805
<i>Public Administration</i>	29	\$1,444	\$8,167
<i>Construction</i>	24	\$883	\$5,695
<i>Retail Trade</i>	106	\$853	\$7,580
<i>Hotels &amp; Restaurants</i>	4	\$332	\$625
<i>Agriculture &amp; Forestry</i>	34	\$319	\$9,030
<i>Other</i>	176	\$76	\$4,111



# Stakeholder Feedback

- Review/approval of source tests used for emissions reporting should be streamlined so facilities don't have to use default emission factors
  - Board resolution directs staff to review and update emission factors as appropriate, in consultation with a Working Group
  - Resources provided by proposed amendments can be used to improve source testing reviews/approvals
- Many facilities may pay higher fees due to CARB's proposed new Criteria and Toxics Reporting (CTR) Regulation
  - Proposed amendment will not require more facilities to report
  - If CARB requires more reporting, more District resources will be needed
  - Any new facilities reporting due to CTR are expected to have lower emissions, and fees
- South Coast AQMD's legal authority regarding fees is overstated
  - Statute and case law provides clear legal authority for these fees
  - Fees meet all legal requirements

# Stakeholder Feedback – cont'd

- Questions about justification for increased fees
  - Proposed amendments are necessary to recover reasonable costs of regulatory work performed by South Coast AQMD and proposed fee structure is equitable
  - Current fees fall short of the costs associated with work on toxic emissions at stationary sources. That shortfall, if allowed to continue, has the potential to create inequities in the overall permitted source program
- Requesting extension of three-year phase in to four years
  - Proposed amendments include a one year delay before phase in begins to allow facilities time to adjust
  - Board resolution directs staff to revisit fees after phase in to determine if they need to be adjusted
- Additional time needed for more industry outreach before Board consideration
  - Outreach has already included two public consultation meetings, a meeting of the budget advisory committee, a webinar, and multiple targeted emails to affected facilities

# Recommended Actions:

- Determine that Proposed Amendments to Regulation III and Rule 209 are exempt from CEQA;
- Adopt the Executive Officer's FY 2019-20 Proposed Goals and Priority Objectives;
- Adopt the FY 2019-20 Draft Budget;
- Amend the Salary Resolution; &
- Approve the Amendments to Regulation III and Rule 209